

EMPLOYMENT AGREEMENT

AGREEMENT made by and between **STEPHEN PETERSON** (sometimes hereinafter referred to as "Employee") and the **CITY OF GILBERT** (sometimes hereinafter referred to as "City").

WHEREAS, the City desires to employ Stephen Peterson in the position of Computer Information Technology Manager for the City of Gilbert to perform those job duties and responsibilities as stated and defined by the job description for the position as approved, and as may be amended from time to time, by the Gilbert City Council.

WHEREAS, it is the desire of the City to provide certain compensation and benefits and to establish certain terms and conditions of employment for said Employee.

WHEREAS, Stephen Peterson desires to be employed as the Computer Information Technology Manager for the City of Gilbert, pursuant to and under the terms, conditions, compensation and benefits as stated in this Employment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the City and Employee agree to the following compensation, benefits, terms and conditions of employment:

1. Annual Salary: The City will pay Employee a beginning annual salary of \$51,000.00, payable in installments at the time of and in conjunction with the City's regular payroll periods. This is an "at-will" employment relationship for an indefinite term (and not for a set term or duration) and the employment relationship is terminable by either party at anytime. However, if Employee

continues to be employed in the position of Computer Information Technology Manager for the City and if Employee receives satisfactory annual performance evaluations, then, in 2015, City will pay Employee an annual salary of \$51,765.00 and, in 2016, City will pay Employee an annual salary of \$52,541.48.

2. Hours of Work; Exempt and Confidential Position: The position of Computer Information Technology Manager is considered a full-time position and shall require the full time efforts of the Employee. The regular work day of Employee will track the general office hours of the City of Gilbert/Gilbert City Hall which are 8:00 a.m. to 5:00 p.m., Monday through Friday (excluding holidays), and it is expected that, during those hours and days, Employee will have and maintain a regular presence at City Hall and other City of Gilbert facilities or buildings (as needed and/or directed). On occasion, Employee will have to work (without any additional compensation being paid) hours in excess of his regular work day as needed, directed or requested or to attend occasional evening meetings as needed, directed or requested. It is agreed and understood by both parties that this position is considered a management and professional level salaried, exempt position and, as such, is exempt from the overtime pay requirements of the Federal Fair Labor Standards Act and the Minnesota Fair Labor Standards Act. As a salaried, exempt employee, it is not necessary for Employee to account for his hours worked in excess of or less than the normal work week, except as may be necessary for the proper tracking and accounting of Employee's use of any paid leave time, such as paid vacation, paid sick leave, or paid personal days. Employee also is considered a "confidential employee", as defined by the Minnesota Public Employment Labor Relations Act ("PELRA"), Minn. Stat. Sec. 179A.03, Subd. 4(1).

3. Limitations on Outside Work Activities: Employee shall not engage in any outside activities, whether or not for compensation, which would unreasonably interfere with his required attendance at work; unreasonably interfere with him attending to his job duties and responsibilities as the Computer Information Technology Manager for the City; or which would give the appearance of a conflict of interest.

4. Right of City to Contract Out Employee to Other Entities: It is agreed and understood that City may contract with other entities, from time-to-time, for Employee to provide Computer Information Technology services to other entities, for which the other entity will pay the City of Gilbert for services rendered by Employee. For any such services to be provided to other entities, best efforts will be made for Employee to provide those services during his normal daily work hours and not in addition to his normal daily work hours.

5. Performance Evaluations: The Gilbert City Council shall conduct an annual written evaluation of the Employee's job performance. The City Council also reserves the right to conduct performance evaluations on a more frequent basis than the annual evaluation, if the City Council determines that a more frequent evaluation process is warranted.

6. Retirement Benefits: The City shall make the regular City/ Employer contributions to Employee's PERA account/fund, in accordance with the standard practice applicable to all other employees of the City and in accordance with standard employer contribution levels as defined and determined by PERA.

7. Health Insurance Benefits: Employee will be eligible for health insurance coverage (single or family plan) under the City's VEBA group health insurance plan, with the City paying ninety percent (90%) of the monthly premium

for said coverage and Employee paying ten percent (10%) of the monthly premium. The City's contributions to Employee's VEBA account, under the City's VEBA group health insurance plan, will be at the same levels and amounts as the other regular full-time employees of the City covered by the AFSCME Union contract. In addition, City will contribute to an HSA for Employee at the same contribution levels (i.e., same contribution percentage or formula) as the other regular full-time employees of the City covered by the AFSCME Union contract.

8. Dental Insurance Benefits: City will contribute up to \$35.00 per month and 80% of any amount in excess of \$35.00 for Employee's dental insurance coverage, including dependent coverage, under the City's group dental insurance program.

9. Life Insurance: City shall pay one hundred percent (100%) of the monthly premium for group term life insurance coverage for Employee, with a death benefit of \$50,000.00.

10. Paid Vacation Benefits: At the beginning of Employee's employment with the City, Employee shall have credited to his vacation account 40 hours of accrued, available paid vacation leave time, to be used by Employee by the end of the 2014 calendar year. In addition, Employee shall be eligible for 130 hours of paid vacation annually, which shall be on an accrual basis with vacation leave accruing at the rate of 5 hours per pay period. Vacation time is to be used by the end of each calendar year. In other words, "use it or lose it," unless carry over into the subsequent calendar year is approved by the Gilbert City Council.

11. Paid Sick Leave and Long Term Disability Insurance Coverage: Employee shall accrue paid sick leave benefits at the rate of twelve (12) hours per month, accumulative to a maximum of 720 hours. In addition,

Employee will be covered under the City's group Long Term Disability Insurance program (with the City paying 100% of the premium for said coverage).

12. Personal Days: Employee also shall be entitled to two (2) paid personal leave days per calendar year. Employee's paid personal leave days shall not carry over from calendar year to calendar year.

13. Paid Holidays: Employee shall be eligible for the following paid holidays: New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, 4th of July, Labor Day, Veteran's Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve Day, and Christmas Day. If a holiday falls on Saturday, the preceding Friday shall be considered as the paid holiday. If a holiday falls on Sunday, the following Monday shall be considered as the paid holiday.

14. Dues and Subscriptions: City shall budget and pay the professional dues and subscriptions for Employee which are deemed reasonable and necessary for Employee's continued participation in national, regional, state and local associations necessary and desirable for Employee's continued professional participation, growth and advancement. All professional dues and subscriptions must be approved by the City Council.

15. Professional Development: City shall budget and pay necessary and reasonable registration, travel and subsistence expenses of Employee for professional and official travel, meetings and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other committees thereof which Employee serves as a member. Employee will obtain prior approval of the City Council and use good judgment in his outside activities so as to not neglect his primary duties and obligations to the City.

16. General Expenses: As for reimbursement of job related expenses incurred by Employee, Employee shall submit said expenses for reimbursement to be approved by the Gilbert City Council.

17. Use of Personal Vehicle: In the event that Employee uses his personal automobile for or while traveling on City business, the City will reimburse Employee at the standard IRS reimbursement rates for personal vehicle use.

18. Funeral Leave: Three (3) consecutive days absence with pay shall be granted to the Employee in the event of a death in the immediate family, namely: spouse, children, stepchildren, parents, brother, sister, grandparents, mother-in-law or father-in-law.

19. Jury Duty: If Employee is called for jury service or subpoenaed as a witness in any court of law, Employee shall be excused from work for the days on which he is so called or subpoenaed. Employee shall be paid his regular salary for those days when he is required to be in court for jury duty or because he had been subpoenaed as a witness. At the completion of his service for jury duty or in the completion of his service as a subpoenaed witness, Employee must endorse his jury service or witness fee check to the City or pay those fees directly over to the City, since he continued to be compensated at his regular rate of pay during the time of his jury service or witness service.

20. At-Will Employment; Termination of Employment Relationship: Computer Information Technology Manager position is considered an "at-will" position and Employee is considered an "at-will" employee. This is an "at-will" employment relationship for an indefinite term (and not for a set term or duration) and the employment relationship is terminable by either party at anytime. As an "at-will" employee, Employee is subject to termination at anytime at the sole and

exclusive discretion of the Gilbert City Council. In the event that the Gilbert City Council eliminates or abolishes Employee's position, resulting in Employee being laid off, or if the City Council terminates employee, City shall pay Employee a severance package of three (3) months salary and three (3) months paid health insurance benefits, under the City's group health insurance plan, at the same monthly premium cost sharing arrangement as was in place at the time of the layoff or termination. In addition, City shall pay to Employee the cash-out value of his accrued, unused vacation leave. Employee is not entitled to any cash-out payment of his accrued, unused sick leave or personal leave days.

21. Subsequent Agreement: If Employee has completed three (3) years of employment in his position of Computer Information Technology Manager, then the City and Employee shall engage in good faith discussions regarding a possible, new employment agreement for Employee or any possible changes or modifications to the compensation and benefits to be paid or provided to Employee. In the event the parties are not able to arrive at or agree upon a new agreement for Employee in that regard, then this Employment Agreement shall remain and continue in full force and effect until it is changed or modified by written mutual agreement of the City and Employee or until the separation of the Employee's employment from the City.

22. Complete Agreement. This Employment Agreement contains the entire agreement between the parties. There are no understandings or other agreements, verbal or written, express or implied, not contained in this Agreement. All negotiations and understandings are integrated and merged into, and superseded by, this Agreement.

23. **Governing Law.** This Agreement shall be governed by the laws of the State of Minnesota.

24. **Severability.** If any part of this Agreement is determined by a court of last resort, or a lower court if no appeal is taken, to be unlawful, invalid, or otherwise unenforceable, the balance of this Agreement shall remain in full force and effect, and the offending provision shall be deemed amended to the extent necessary to conform to the law.

25. **Modification or Waiver.** No purported modification or waiver of any provision of this Agreement shall be binding unless in writing signed by both parties (in the case of modifications) or by the party to be charged (in case of waivers). Any waiver shall be limited to the circumstances or event specifically referenced in the writing and shall not be deemed a waiver of any other provision thereof or of the same circumstance or event upon any recurrence thereof.

CITY OF GILBERT

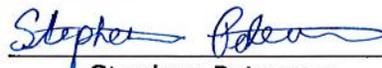
Dated: 2/7/14

By: 
Michael Skenzich, Mayor

By: 
Debra Sakrison, Clerk-Treasurer

EMPLOYEE

Dated: 2/7/14


Stephen Peterson