

CITY MANAGER EMPLOYMENT AGREEMENT

THIS AGREEMENT made and entered into this ____ day of September 2024, by and between the City of Ocala, Florida, a Florida municipal corporation (“Employer or Council”) and Peter A. Lee (“Employee or Manager”) both of whom agree as follows:

WITNESSETH:

WHEREAS, Employer desires to contract for the continual services of Pete Lee as City Manager of the City of Ocala, Florida, as provided for in the Home Rule Charter of the City of Ocala; and

WHEREAS, it is the desire of Council to provide certain benefits, establish certain conditions of employment and to set working conditions of said Employee; and

WHEREAS, it is the desire of the Council to: (1) retain the services of the Employee, (2) provide inducement for him to remain in such employment, (3) make possible full work productivity and independence by assuring Employee’s morale and peace of mind with respect to future security, and (4) to provide a just means for terminating Employee’s services at such time that Employer may desire to terminate her employment.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1. Incorporation of Recitals.

The foregoing recitals are true and correct and incorporated herein by this reference.

Section 2. Powers and Duties of the City Manager.

The Manager shall be employed as the Chief Administrative Officer of the City of Ocala. He may head one or more departments and shall be responsible to the Council for the proper administration of all affairs of the City of Ocala. To that end, the Manager shall have the power and perform all duties as required by Section 4.03 of the City Charter, as well as perform other such duties as may be required by the Council, not inconsistent with the Charter, law or ordinances, or this Agreement.

Section 3. Term.

A. The City Manager serves at the pleasure of the Council, and nothing herein shall be taken to prevent, limit or otherwise interfere with the right of the Council to terminate the services of the Manager at any time subject only to the provisions of Section 3 of this Agreement.

B. This term may be successively extended for a period of two additional years at a time, pursuant to Section 4.01 of the City Charter, related to the appointment of the City Manager. Appointment as provided for in Section 4.01 of the City Charter shall constitute

renewal of this Agreement if a new separate agreement is not negotiated.

C. Employer shall provide at least 90 days' written notice of its intention not to reappoint the Employee as City Manager in accordance with Section 4.01 of the City Charter.

D. In the event Employee voluntarily resigns as Manager before expiration of the term of this Agreement, then Employee shall provide Council with at least 90 days' written notice unless the parties agree otherwise.

Section 4. Termination and Severance Pay

A. In the event the Manager is not reappointed by the Council and the Council does not provide at least a 90-day notice as required in Section 3(C), then Employer agrees to pay Manager a lump sum of cash payment equal to 20 weeks compensation as "severance" as that term is defined in Section 215.425(4)(d), *Florida Statutes*, to include benefits and perquisites such as retirement contribution, deferred compensation payments, and car allowance. In the event the Manager is terminated without cause at any other time, then Employer agrees to pay Manager a lump sum severance equal to 20 weeks compensation. The Manager shall be credited with three (3) months of administrative leave that will be paid out in the event the Manager is terminated without cause at any time. The Manager shall also be paid out for all earned Paid Time Off (PTO), holidays, and other accrued benefits to-date, including extended leave bank, calculated at the rate of pay in effect upon termination. If Council provides at least 90 days' notice of intent not to reappoint, Manager may voluntarily separate from City and receive severance equal to remaining term under this employment agreement, shall also be paid out for all earned PTO, holidays, and other accrued benefits to-date, including extended leave bank, calculated at the rate of pay in effect upon termination.

B. In the event the Manager is terminated by the Council without cause at any time, all life, health, dental, and disability insurance and all other Employer provided benefits shall continue in force and coverage, at Employer expense, for a 20-week period or until similar coverage is provided to Manager by a subsequent employer (and in full force and effect) whichever comes first. Said continuation, of group health insurance coverage shall be in addition to any protection afforded Employee by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Coverage under COBRA shall begin on the date all coverage extended under the severance provisions herein expires.

C. In the event the Council at any time reduces the salary, compensation or other benefits of the Manager in a greater amount than an applicable across-the-board reduction for all employees of Employer, or in the event the Council refuses to comply with any other provision benefiting the Manager herein, then in that event Employee may at his option, be deemed to be terminated without cause, as provided herein.

D. In the event the Manager is terminated for "cause" then Employer's only obligation to employee is to pay all compensation and benefits accrued but unpaid at the date of termination. "Cause" is defined and hereby limited for the purposes of this Agreement to the following reasons: (1) willful dereliction of duty; (2) any felony or misdemeanor

conviction of any crime involving moral turpitude; (3) material dishonesty; public insobriety or drug or alcohol addiction; (4) misconduct as defined in Florida Statute, §443.036(29) in which case, by statute, such payment would be prohibited; or (5) any other act of a similar nature of the same or greater seriousness.

E. Should the Manager be permanently disabled or otherwise unable to perform her duties because of sickness, accident, injury, mental incapacity or health for a period of four successive weeks beyond any accrued leave, but not less than 12 weeks, the Council shall have the right to terminate this agreement subject to payment of the severance benefits set forth in Sections 3(A) and (B) above.

F. For purpose of complying with Section 3 of this Agreement, appropriations held as encumbered fund balances in any fund or account shall be deemed to be available and authorized for transfer to the appropriate salary and benefit expenditure accounts to insure fulfillment of this provision of the Employment Agreement.

G. The terms of this Agreement shall remain in full force and effect until employment is terminated under the terms herein, or a new Agreement has been negotiated and entered into by the Manager and Council.

H. Contemporaneously with the delivery of the severance pay hereinabove set out, employee agrees to execute and deliver to Employer a release document releasing Employer of all claims that employee may have against Employer.

Section 5. Salary.

Employer agrees to pay Employee for services rendered pursuant hereto as Manager an annual base salary of \$258,558, payable in biweekly installments, effective November 1, 2024.

Section 6. Deferred Compensation.

Employer agrees to pay the Manager annual deferred compensation in biweekly installment amounts equal to 6% of base salary. Said deferred compensation shall be paid to a 457-b plan with Mission Square Retirement. Employer agrees the employee's interest is 100% vested when biweekly deposits are made to the plan.

Section 7. Retirement Benefits.

The Employee shall participate in the 401-a retirement program maintained by Employer with Mission Square Retirement for the benefit of its' employees. Employer shall contribute 15% of the Employee's salary, as detailed in Section 5, to said plan, in bi-weekly installments. Employee's interest is 100% vested upon biweekly deposits to the plan.

Section 8. Insurance Coverage.

A. The Manager shall be entitled to participate in the same health, vision, and dental plans as all other employees and on the same payment basis as all other employees.

B. Employer shall pay for term life insurance equal to the employee's base salary rounded to even thousands plus \$100,000 in additional life insurance.

Section 9. Automobile, Travel Reimbursement and Cell Phone.

Employer shall provide a car allowance of \$750.00 per month to the Manager, payable in biweekly installments. Said car allowance shall be in lieu of a city vehicle. All business travel outside of Marion County shall be reimbursed at cents per mile equal to the IRS allowable rate then in effect. Employer shall also provide a mobile phone for business use and personal use, provided such personal use does not interfere with business use or result in an expense exceeding the plan limitations for the plan provided to Employee.

Section 10. Other Benefits.

The Manager may accumulate up to six months unused accruals of PTO without loss or forfeiture, which shall be paid as follows upon the Manager's resignation:

A. If 90 days' notice is given in accordance with Section 3(D) above, the Manager shall be compensated for all earned PTO, and other accrued benefits to-date, calculated at the rate of pay in effect at the time of resignation.

B. If less than 90 days' notice is given in accordance with Section 3(D), Council may determine that insufficient notice has been provided for resignation. In that event, the Manager shall be compensated for earned PTO as provided to other City employees calculated at the rate of pay in effect at the time of resignation.

Section 11. Hours of Work.

It is recognized that the Manager must devote a great deal of time outside of normal office hours to business of Employer, and to that end employee will be allowed to establish an appropriate work schedule.

Section 12. Professional Development.

Employer agrees to budget for and to pay the professional dues, subscriptions, and travel and subsistence expense of the Manager for professional participation and travel, meetings and occasions adequate to continue her professional development. Said participation shall include, but not limited to attendance at the annual conference of the National League of Cities, International City/County Management Association, Florida City/County Manager's Association, and such other national, regional, state and local governmental groups and committees thereof which Employee serves as a member, or which said participation is beneficial to Employer, as well as associated short courses, institutes, and seminars.

Additionally, Employer encourages the Manager to attain positions of leadership in national, state, regional, and local associations and organizations relevant to his profession. Employer agrees to budget and pay for travel and subsistence expenses necessary for him to discharge her official duties for such associations and organizations.

Section 13. General Expenses.

- A. Employer recognizes that certain expenses of a non-personal and generally job-affiliated nature are incurred by the Manager, including participation in civic and other local organizations, and hereby agrees to reimburse or pay said general expenses.
- B. The Finance Director (or designated employee) is hereby authorized to disburse funds as needed to fulfill all provisions of this Agreement, upon receipt of duly executed expense or petty cash vouchers, receipts, statements, or personal affidavits.

Section 14. Performance Evaluation.

The Council shall review and evaluate the performance of the Manager normally no later than October 1 of each year. Employer agrees to increase base salary and other benefits of the Manager at the time of said review or at a specified date, in such amounts and to such extent as the Council may determine that it is desirable to do so, in light of performance by Manager. It is further understood that merit increases based on annual performance evaluations and salary reviews are exclusive of any general cost-of-living increases provided to other employees. The Manager shall receive all cost-of-living increases, if any, which Employer may grant to its other employees, at the same time and in the same manner said increases are granted to those employees.

Section 15. Conflict of Interest Prohibition.

It is further understood and agreed that because of the duties of the Manager within and on behalf of the City of Ocala and its citizenry, the Manager shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of Ocala, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without the prior approval of the Council. For and during the term of this Agreement, Manager further agrees, except for a personal residence or residential property acquired or held for future use as a personal residence, not to invest in any other real estate or real property improvements within the corporate limits of Ocala without the prior consent of the Council.

The Manager may teach as an adjunct professor as long as such activity does not conflict with his duties and responsibilities.

Section 16. General Provisions.

- A. The text herein shall constitute the entire Agreement between the parties.
- B. This Agreement shall become effective November 1, 2024 and following adoption and approval by the Council of the City of Ocala.
- C. If any provisions, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the City of Ocala has caused this Agreement to be signed and executed in its' behalf by its' Council President and duly attested by its' City Clerk, and the Manager has signed and executed this Agreement the day and year first written above.

CITY OF OCALA, FLORIDA, a Florida municipal corporation,

By: BARRY MANSFIELD, as
City Council President

ATTEST:

By: ANGEL JACOBS, as
City Clerk

APPROVED AS TO FORM AND LEGALITY:

By: WILLIAM E. SEXTON, as
City Attorney

CITY MANAGER

By: PETER A. LEE