

RESOLUTION 09-67

A RESOLUTION APPROVING THE EMPLOYMENT AGREEMENT BETWEEN THE CITY OF SPRING HILL AND VICTOR LAY

WHEREAS, a vacancy exists in the office of the City Administrator for the City of Spring Hill, Tennessee; and

WHEREAS, the Spring Hill Board of Mayor and Aldermen has recruited to fill said vacancy in the office of City Administrator; and

WHEREAS, the City, following a thorough review by Municipal Technical Advisory Service of all applications received in response to said recruitment, interviewed the top five candidates and, voted to appoint Victor Lay to fill the position of City Administrator, in a Special Call Meeting on August 7, 2009, in accordance with the provisions of the Spring Hill Municipal Charter, the Spring Hill Municipal Code and the laws of the State of Tennessee; and

WHEREAS, it is the desire of the Board of Mayor and Aldermen to provide certain benefits, establish certain conditions of employment and to set working conditions of the City Administrator, and

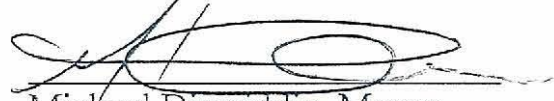
WHEREAS, it is the desire of the Board of Mayor and Aldermen to secure and retain the services of Victor Lay and to provide inducement to him to remain in such employment, to make possible full work productivity by assuring the City Administrator's morale and peace of mind with respect to future security, promote and foster trust between the Board of Mayor and Aldermen and the City Administrator and to provide a just means for terminating the City Administrator's services at such time as he may be able to fully discharge his duties to the satisfaction of the Board of Mayor and Aldermen.

**NOW, THEREFORE, IN CONSIDERATION OF THE
MUTUAL COVENANTS HEREIN CONTAINED, THE BOARD OF
MAYOR AND ALDERMEN SHALL EXTEND TO VICTOR LAY
THE EMPLOYMENT AGREEMENT ATTACHED HERETO.**

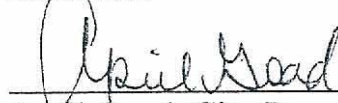
BE IT FURTHER RESOLVED that all resolutions and partial resolutions in conflict here would be and at the same hereby are repealed or modified as the case may be.

BE IT FURTHER RESOLVED that this Resolution shall take effect from and after its adoption, welfare demanding it.

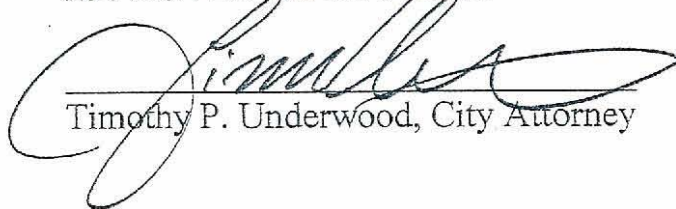
Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee, on the 17th day of August, 2009.


Michael Dinwiddie, Mayor

ATTEST:


April Goad, City Recorder

APPROVED AS TO FORM:


Timothy P. Underwood, City Attorney

EMPLOYMENT CONTRACT

CITY OF SPRING HILL

CITY ADMINISTRATOR

This Agreement, made and entered into this August 28th, 2009, by and between the City of Spring Hill, State of Tennessee, a municipal corporation, hereinafter referred to as "Employer" and Victor Lay, hereinafter referred to as "Employee."

Section One: Duties and Authority.

It is the desire of the City of Spring Hill, Tennessee to employ the services of Victor Lay as the City Administrator of Spring Hill, Tennessee in accordance with the provisions of the Spring Hill Charter, the Spring Hill Municipal Code and the laws of the State of Tennessee.

The City of Spring Hill, Tennessee agrees to employ Victor Lay as City Administrator to perform the functions and duties as currently specified in the Spring Hill Charter, applicable ordinances, the Spring Hill Municipal Code and Tennessee Code Annotated, Section 6-4-101. Such duties shall further include performance of other legally permissible and proper duties and functions as the Board of Mayor and Aldermen may from time to time assign.

Employee will at all times faithfully and industriously, and to the best of Employee's ability and experience and talents, perform all of the duties that may be required of and from Employee pursuant to the express and implicit terms of this agreement, to the reasonable satisfaction of Employer. Employee's terms and conditions of employment shall be additionally governed by the Personnel Policy of Employer.

Section Two: Term of Employment.

This agreement shall remain in full force and effect from October 5, 2009 until October 5, 2012 or as otherwise provided in this agreement.

Either Employee or Employer may terminate this agreement at any time for any reason without cause upon three (3) months notice. In lieu of providing Employee three (3) months notice for termination without cause, Employer may pay to Employee a severance payment equal to three (3) months salary at the rate of pay earned by the Employee at the time of termination. This severance shall be paid in a lump sum unless otherwise agreed to by the Employee and Employer. The Employee shall also be compensated, at the rate of pay earned by the Employee at the time of his termination, for all accrued vacation.

Termination of this agreement shall be complete upon the terminating party tendering to the other party written notice of his intent to terminate this agreement.

Section Three: Termination for Cause.

This agreement may be terminated by the Employer upon a finding that:

- (a) Employee engages in any unlawful conduct with his duties of employment with Employer, is guilty of any acts of dishonesty in connection therewith, is convicted of a felony, is convicted of a misdemeanor involving moral turpitude or engages in any conduct detrimental to the business of Employer; or
- (b) Employee has engaged in actions deemed by the Employer to be conflicts of interest as defined by State law, the City's Personnel Policies and Procedures (as may be amended), or the City's Code of Ethics; or
- (c) Employee has engaged in actions deemed by the Employer to be gross negligence; or
- (d) Employee has engaged in conduct or activities deemed by the Employer to be detrimental to the name and reputation of the City of Spring Hill provided the Employee was given notice of specific allegations of such inappropriate conduct and Employee failed to cure such deficiencies within thirty (30) days.

Should the Employee be terminated for any of the reasons enumerated in this section, his severance package shall be limited to reimbursement of actual accrued pay and accrued vacation leave, at the rate of pay earned by the Employee at the time of his termination of employment.

Section Four: Disability.

If the Employee is permanently disabled, or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four (4) successive weeks beyond any accrued sick leave or family medical leave, the Employer shall have the option to terminate this agreement subject to the severance pay requirement of Section Two of this Agreement.

Section Five: Compensation.

Employer agrees to pay to Employee an annual base salary of \$85,000.00 payable in installments at the same time that other employees of the Employer are paid. This agreement shall be automatically amended to reflect any salary adjustments which may be provided by the Employer. The first salary adjustment shall occur upon Employee being awarded a Master's Degree in Public Administration for which he is currently seeking. At the point in time that Employee graduates with the Master's Degree in Public Administration his salary shall be adjusted to the sum of \$90,000.00 without further action of the Board of Mayor and Aldermen.

Pursuant to Section Twelve (12) of this contract, Employee's salary shall be increased to \$100,000.00 on October 5, 2010 upon a successful performance evaluation as determined by a

majority vote of the Spring Hill Board of Mayor and Alderman.

Section Six: Fringe Benefits.

The Employer agrees to provide and the Employee shall be entitled to at least the same level of benefits provided to other employees in the City of Spring Hill, including those for health and retirement, and any other benefits provided to other employees of Employer.

Section Seven: Vacation and Sick Leave.

Upon the commencement of employment the Employee shall be credited with eighty (80) hours of vacation leave and forty (40) hours of sick leave. Upon the successful completion of the first year of the contract the Employee shall then receive vacation and sick leave at a rate not less than that specified for other general employees in the City's Personnel Policy. However, the Employee shall be entitled at a minimum one hundred and twenty (120) hours vacation time, annually, beginning after the completion of the first year.

Section Eight: Expenses.

Employee shall be reimbursed by Employer for all expenses reasonably and necessarily incurred by him in furtherance of his duties and the business of the City of Spring Hill, not exceeding the amount budgeted therefore each year in the appropriate account.

Section Nine: Residency Requirement and Payment of Relocation Expenses.

Employee, within one (1) year of October 5, 2009 shall become a resident of the City of Spring Hill and continue to remain a resident of the City of Spring Hill as long as he remains employed as the City Administrator.

The Employer shall pay to the moving company of the Employee a lump sum payment for moving/relocation expenses not to exceed \$3,000.00.

Section Ten: Professional Development.

The Employer agrees to pay the cost of the Employee's membership in the Tennessee City Management Association (TCMA) and the International City/County Management Association (ICMA). The Employer will pay for the Employee's attendance at the annual TCMA conferences and give consideration to an occasional out of state ICMA conference when approved by the Board of Mayor and Aldermen.

Employer also agrees to budget and pay for the travel and subsistence expenses of Employee for short courses, institutes and seminars that are necessary for his professional development and for

the good of the Employer.

Section Eleven: Other Employment.

Employee shall devote all of Employee's time, attention, knowledge and skills solely to the business and interest of Employer and Employee shall be entitled to all the benefits, profits or other issues arising from or incidental to all work, services and advice of Employer.

Employee shall devote all of Employee's working time to Employer and shall hold no other paying job.

Employee shall not, during the term of this agreement, be interested directly or indirectly, in any manner, as partner, officer, director or shareholder, advisor or employee or in any other capacity in any other entity doing business with Employer.

Nothing contained in this section shall be deemed to prevent or limit the right of Employee to invest any of Employee's money in capital stock or securities of any corporation whose stocks or securities are publicly owned or are regularly traded on any public exchange, nor shall anything contained in this section be deemed to prohibit Employee from investing or limit Employee's right to invest Employee's money in real estate, to the extent that such investments do not violate Tennessee law, the Spring Hill Municipal Code, the Spring Hill Municipal Charter or any ordinance passed by the Board of Mayor and Aldermen..

Section Twelve: Performance Evaluation.

The Employer, through the Board of Mayor and Aldermen, shall review and evaluate the performance of the Employee on May 1, 2010, with the next evaluation occurring on the anniversary of the first year employment on October 5, 2010. The remaining evaluations shall continue thereafter annually and take place on or about the 1st day of May each consecutive year.

The Employer, through the Board of Mayor and Aldermen, shall review the performance of the Employee subject to a process, form, criteria, and format for the evaluation mutually agreed upon by the Employer and Employee. Nothing, however, in this section shall be construed as limiting the Employer's authority to conduct an evaluation of the Employee's performance at any time deemed appropriate by majority vote of the Board of Mayor and Aldermen.

Annually, the Board of Mayor and Aldermen and Employee shall define such general goals and performance objectives which they determine necessary for the proper operation of the City of Spring Hill and in the attainment of the Board's policy objectives, and shall further establish a relative priority among those various goals and objectives. Such goals and objectives shall generally be attainable within the time limitations as may be specified and the annual operating and capital budgets and appropriations provided.

During each evaluation period of Employee, and prior to annual budget considerations, the Board of Mayor and Aldermen shall review the compensation rate of Employee. The Board of Mayor and Aldermen shall give consideration to performance of Employee, available revenue and the pay scale of comparable cities in size and location.

Section Thirteen: Employee's Inability to Contract for Employer.

In spite of anything contained in this agreement to the contrary, Employee shall not have the right to make, enter or execute any contract or other commitments, whether written or orally made, for or on behalf of Employer without first obtaining the express consent, through ordinance or resolution of the Board of Mayor and Aldermen.

In the event that Employee enters into any agreement or pays any funds under the control of the Employer which has not been specifically approved by ordinance or resolution, the Employee hereby agrees to indemnify and hold harmless the Employer for any costs or damages incurred by the Employer in connection with such unauthorized agreement, commitment or payment.

It is understood and agreed that Employer may withhold any compensation due under Sections Two and Three of this agreement for reimbursement of such costs or damages.

Section Fourteen: Covenants of Employee.

Employee shall not directly or indirectly at any time during his employment with Employer, and for a period of two (2) years after the termination of the Employer-Employee relationship, solicit or attempt to solicit any employee, agent, independent contractor or consultant of Employer to leave employment of Employer. Furthermore, the Employee shall not assist or attempt to assist any person, firm or corporation in any way to solicit any employee, agent, independent contractor or consultant of Employer to leave the Employment of Employer.

Upon Employee's termination of employment with Employer, either by expiration of this agreement or otherwise, Employee shall not be entitled to keep or preserve the records, documents or other instruments of Employer and agrees to return all documents, records and other instruments to Employer regarding the business and operations of the City of Spring Hill.

Section Fifteen: Amendments.

This agreement may be amended by the written mutual consent of the Employer and the Employee.

Section Sixteen: Effective Date and Severability.

This agreement contains the entire understanding concerning the employment arrangement between Employee and Employer and shall, on October 5, 2009, or as soon thereafter as both the

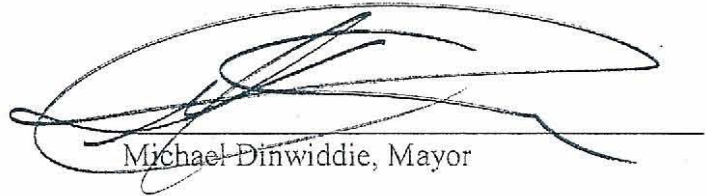
Employee and Employer sign the agreement, supersede all other agreements between the parties. It is further agreed that neither party has made any representations with respect to the subject matter of this agreement not specifically included in this agreement nor has either party relied on any such representation in entering into this agreement.

The invalidity or partial invalidity of any portion of this agreement will not affect the validity of any other provision. In the event that any provision of this agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

Section Seventeen: Choice of Laws and Venue.

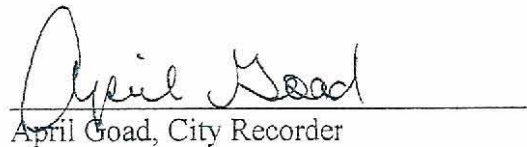
This agreement shall be interpreted in accordance with Tennessee law and the venue for any dispute between the parties shall be Maury County, Tennessee.

IN WITNESS WHEREOF, the City of Spring Hill, Tennessee has caused this agreement to be signed and executed in its behalf by and through its Board of Mayor and Aldermen and duly attested by the City Recorder, and the Employee has signed and executed this agreement in duplicate.



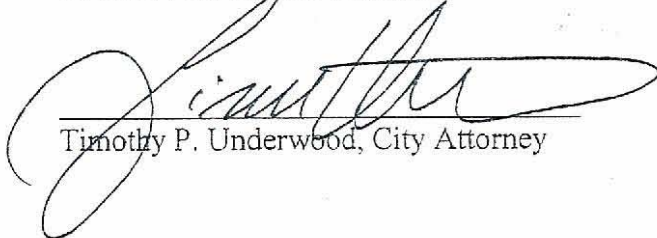
Michael Dinwiddie, Mayor

ATTEST:

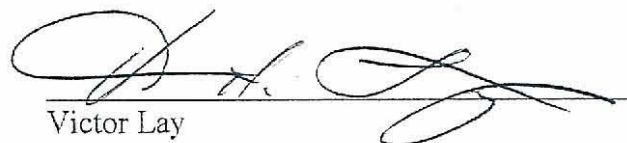


April Goad, City Recorder

APPROVED AS TO FORM:



Timothy P. Underwood, City Attorney



Victor Lay