

# CITY MANAGER EMPLOYMENT AGREEMENT

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This City Manager Employment Agreement (“Agreement”) is a contract made and entered into on this **22<sup>nd</sup> day of April, 2020**, by and between **ROBERT ALEXANDER EADS** ("City Manager") and the **CITY OF LAREDO**, a Texas municipal corporation, (“City”). City Manager and City both may be referred to collectively as the “Parties.”

## RECITALS

**WHEREAS**, the City of Laredo desires to employ the services of Robert Alexander Eads as the City Manager of the City, pursuant to the terms, conditions and provisions of this Agreement; and

**WHEREAS**, Robert Alexander Eads has agreed to accept employment as the City Manager, subject to the negotiated terms, conditions and provisions of this Agreement; and

**WHEREAS**, the City represents that it is executing this Agreement by and through its City Council, and that the Mayor has the authority of the City Council and the City to execute this Agreement; and

**WHEREAS** this Agreement states the essential terms of the agreement pursuant to which Robert Alexander Eads will provide employment services to the City as the City Manager of the City; and

**NOW, THEREFORE**, in consideration of the mutual covenants, promises and agreements contained herein, the Parties, intending to be legally bound, agree as follows.

## SECTION 1. APPOINTMENT

The City Council, on behalf of the City, appointed Robert Alexander Eads as City Manager of the City of Laredo, Texas, on March 4, 2020, to perform the functions and duties of that position as specified in the City Charter of the City of Laredo, Article III, Section 3.05, and to perform other legally permissible duties and functions as the Council shall reasonably assign.

## SECTION 2. TERM

Robert Alexander Eads is appointed for an indefinite term. Nothing herein shall prevent, limit, or otherwise interfere with the right of the City to remove the City Manager, or with the right of the City Manager to voluntarily resign, in accordance with the provision set forth in **Section 5** of the Agreement. Robert Alexander Eads is herein considered to have officially assumed the duties of City Manager from the date of his appointment on March 4, 2020.

## SECTION 3. COMPENSATION & BENEFITS

**A. Base Annual Salary.** The City Manager shall be paid an initial annual base salary of **(\$270,000)** plus specified benefits payable in installments at the same time as other employees of the City are paid. The City Manager’s base salary may be increased as determined by the City Council following any satisfactory performance evaluation or as a result of an increase in the compensation of other non-uniformed City employees and at the direction of City Council.

**B. Health Insurance Coverage.** During his employment with the City, the City shall pay the costs of the City Manager's enrollment within its insurance plans for health, vision, dental, and comprehensive medical insurance pursuant to the group health care plan provided by the City for its non-civil service, as may be amended from time to time during the term of this Agreement. *City Manager agrees and acknowledges that following his employment with the City, all health insurance benefits received through the City of Laredo shall cease after the expiration of thirty (30) days.*

**C. Expenses.** To effectively perform assigned duties, the City Manager requires effective reliable tools and resources, including staff, IT assets and support, and transportation. The City shall pay and reimburse the City Manager for expenses incurred in the continuing performance of the City Manager's duties under this Agreement to include: (1) a vehicle allowance of **\$500.00** per month; and (2) a cellphone allowance of **\$100.00** per month. The City Manager may, at his option, request that such allowances be paid as salary. The City Manager shall be responsible for paying for and maintaining all liability, property damage, and appropriate insurance coverage upon the vehicle, and shall further be responsible for all expenses attendant to the purchase, maintenance, repair, and replacement of the vehicle and cell phone. Other allowable reimbursements may include, but are not limited to, hotels and accommodations, meals, rental car, gasoline, and all other reasonable expenses incurred in the performance of the business of the City. The City Manager shall comply with all policies and documentation requirements in accordance with applicable law and authority.

**D. Professional Development.** The City will budget and pay for travel and subsistence expenses of the City Manager for professional and official travel meetings and occasions adequate to continue the professional development of the City Manager and to adequately pursue necessary official functions for the City including but not limited to the ICMA Annual Conference, the state league of municipalities and such other national, regional, state and local government group and committees thereof which he serves as a member. The City will budget and pay for travel and subsistence expenses of the City Manager for courses, institutes and seminars that are necessary for his professional development and for the benefit of the City. The City will budget and pay for the professional dues and subscriptions of the City Manager that are necessary for his continued participation in national, region, state, and local associations and organizations necessary and desirable for his continued professional participation, growth, and advancement as City Manager.

**E. Retirement.** City shall provide City Manager with the same retirement benefits provided to non-civil service city employee. City Manager shall thus participate in the Texas Municipal Retirement System (TMRS) to the extent provided for in the Texas Municipal Retirement System Act, Texas Government Code, Subtitle G. Texas Municipal Retirement System, Chapter 851, as amended. City further agrees to contribute to the City Manager's 457 Plan (or any substitute plan) Retirement Plan in the annual amount of ten thousand dollars (\$10,000) plus the maximum allowable "Age 50" Catch-Up Contribution for such calendar year. The City Manager may elect to pay any "Catch-Up" Limit allowed by the City's 457 Plan (or any substitute plan) out of his own salary provided that such election is made in accordance with the Plan's requirements. To the extent that participation in the Texas Municipal Retirement System and 457 Retirement Plan are taxable income under the applicable provisions of the Internal Revenue Code, the City shall indemnify City Manager and hold City Manager harmless against all Federal wage and income taxes, interest and penalties relating thereto. To effect this indemnification, the City shall pay City Manager and additional amount that is sufficient to pay any Federal wage and income taxes under the Code on the payments and benefits to which Manager is entitled without the additional amount plus another additional amount sufficient to pay all the income and wage taxes on the additional amounts.

## SECTION 4. PERFORMANCE EVALUATION

**A. Mandatory Annual Review.** The City Council shall formally review and evaluate the performance and compensation of the City Manager at least once annually following the adoption of the annual operating budget or at any other time the City Council shall so determine. The City may increase the base salary and benefits of the City Manager in such amount and to such extent as the City Council may determine is desirable on the basis of an annual salary review which shall occur at the same meeting when the City Manager is evaluated.

**B. Performance Objectives.** Annual review and evaluation shall be in accordance with performance objectives attached hereto as **Exhibit A** that were established and agreed to by the City Council and City Manager in light of the existing emergency declaration that the City is currently facing. The City Council shall initially use said performance metrics for the first six months of employment as a guide for evaluating the City Manager's performance and in considering a salary increase. Anonymous Employee Feedback Forms shall be prepared and distributed by the Human Resources Department to all Directors, Assistant City Managers, and the Deputy City Manager. One factor that the City Council shall consider in assessing the City Manager's yearly performance is the summary of those completed Employee Feedback Forms that were submitted to the Internal Auditor's Office for collection

**C. Optional Performance Review.** In addition to the annual review, the City Manager may in his sole option request a six (6) month performance review by requesting that the Mayor place the item on the agenda. The purpose of this review is to determine whether City Manager has satisfactory met his performance objectives and to add additional goals for the annual review.

**SECTION 5. TERMINATION.** The City may terminate the employment of the City Manager at any time subject to applicable provisions of the City Charter. Similarly, the City Manager may resign his employment at any time subject to the provisions herein.

**A. Severance Payment.** If City Manager's employment is terminated by the City or by City Manager in a "Without Cause Termination," as defined in B. below, then the City shall pay City Manager a "Severance Payment" which includes a lump sum amount equal to twelve (12) months base salary (calculated upon the highest base salary rate in effect for the City Manager at any time during the City Manager's employment) together with all annual leave accrued by the City Manager prior to removal. The lump sum payment described herein shall be paid within thirty (30) days of the termination date. City Manager shall also be entitled to receive any and all other benefits identified under this Agreement.

**B. Without Cause.** The City *shall have* an obligation to pay the City Manager the lump sum severance payment amount in A. above if terminated Without Cause. For purposes of this Section, a "Without Cause Termination" shall mean any of the following:

- 1) City Manager's removal from the position of City Manager by the City other than a removal "For Cause" as defined in this Agreement;
- 2) City Manager's resignation following a reduction in the City Manager's salary or benefits by the City Council or following a material diminution by the City Council of the amounts paid pursuant to Section III of this Agreement;

- 3) City Manager's resignation following a formal request for him to resign, or other expression of no confidence by a majority of the City Council at a meeting of the City Council;
- 4) City Manager's resignation following an affirmative act by City Council indicating that the City Manager's services are no longer desired by a majority of the City Council;
- 5) City Manager's resignation following written notice informing the City Council of its failure to comply with a material provision of this Agreement; or
- 6) City Manager's resignation following an affirmative act by a majority of the City Council suggesting that City Manager's services are no longer wanted by a majority of the City Council.

**C. With Cause.** The City *shall not have* an obligation to pay the City Manager the severance payment in A. above if terminated With Cause. The City may direct the City Attorney to provide written notice to the City Manager immediately suspending him from duty "For Cause" for any of the following:

- 1) A willful and material breach of the terms and conditions of this agreement;
- 2) Flagrant or repeated neglect of duties after being notified in writing by the City Attorney of such neglect;
- 3) An act involving illegal personal gain in the performance of duties under the terms of this agreement;
- 4) Conviction of a crime, whether a misdemeanor or felony, for an illegal activity performed while acting in the capacity of City Manager;
- 5) Refusal or failure to act in accordance with any lawful directive or order of the City Council given during the course of a duly noticed meeting.
- 6) The commission of any crime of moral turpitude that occurs in the commission by City Manager of his duties hereunder or that was enabled by the abuse of such duties or the indictment or conviction of any felony;
- 7) A failure to carry out the material duties or responsibilities of the City Manager, which failure causes material harm, costs, liability, or risk to the City and provided that, if such failure is capable of cure, City Manager has failed to cure after reasonable written notice; or
- 8) The commission of an act of moral turpitude. Moral turpitude is an act or behavior that gravely violates the widely-accepted moral standard of the community and substantially and directly reflects negatively on the City.

## **SECTION 6. INDEMNIFICATION**

To the extent permitted under state law, the City shall defend, save harmless, and indemnify Robert Alexander Eads against any tort, professional liability claim or demand, or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Robert Alexander Eads's duties as the City Manager, and shall obtain and keep in full force and effect liability insurance or risk pool coverage, including errors and omissions coverage on a "per occurrence" basis in sufficient amounts to assure accomplishment of such hold harmless and indemnification; provided that this Section shall not be construed as creating any legal right cause of action, or claim of waiver or estoppels for or on behalf of any third party, nor shall it be construed as a waiver or modification of the availability of the defense of governmental immunity or any other legal defense available to either City or the City Manager as to any third party. The City hereby reserves the right to act at its sole discretion to compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon, to the extent permitted by law. This indemnification shall extend beyond and survive the termination of employment and the expiration of this Agreement.

## **SECTION 7. CONFLICTS & CONFIDENTIAL INFORMATION**

During the term of this Agreement, City Manager shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict, with the proper discharge of City Manager's duties under this Agreement. City Manager shall at all times comply with all requirements of law. All data, studies, reports and other documents prepared by City Manager while performing her duties during the term of this Agreement shall be furnished to and become the property of the City, without restriction or limitation on their use. During the term of this Agreement, and after the termination of this Employment Agreement, all ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to City manager in connection with the performance of this Agreement shall be and remain held confidential by City Manager to the extent permitted by applicable law, except as may be required by any governmental agency or court of competent jurisdiction. Such materials shall not be used by City Manager without the prior written consent of the City Council, for any purposes other than the performance of City Manager's duties. Additionally, no such materials or information may be disclosed to any person or entity not connected with the performance of services under this Agreement, except as required by law, subpoena, or an order issued by a court of competent jurisdiction.

## **SECTION 8. OTHER TERMS AND CONDITIONS OF EMPLOYMENT**

**A.** The City, in consultation and Agreement with Robert Alexander Eads, shall fix any such other term and condition of employment, as it may determine from time to time, relating to his performance provided such terms and conditions are not inconsistent with or in conflict with the City Charter, other law or with this Agreement without the consent in writing of both parties.

**B.** The City shall provide the City Manager with the same sick leave, annual leave, holidays and related benefits as those provided to non-civil service city employees. Because the duties of the City Manager requires extensive time outside of normal work hours, and it is often called upon twenty-four (24) hours a day, he shall earn four (4) additional annual leave days per quarter year, which may accumulate and carry over from year to year if not used by the City Manager during the work year.

C. All provisions of the City Charter, City ordinances, codes, regulations and rules of the City relating to annual leave and sick leave, retirement and pension system contribution, holidays, and other benefits and working conditions as they now exist or hereafter may be amended or enacted, shall also apply to the City Manager as they would to other employees of the City, except to the extent altered for the benefit of the City Manager as provided herein.

## **SECTION 9. NOTICES**

Notices required pursuant to this Agreement shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service, postage prepaid, addressed as follows:

### **IF TO CITY:**

City Council c/o Mayor Pete Saenz  
With a Copy to the City Attorney  
1110 Houston Street  
Laredo, Texas 78040

### **IF TO CITY MANAGER:**

Robert Alexander Eads  
1110 Houston Street  
Laredo, Texas 78040

## **SECTION 10. GENERAL PROVISIONS**

A. The term "non-civil service city employee" as used throughout this Agreement, is meant to include only those employees who are not beneficiaries of the collective bargaining agreements between the City of Laredo and the police and fire department unions.

B. The text herein shall constitute the entire provision for conditions of employment and compensation for the City Manager.

C. This document shall be binding upon and inure to the benefit of the heirs at law and executors of the City Manager.

D. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in force and effect.

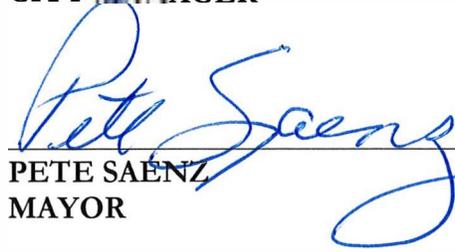
E. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas. Venue shall lie exclusively in Webb County, Texas.

F. This Agreement is intended as a full complete expression of, and constitutes the entire Agreement between the parties with respect to the subject matter. All prior agreements, promises, representations, terms and conditions, both oral and written, are merged and incorporated into this Agreement, and no oral or written understandings, agreements, promises, representations, terms or conditions not specifically set forth herein shall be binding upon City and City Manager.

IN WITNESS WHEREOF, this AGREEMENT has been signed and executed by the City of Laredo, through its Mayor, and the City Manager, as of the dates written below.

  
ROBERT ALEXANDER EADS  
CITY MANAGER

Date: 4-22-2020

  
PETE SAENZ  
MAYOR

Date: 4-22-2020

ATTEST:

  
JOSE A. VALDEZ, JR.  
CITY SECRETARY



APPROVED AS TO FORM:

  
KRISTINA K. LAUREL HALE  
CITY ATTORNEY

# Exhibit {A}



## **Performance Evaluation, Goals & Objectives For the Laredo City Manager**

**March 4, 2020 – March 1, 2021**



# EVALUATION

## ➤ Purpose of Evaluation.

The basis for the performance evaluation process to be conducted by and between the City Council and the City Manager is as follows:

1. To identify performance objectives for the City Manager to be used in the evaluation process.
2. To provide important feedback to the City Manager identifying areas of strengths and accomplishments as well as areas in which improvement may be needed.
3. To strengthen the relationship between the City Council and City Manager and help in clarifying expectations of the roles and responsibilities of both the City Council and the City Manager.

## ➤ Annual Evaluation Procedure.

The evaluation procedure remains at the mutual discretion of the City Council and City Manager and may be modified at any time. In general, the evaluation process will include the following steps:

1. The City Council and City Manager shall establish a set of goals for the coming year. .
2. The City Manager shall complete a report on city operations, issues, and matters pertinent to the governance and management of the organization.
3. The Mayor and Council will meet in executive session to discuss the City Manager’s performance and to assimilate their individual evaluations of the Manager.
4. The City Manager’s cumulative evaluation score shall take into consideration the department director’s anonymous feedback forms in accordance with Section 4B of the City Manager Employment Agreement.

# PERFORMANCE GOALS & OBJECTIVES

The City Manager developed a general list of priorities that were discussed with the Mayor and Members of the City Council on April 20, 2020. The following City Manager Performance Objectives are intended to further the immediate goals of the City of Laredo related to the COVID-19 pandemic disaster in the areas of:

- |                         |               |
|-------------------------|---------------|
| 1. PUBLIC HEALTH        | 4. BUDGET     |
| 2. ECONOMIC DEVELOPMENT | 5. INNOVATION |
| 3. COUNCIL PROJECTS     | 6. PERSONNEL  |

# ATTAINMENT

The goals and objectives stated above do not attempt to represent the full range of issues and challenges the City Manager is charged with. Rather, these are the priorities that have been endorsed by the City Council amid the Coronavirus pandemic. Because there are many other goals that will consequently take more than one year to reach, the City Manager shall provide City Council with a progress report by Tuesday, September 7, 2020. The City manager shall have the option to request a six month review for purposes of discussing his progress to date, areas of improvement, and any additional objectives. The Formal Performance Evaluation of the City Manager shall occur or after Monday, March 4, 2020.