

Document A

EMPLOYMENT CONTRACT

PARTIES TO THIS CONTRACT are Karla J Culhane, an individual person, hereinafter referred to as “Employee,” and the CITY OF DULUTH, MINNESOTA, a Minnesota municipal corporation, hereinafter referred to as “City.”

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Mayor has appointed Employee to the position of City Administrator, effective June 30, 2026 (“Effective Date”). He recommends that the City Council approve the salary and fringe benefits for such position as set forth in this contract.
2. Employee has accepted such appointment.
3. Each party wants Employee to perform the work of City Administrator for the City, pursuant to this contract, which supersedes and replaces any prior contract.

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 City Administrator as set forth in the Duluth City Charter and ordinances and resolutions adopted by the City Council, as an employee at will.
2. The term of this contract shall commence on June 30, 2026 and run until December 31, 2027 or until terminated by either party, as set out in the City Charter, or superseded by a successor, duly authorized written employment contract. Upon termination of this contract, Employee has the right to be reinstated to her position held prior to this appointment, per Article 26 of the 2025-2027 CDSA CBA.
3. This contract creates an employment at will except as modified herein.
4. Employee agrees to give the City at least 30 calendar days’ notice of resignation and acknowledges the right of the Mayor, with City Council approval, to remove her from the

- position of City Administrator. In case of such removal, the Mayor will provide Employee with at least ten (10) calendar days' notice in writing of such removal.
5. City agrees to provide Employee with the following salary and fringe benefits:
 - (a) Salary at an annual rate of \$215,000 paid in biweekly installments that coincide with the City's standard pay periods.
 - (b) Base salary shall increase each year on January 1st, beginning January 1, 2027, commensurate with any pay increases (including retroactive pay increases) in the 2025-2027 CDSA CBA, and any successor CBA.
 - (c) The City Administrator shall earn and accrue paid leave and end-of-the-year paid leave conversions at the highest rate as further described in the 2025-2027 CDSA CBA, and its successor CBA.
 - (d) The Employee is entitled to Longevity Award in addition to the basic annual rate identified in paragraph (a) above pursuant to Article 10 of the 2025-2027 CDSA CBA, and its successor CBA.
 - (e) Employee is entitled to all other fringe benefits as set out in the 2025-2027 CDSA CBA, and its successor CBA. In determining eligibility for and amount of benefits, Employee's entire tenure (from original date of hire) with the City shall be considered.
 6. Any change in salary or benefits other than as set forth above will be implemented by a duly authorized written amendment or new 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.
 7. City shall budget and pay the professional dues, subscriptions, and travel and subsistence expenses for Employee which are deemed reasonable and necessary for Employee's

continued participation in national, regional, state and local associations necessary and desirable.

8. During the term of this contract, Employee shall not perform work for another employer without approval from the Mayor, nor do any act which conflicts with their interest, or the City's interest, in her performance of this contract.

IN WITNESS WHEREOF, the parties have set their hands the day and date first shown below.

CITY OF DULUTH

EMPLOYEE

By _____
Mayor

By _____
Karla J Culhane

Attest: _____
City Clerk

Countersigned:

City Auditor

Approved as to form:

City Attorney