

CITY MANAGER **EMPLOYMENT AGREEMENT**

Introduction:

This Agreement, made and entered into this December 5, 2006 by and between the City of Palm Coast, Florida, a municipal corporation, (hereinafter called "Employer") and James S. Landon, (hereinafter called "Employee") an individual who has the education, training and experience in local government management and who, as a member of ICMA, is subject to the ICMA Code of Ethics, both of whom agree as follows:

Section 1: Term

This agreement shall remain in full force in effect from February 1, 2007 until terminated by the Employer or Employee as provided in Section 9, 10 or 11 of this agreement.

Section 2: Duties and Authority

Employer agrees to employ James S. Landon as City Manager to perform the functions and duties specified in Section 6(2) of the *Charter of the City of Palm Coast, Florida* (City Charter) and by the various provisions of the *Code of Ordinances of the City of Palm Coast* (City Code) and to perform other legally permissible and proper duties and functions in accordance with controlling law.

Section 3: Compensation

1. Base Salary: Employer agrees to pay Employee an annual base salary of \$155,000.00, payable in installments at the same time that the other management employees of the Employer are paid.

2. In addition, Employer agrees to increase said base salary and/or benefits of Employee in such amounts and to such extent as the Council may determine in its sole discretion that it is desirable to do so on the basis of an annual evaluation and salary review of said Employee made on the anniversary date of employment.

Section 4: Health, Disability and Life Insurance Benefits

1. The Employer agrees to provide and to pay the full premiums for health, hospitalization, surgical, vision, dental, prescription drug and comprehensive medical insurance for the Employee and his dependents equal to that which is provided to all other employees of the Employer. If the Employer offers a choice of health insurance plans, the Employee shall have the right to select a plan from the available options. The Employee and his dependents shall be fully covered by the selected health care plans effective February 1, 2007.

2. The Employer agrees to put into force and to make required premium payments for short-term and long-term disability coverage for the Employee equal to that which is provided or made available to other management employees of the Employer.

3. The Employer shall provide for participation of the Employee in the Mayo Clinic Executive Health Program at Jacksonville. The Employer shall pay any costs for the established examination above those covered by health insurance. Any additional costs

of examination or costs of treatment shall be as provided by selected health insurance coverage.

4. The Employee may elect to participate in the Retirement Health Savings Account (RHSA), Health Reimbursement Account (HRA) and Section 125 Cafeteria Flexible Benefits Plan equal to that which is provided to other management employees of the Employer.

5. The Employer shall pay the amount of premium due for term life insurance in the amount of two (2) times the Employee's annual base salary, including all increases in the base salary during the life of this agreement. The Employee shall name the beneficiary of the life insurance policy.

Section 5: Personal Leave

1. Upon commencing employment the Employee shall be credited with 15 days of Personal Leave. Commencing August 1, 2007, employee shall accrue and have credited to his account thirty (30) days of personal leave annually, in installments occurring simultaneously with payment of salary. The employee shall use a minimum of ten (10) days of personal leave per calendar year.

2. Upon the Employee's termination, either voluntarily or involuntarily, the Employee shall be compensated for all accrued Personal Leave, not to exceed 130 days, and other benefits to date.

Section 6: Automobile

Employee's duties require that he use his personal automobile to travel to city facilities, work related appointments and events within the State of Florida. The Employer agrees to pay to the Employee, during the term of this Agreement and in addition to other salary and benefits herein provided, the sum of \$600.00 per month, as a vehicle allowance to be used to purchase, lease, or own, operate and maintain a vehicle. The Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair and regular replacement of said vehicle. The Employer shall maintain an "accountable plan" in accordance with IRS regulations relating to employee business expenses.

Section 7: Retirement

1. The Employer shall contribute to its 401(a) defined contribution retirement plan 20% of the Employee's base salary each pay period. All such contributions shall be 100% vested at time of contribution.

2. In addition to the Employer's payment to the defined contribution plan referenced above, Employer agrees to provide a Section 457 deferred compensation plan and to contribute five percent (5%) of Employee's base salary each pay period. If the Employee requests, the Employer shall execute all necessary agreements provided by ICMA Retirement Corporation (ICMA-RC) Section 457 deferred compensation plan for

Employee's participation in said ICMA-RC Section 457 retirement plan. All contributions to such plan in addition to the above five percent (5%) shall be at Employee's expense.

Section 8: General Business Expenses

1. Employer agrees to budget for and to pay for professional dues and subscriptions of the Employee necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer.
2. Employer agrees to budget for and to pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, subject to prior notice to the Council, including but not limited to the ICMA Annual Conference, the Florida League of Cities, and such other national, regional, state, and local governmental groups and committees in which Employee serves as a member.
3. Employer also agrees to budget for and to pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and for the good of the Employer.
4. Employer recognizes that certain expenses of a non-personal but job related nature are incurred by Employee, and agrees to reimburse or to pay said general expenses. The finance director is authorized to disburse such moneys upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.
5. The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer shall pay for the reasonable membership fees and/or dues to enable the Employee to become an active member in local civic clubs or organizations.
6. The Employer shall provide Employee with a computer, software, fax/modem, cell phone and PDA or "Blackberry" or such similar devices required for the Employee to perform the job and to maintain communication.

Section 9: Termination

For the purpose of this agreement, termination shall occur when:

1. The majority of the governing body votes to terminate the Employee at a duly authorized public meeting.
2. If the Employer, citizens or legislature acts to amend any provisions of the Palm Coast Charter or Code of Ordinances pertaining to the role, powers, duties, authority, responsibilities of the Employee's position that substantially changes the form of government, the Employee shall have the right to declare that such amendments constitute termination.

3. If the Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this agreement and will be regarded as a termination.
4. If the Employee resigns following an offer to accept resignation, whether formal or informal, by the Employer as representative of the majority of the governing body that the Employee resign, then the Employee may declare a termination as of the date of the suggestion.
5. Breach of contract declared by either party with a 30 day cure period for either Employee or Employer. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 18.

Section 10: Severance

1. Severance shall be paid to the Employee when employment is terminated as defined in Section 9.
2. If the Employee is terminated, the Employer shall provide a minimum severance payment equal to six (6) months salary at the current rate of pay. This severance shall be paid in a lump sum unless otherwise agreed to by the Employer and the Employee.
3. The Employee shall also be compensated for all Personal Leave not to exceed the equivalent of six (6) months salary. The Employer agrees to make a contribution to the Employee's defined contribution account (401(a)) and deferred compensation plan (Section 457) on the value of this compensation calculated using the rate ordinarily contributed on regular compensation.
4. For a minimum period of one year following termination, the Employer shall pay the cost to continue the following benefits:
 - a. Health, life, short-term disability and long-term disability insurance for the employee and all dependents as provided in Section 4
5. If the Employee is terminated because of a conviction of a felony, then the Employer is not obligated to pay severance under this section.

Section 11: Resignation

In the event that the Employee voluntarily resigns his position with the Employer, the Employee shall provide a minimum of 45 days notice unless the parties agree otherwise.

Section 12: Hours of Work

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

Section 13: Outside Activities

The employment provided for by this Agreement shall be the Employee's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may elect to accept limited teaching, consulting or other business opportunities with the understanding that such arrangements shall not constitute interference with nor a conflict of interest with his responsibilities under this Agreement.

Section 14: Moving and Relocation Expenses

1. Employee agrees to establish residence within the corporate boundaries of the local government within 30 days of February 1, 2007, and thereafter to maintain residence within the corporate boundaries of the local government.
2. Employer shall pay directly for the expenses of moving Employee and his family and personal property from Lancaster, Texas to Palm Coast. Said moving expenses include packing, moving, storage costs, unpacking, and insurance charges. Employee shall obtain and provide the Employer three (3) written quotations for such expenses.
3. Employer shall reimburse Employee or pay directly for a total of two (2) round trip airfares for the Employee and his spouse during the first year of service to assist with house hunting and other facets of the transition process. One (1) such trip shall coincide with the Employer's planned Annual Goal Setting process scheduled for January 8 and 9, 2007. The Employee and his spouse may utilize and distribute the remaining three (3) round trip tickets in any combination of individual members making the trips. The Employer shall pay directly or reimburse the Employee for actual lodging expenses incurred by Employee or his spouse on any trips conducted prior to relocation, as detailed herein.

Section 15: Indemnification

1. Beyond that required under Federal, State or Local Law, Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Manager or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act or omission involved willful or wanton conduct or an act outside the scope of employment. Legal representation, provided by Employer for Employee, shall extend until a final determination of the legal action including any appeals brought by either party. The Employer shall indemnify employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorneys fees, and any other liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of his duties and within the scope of his employment. Any settlement of any claim must be made with prior approval of the Employer in order for indemnification, as provided in this Section, to be available.

2. Employer agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any litigation to which the Employee is a party, witness or advisor to the Employer. Such expense payments shall continue beyond Employee's service to the Employer as long as litigation is pending. Further, Employer agrees to pay Employee consulting fees at the last rate of compensation as City Manager of the City of Palm Coast and travel expenses when Employee serves as a witness, advisor or consultant to Employer regarding pending litigation.

Section 16: Bonding

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 17: Other Terms and Conditions of Employment

1. The Employer, only upon agreement with Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Palm Coast Charter or any other law.

2. Except as otherwise provided in this Agreement, the Employee shall be entitled to the highest level of benefits that are enjoyed by department heads of the Employer as provided in City Charter, City Code, Personnel Rules and Regulations or by practice of the City of Palm Coast.

Section 18: Notices

Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows:

EMPLOYER: City of Palm Coast Mayor
City Hall
2 Commerce Blvd.
Palm Coast, FL 32164

EMPLOYEE: James S. Landon
City Hall
2 Commerce Blvd.
Palm Coast, FL 32164

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 19: General Provisions

1. Integration. This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties

are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this agreement during the life of the agreement. Such amendments shall be incorporated and made a part of this agreement.

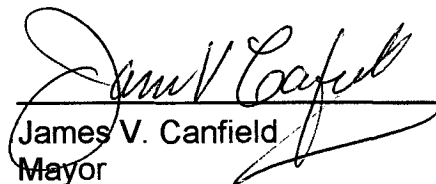
2. Binding Effect. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

3. Effective Date. The employment under this Agreement shall become effective on February 1, 2007; provided, however, the terms of this Agreement as to pre-employment matters such as moving and related matters shall be immediately in effect.


4. Severability. 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.

EMPLOYER

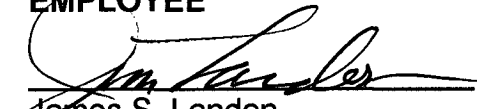
CITY of Palm Coast, Florida


James V. Canfield
Mayor

ATTEST:


Clare M. Hoeni
City Clerk

EMPLOYEE


James S. Landon

**FIRST AMENDMENT TO
CITY MANAGER EMPLOYMENT AGREEMENT**

WHEREAS, on December 5, 2006, the **CITY OF PALM COAST** (hereinafter "City") and JAMES S. LANDON (hereinafter "Employee"), entered into the City Manager Employment Agreement, whereby **JAMES S. LANDON** was employed by the City as City Manager; consistent with the City's Charter, Section 6.2, and various provisions of the Code of Ordinances of the City of Palm Coast; and

WHEREAS, Section 17 of this Employment Agreement, Other Terms and Conditions of Employment, Subparagraph 2, provides that the Employee shall be entitled to the highest level of benefits enjoyed by the City's Department Heads, as provided in City Charter, City Code, and Personnel Rules and Regulations or by practice of the City of Palm Coast; and

WHEREAS, City Department Heads of the City receive benefits referred to as "conversion of unused sick leave;" and

WHEREAS, in order to clarify and confirm the Employee's entitlement to this or a comparable benefit, the parties hereby agree to supplement Section 17, as provided hereinafter.

THEREUPON, it is agreed by the City and the Employee that:

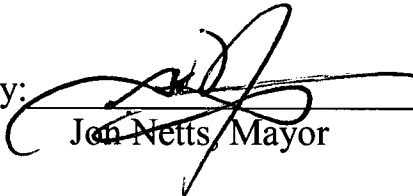
1. **Section 17. Other Terms and Conditions of Employment**, is supplemented with Subsection (3) as follows:

(3) The Employee is further specifically entitled to employee benefits available to Department Heads and all other employees for unused personal leave, as provided in the Policy for Conversion of Unused Sick Leave, attached hereto as Exhibit "A," as such may be amended hereinafter.


2. All other terms of the 2006 the City Manager Employment Agreement, not hereinabove supplemented, are unaffected by this Amendment.

EMPLOYER:

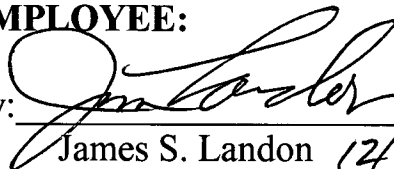
CITY OF PALM COAST, FLORIDA

By: 
Jon Netts, Mayor

ATTEST:


Virginia Smith, City Clerk

EMPLOYEE:

By: 
James S. Landon 12/15/15

