

PALM COAST CITY MANAGER
EMPLOYMENT AGREEMENT

THIS PALM COAST CITY MANAGER EMPLOYMENT AGREEMENT, hereinafter referred to as "Agreement", is made and entered into on the 17th day of December, 2025, by and between the **CITY OF PALM COAST**, a municipality and political subdivision of the State of Florida, by and through its City Council, hereinafter referred to as "City", and, **Michael McGlothlin**, hereinafter referred to as "City Manager", both of whom constitute the "Parties" hereto.

W I T N E S S E T H:

WHEREAS, the City is desirous of obtaining the employment of Michael McGlothlin as its City Manager upon the terms and conditions, and with the compensation and benefits, set forth in this Agreement; and

WHEREAS, Michael McGlothlin has indicated his willingness to accept the responsibilities and render specific performance to the City as City Manager; and

WHEREAS, both Parties understand that it is mutually beneficial to have a contract of employment between the City and the City Manager setting forth agreements and understandings which: (1) provide the inducement for Michael McGlothlin to accept the job of City Manager, (2) make possible full work productivity by assuring Michael McGlothlin's morale and peace of mind with respect to future security, and (3) provide a just means for terminating the City Manager's services at such time as the City may desire to terminate his employment.

NOW, THEREFORE, in consideration of the mutual covenants and promises which the Parties set forth below, the City and the City Manager agree as follows:

1. **EMPLOYMENT OF CITY MANAGER.** The City hereby employs Michael McGlothlin as its City Manager and Michael McGlothlin hereby accepts such employment upon the terms and conditions set forth herein. As required by Article V, Section 2(b) of the City of Palm Coast Charter, within six (6) months of the effective date of this agreement, Michael McGlothlin shall establish and maintain a residence within the corporate limits of the City. Upon request of Michael McGlothlin, the six (6) months period may be extended by the City Council for an additional six (6) month period.

2. **TERM OF AGREEMENT.** The term of the City Manager's employment is indefinite subject to the conditions herein.

3. **EFFECTIVE DATE.** The effective date of this Agreement is December 17, 2025.

4. **DUTIES.** The City Manager will perform all duties normal and customary for the position of a City Manager, plus all duties imposed on him by the City's Charter, applicable laws, ordinances, regulations, policies of the City Council, and all other proper and legally permissible duties as he may be directed to perform by the City Council. The City Manager agrees to perform the functions of his office in a loyal, efficient, competent and professional manner at all times.

5. **COMPENSATION.**

- a. Beginning December 17, 2025, the City Manager shall receive an annual salary of \$225,000.00 ("Base Salary") which shall be paid in accordance with the City's pay schedule for all employees. Annual adjustments will be in accordance with the annual performance review as stated in Paragraph 9.
- b. The City will contribute, immediately upon employment, on a per payroll basis, to the City's Defined Contribution compensation plan 401(a), for so long as the City Manager is employed by the City, a sum equal to seventeen percent (17%) of the City Manager's base salary, in accordance with the plan documents, as may be amended from time to time, not to exceed the maximum allowable by law. The City Manager shall be 100% vested in all funds contributed to the 401(a).
- c. In addition to the 401(a) plan, the City offers a 457(b) deferred compensation plan and provides for a 2% match of an employee's contribution provided the employee contributes a minimum of 2% of their salary. The City's retirement plans will be administered in accordance with the plan documents. In the event of a conflict between this Agreement and the plan documents, the plan documents shall govern.
- d. The City Manager's compensation shall include a monthly car allowance of \$500.
- e. The City Manager shall be provided a data/phone device or stipend, as may be amended from time to time in accordance with City policy.
- f. During a declared local state of emergency or disaster event, the city manager will be compensated for hours actually worked beyond their regular scheduled workday. The additional compensation will be paid at 100% of the salary rate of pay.

6. **BENEFITS.** City Manager shall receive and continue to be eligible for the City's group health and benefits program (the Plan) at the benefit levels as the Assistant City Manager and other City department heads as provided by the City's Personnel

Policies and Procedures, the Charter, or City ordinances. The Plan currently includes medical/health insurance plan, short-term disability, long-term disability, dental, life insurance, and vision insurance. The City agrees to pay the full premiums for the City Manager and his eligible dependents. Workers' compensation coverage is currently effective and shall remain so until termination of this Agreement. In the event of a conflict between this Agreement and the Plan or respective plan documents, the Plan and plan documents, as may be amended from time to time, shall govern.

- a. The City Manager will be front loaded 40 hours of vacation leave and begin accruing leave on a per pay-period basis. Vacation leave shall continue to accrue, on a per pay period basis, as other City department heads as provided by the City's Personnel Policies and Procedures, the Charter, or City ordinances. The City shall pay the City Manager for any accumulated and unused paid leave upon termination of this Agreement up to 320 hours.
- b. Sick leave shall continue to accrue, on a per pay period basis, as other City department heads as provided by the City's Personnel Policies and Procedures, the Charter, or City ordinances. However, upon termination of this Agreement, the City will pay the City Manager up to a maximum of 320 hours.

7. **TERMINATION OF EMPLOYMENT.** This Agreement may be terminated as follows:

- a. This Agreement may be terminated by a majority vote of the full City Council for cause, as per the City Charter. In this Agreement, "Cause" is defined to mean a conviction of a felony; an intentional act of felonious embezzlement or theft from the City that occurs in the course of the City Manager's employment with the City; continued willful failure to substantially perform his duties as City Manager (other than as a result of incapacity due to physical or mental illness); or willful conduct that is determined to be materially injurious to the City by the City Council. For purposes of this Agreement, an act, or failure to act, shall not be deemed willful or intentional, as those terms are utilized herein, unless it is done, or omitted to be done, by the City Manager in bad faith or without a reasonable belief that his action or omission was in the best interest of the City. If the City Council terminates City Manager for cause pursuant to this paragraph 7.a., the City Manager's sole remedy is an action in a court of appropriate jurisdiction and venue. If said court determines that the City Council did not properly terminate City Manager for cause under this Agreement, the Parties agree that such termination from employment shall be deemed a termination without cause, and the provisions of paragraph 8.a. will apply.

- b. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council by a majority vote of the full City Council as per the City Charter, to terminate the employment of the City Manager without cause at any time, subject to the Severance Pay provisions as set forth in paragraph 8 of this Agreement.
- c. The City Council may only terminate this Agreement in a manner prescribed by the City Charter.
- d. The City Manager may terminate this Agreement at any time, but only after providing written notice to the City of his intent to terminate, and delivering the notice to the City Council not less than thirty (30) days before the proposed date of termination. City Council may agree to a lesser notice period if warranted.
- e. In the event that the City Manager is charged, by indictment or information, with a felony crime, the City, at its sole discretion, may suspend the City Manager from his duties with pay immediately. Upon a conviction of any such charge, this Agreement, at the sole discretion of the City, may be terminated and the City Manager discharged from his duties consistent with the terms of this Agreement.
- f. If the City Council, 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 City Manager's position that substantially changes the form of government, the City Manager shall have the right to declare that such amendment constitutes termination.

8. **SEVERANCE PAY.**

- a. In the event employment is terminated under Section 7.b. without cause, the City agrees to pay the City Manager as follows:
 - i. In accordance with City policy, time accrued by the City Manager, and other accrued benefits due the City Manager under the terms of this Agreement.
 - ii. The City shall pay severance in one lump-sum, inclusive of all forms of compensation, hereinafter referred to as "Severance Salary Pay", within forty-five (45) days from the date of separation if the City Manager agrees in writing to hold the City harmless and release the City from all liability relative to the termination of employment.

- iii. Severance Salary Calculation. If terminated at any time after Effective Date of this Agreement, the City pays the City Manager the equivalent of one hundred percent (100%) of twenty weeks base salary compensation minus all applicable taxes and deductions.
 - iv. In order to maintain health and dental insurance, the City will provide a lump sum, equivalent to the continuation cost of 12 (twelve) months of coverage at the premium rate in effect at the time of termination. The City Manager may elect to use the lump sum for the purchase of continuation under COBRA, or may elect to purchase other coverage of his choosing. Coverage offered under COBRA shall be equal to those offered by the City to full-time employees, and may be amended from time to time.
 - v. All retirement benefits and the deferred compensation plan remain the property of the City Manager in accordance with the plan documents.
- b. If this Agreement is terminated for "Cause" as defined in Paragraph 7.a., the City will have no obligation to pay Severance Salary as set forth in Paragraph 8.a.iii. However:
- i. The City will pay, in accordance with City policy, accrued vacation, not to exceed 320 hours and up to 320 hours of accrued sick leave, plus all retirement benefits and other accrued benefits as are due to the City Manager under the terms of this Agreement;
 - ii. All retirement benefits and deferred compensation plan(s) shall remain the property of the City Manager.
- c. Severance Salary Pay will not be paid if the City Manager voluntarily resigns or retires from employment. In those circumstances, the City Manager shall be entitled to:
- i. In accordance with City policy, accrued vacation, not to exceed 320 hours for vacation and up to 320 hours for accrued sick leave, plus all retirement benefits and other accrued benefits as are due to the City Manager under the terms of this Agreement.
 - i. All retirement benefits and deferred compensation plans which remain the property of the City Manager.

- ii. In the event of retirement, the City Manager shall be eligible for all such City programs as are available to other general-employee retirees of the City.

9. **PERFORMANCE EVALUATION.** The City Council will review and evaluate the performance of the City Manager annually by no later than October 1. The review and evaluation criteria will be based upon the Powers and Duties of the City Manager outlined in the City Charter. The City's evaluation of the City Manager shall be provided to the City Manager in writing within 30 days of the review and evaluation of the City Manager's performance. Based on the annual evaluated performance by City Council, the City Manager may be eligible for a merit increase of no more than 2 %. Such increase shall be approved by a majority vote of City Council at a City Council Business Meeting.

10. **PROFESSIONAL ASSOCIATIONS AND DEVELOPMENT.**

- a. The City agrees to budget and pay for ordinary professional dues and subscriptions of the City Manager which are necessary for his participation in national, regional, state and local associations, and organizations necessary and desirable for his continued professional participation, growth and advancement.
- b. The City agrees to budget and pay for travel expenses of the City Manager pursuant to City policy, as it may be amended from time to time, while on authorized City business or while attending functions as the representative of or on behalf of the City.
- c. The City agrees to budget and pay for travel and living expenses of the City Manager for short courses, institutes, seminars, and conferences including, but not limited to ICMA and FCCMA annual conferences that are necessary for his professional development and for the benefit or the City as budgeted, consistent with then-current City policy governing such travel expenses.

11. **LEGAL REPRESENTATION.** At the City's expense, it will provide City Manager with legal representation, through the office of the City Attorney unless a conflict exists, when City Manager is party to litigation based upon his position or employment with the City or litigation based upon alleged acts or omissions arising out of or in the course and scope of his employment at the City. Such legal representation will also be provided in instances where litigation has commenced after termination of employment until the litigation has ended. The City shall have the authority to settle any such claim or litigation within the scope of the City Manager's employment and pay the amount of the settlement or judgement rendered thereon. The legal representation described herein does not include litigation arising from dismissal of the City Manager from employment by the City Council.

12. **INDEMNIFICATION.** The City shall defend, hold harmless and indemnify the City Manager against any tort, professional liability claim, demand, or other legal action, whether groundless or otherwise, arising from any act, either alleged or real, or omission which may occur within the scope of the City Manager's employment and performance as City Manager to the extent allowed by law. The City may compromise and settle any claim or suit and pay the amount of any settlement or judgment rendered thereon, together with attorneys' fees associated therewith.

13. **BONDING.** The City shall bear the full cost of any fidelity or other bonds required of the City Manager under any law or ordinance.

14. **NO REDUCTION OF BENEFITS.** The City shall not, at any time during the term of this Agreement, reduce the salary, compensation, or other financial benefits of the City Manager, except to the degree an across-the-board reduction applies to all other employees of the City.

15. **SEVERABILITY.** All agreements and covenants herein are severable, and in the event that any of them shall be held invalid by a court of competent jurisdiction, this Agreement shall be interpreted as if such invalid agreements or covenants were not contained herein.

16. **COMPLETE AGREEMENT IN WRITTEN DOCUMENT.** This written Agreement embodies the whole Agreement between the Parties, and there are no inducements, promises, terms, conditions, or obligations made or entered into by either the City or the City Manager other than contained herein. This Agreement shall inure to the benefit of the estate of the City Manager.

17. **MODIFICATION AND AMENDMENT.** Except as otherwise provided herein, this Agreement may not be modified or waived unless in writing and duly executed by both Parties to this Agreement, and any amendments hereto or waiver of material requirements herein shall be binding against the City only if expressly approved by the City Council with the same formality as the adoption of this Agreement.

18. **GOVERNING LAW.** This agreement shall be governed by the laws of the State of Florida and by the Ordinances, Resolutions, and Policies of the City not prohibited thereby.

19. **VENUE.** For any actions concerning this agreement venue shall be in the Seventh Judicial Circuit in and for Flagler County, Florida.

20. **COSTS AND ATTORNEY'S FEES.** In the event the City or City Manager brings an action to enforce this Agreement by court proceeding or otherwise, then the prevailing party shall be entitled to recover from the other party all costs incurred, together with reasonable attorney's fees at all levels, including appeals.

IN WITNESS WHEREOF, the Parties have made and executed this Agreement on the respective dates under each signature. Palm Coast, through its City Council, authorized the City to execute this Agreement on the ____ day of _____, 2025.

CITY OF PALM COAST, FLORID

By: _____
Michael Norris, Mayor

Date: _____

ATTEST:

City Clerk

By: _____
Kaley Cook, City Clerk

Date: _____

CITY MANAGER

By: _____
Michael McGlothlin

Date: _____