

CITY OF DULUTH CHIEF ADMINISTRATIVE OFFICER

2016-2017 EMPLOYMENT CONTRACT

PARTIES TO THIS CONTRACT, deemed effective January 1, 2016, are DAVID W. MONTGOMERY, hereinafter referred to as "Employee", and the CITY OF DULUTH, MINNESOTA, hereinafter referred to as "City".

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Mayor appointed Employee to the position of Chief Administrative Officer effective July 21, 2009. Current salary and benefits for Employee were most-recently established pursuant to an agreement deemed effective January 1, 2013.
2. Pursuant to Chapter IV, Section 19 of the Duluth Home Rule Charter, the Mayor recommends that the City Council approve the new salary and fringe benefits for such position as set forth in this Contract.
3. Employee wishes to accept the new Contract terms.
4. Each party wants Employee to perform the work of the Chief Administrative Officer for the City, pursuant to this Contract, which supersedes and replaces any prior contract or promises, whether written or oral.

NOW THEREFORE, in consideration of their mutual promises, the parties hereto agree as follows:

1. Employee agrees to accept and competently perform the duties and responsibilities of the office of the Chief Administrative Officer as set forth in the Duluth City Charter and ordinances and resolutions adopted by the City Council, as an employee at will. The term of this Contract shall be deemed effective January 1, 2016 through the end of the day on December 31, 2017, or

earlier as terminated by either party, as set out in the City Charter, or superseded by a successor contract.

2. This Contract creates an employment at will except as modified herein. Employee agrees to give the City at least 45 calendar days written notice of resignation and acknowledges the right of the Mayor to remove him from the position of Chief Administrative Officer with the approval of the City Council. In the case of such involuntary removal, the Mayor will provide the Employee with at least three (3) business days' notice in writing of such removal. In the case of such involuntary removal, Employee shall receive a sum of equal to six (6) months of salary as severance pay, which shall be paid out over the six (6) month period in bi-weekly payments that coincide with the City's pay periods. Employee shall not be eligible for said severance payment if the City has just cause for his removal. For purpose of this Contract, "just cause" shall be interpreted as the "just cause" standard found in the Minnesota Public Employment Labor Relations Act (PELRA), Minnesota Statutes Chapter 179A.
3. City agrees to provide Employee with the following salary and fringe benefits:
 - a. Salary at an annual rate of \$133,125; and
 - b. Benefits as set out in the City of Duluth Employee Benefits Package attached hereto as Exhibit A.
4. Any change in salary or benefits will be implemented by amendment to this Contract or by a new agreement that expressly supersedes this Contract. Any amendment to this Contract must be in writing, dated, executed by the parties and approved in the manner as required by the City Charter.
5. During the term of this Contract, Employee shall not perform work for another employer, nor do any act which conflicts with his interest, or the City's interest, in his performance of chief administrative officer for the City of Duluth.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on April ___, 2016, deemed effective January 1, 2016.

CITY OF DULUTH

EMPLOYEE

By _____

Emily Larson, Mayor

David W. Montgomery

Attest: _____

City Clerk

Countersigned:

City Auditor

Approved as to form:

Assistant City Attorney

EXHIBIT A

Employee Benefits

	Employee Benefits for Chief Administrative Officer
Benefit Plans: <ul style="list-style-type: none">• Health• Dental• Cafeteria Plan	<p>Employee is eligible to participate in the City of Duluth's health, dental, cafeteria plan, employee assistance program (EAP), flexible spending account (FSA) and life insurance benefit plan offerings beginning the first of the month following the date of hire.</p> <p>The City's direct contribution for health care coverage is 90% of the monthly premium cost for those selecting single health coverage, and 80% of the monthly premium cost for those selecting employee plus dependent ("family") coverage.</p> <p>The City shall directly contribute 100% of the monthly premium cost for single dental coverage under the City's plan. The City shall contribute an amount equal to 100% of the monthly premium cost for single dental coverage towards single plus dependent(s) dental coverage.</p> <p>The City's direct contribution for benefits under the City's Cafeteria Plan is \$304 per month for employees selecting single health care coverage and \$229 per month for employees selecting family health care coverage.</p>
Other Benefits: <ul style="list-style-type: none">• Life Insurance• Death Benefits• License Fee Reimbursement	<p>The City will contribute 100% of the premium cost for \$50,000 of group term life insurance.</p> <p>For the term of this agreement, the City will provide health care coverage to the employee's surviving spouse and eligible dependent's as required by federal and state laws.</p> <p>The City will provide reimbursement for any required professional licensure.</p>

	Employee Benefits for Chief Administrative Officer
Retirement/Pension Plans: <ul style="list-style-type: none"> Deferred Compensation Plan Health Care Savings Plan Public Employee Retirement Association (PERA) 	<p>The employee may participate in a deferred compensation plan which has been approved by the City and qualifies under federal and state laws.</p> <p>The City shall contribute an amount equal to ten percent (10%) of the employee's basic monthly pay and deposit into a post-employment health care savings plan account for the employee.</p> <p>After thirty-six (36) months of continuous employment from the original date of hire, the City shall make a one-time deposit of twelve thousand dollars (\$12,000) into a post-employment health care savings plan account for the employee. The employee is eligible for one payment only in his or her lifetime.</p> <p>Employee obtains mandatory defined benefit pension benefits under the Minnesota Public Employee Retirement Association (PERA) Coordinated Plan pursuant to Minnesota law.</p>
Paid Leave: <ul style="list-style-type: none"> Vacation Long Term Disability (LTD) Holidays Funeral Leave 	<p>Twenty-five (25) days per calendar. Any vacation days not used during the calendar year as of the end of the day on December 31 of each year shall be converted into cash and deposited into a post-employment health care savings plan account for the employee.</p> <p>Effective the first day of the month following the date of hire, an employee shall be eligible for LTD protection pursuant to the City's self-administered LTD plan.</p> <p>The City shall provide full time off with pay for the legal holidays of New Years' Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Friday after Thanksgiving Day, Christmas Eve and Christmas Day, as such holidays are defined in Minnesota Statutes.</p> <p>Up to 5 days provided per immediate family member, as defined by Minnesota law.</p>