

EXHIBIT A

CITY MANAGER EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into this 1st day of July, 2016, by and between THE CITY OF LOVELAND, COLORADO, a municipal corporation (hereinafter referred to as "the City"), and Stephen C. Adams (hereinafter referred to as "Adams").

W I T N E S S E T H :

WHEREAS, the City desires to employ the services of Adams as City Manager of the City as provided by Section 8-1 of the City Charter; and

WHEREAS, it is the desire of the Loveland City Council (hereinafter referred to as "the Council") to provide certain compensation and benefits to Adams, establish the terms and conditions of his employment with the City, and, to the extent permitted by law, define the working relationship between the Council and Adams; and

WHEREAS, Adams desires to accept employment with the City as City Manager in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the City and Adams agree as follows:

SECTION I. DUTIES

The City hereby agrees to employ Adams as the City Manager of the City to perform the functions and duties specified in Article 8 of the City Charter and to perform such other legally permissible and proper functions and duties as provided in other provisions of the City Charter, the City Code and State law, and as the Council may assign to Adams from time-to-time in the future. Adams acknowledges and agrees that as City Manager he is considered to be an at-will City employee and is classified as an exempt employee under the Federal Fair Labor Standards Act.

SECTION II. TERM

A. As required by Section 8-1(a) of the City Charter, the term of this Agreement shall be an "indefinite term." For purposes of this Agreement, "indefinite" shall be deemed to mean "having no exact limits."

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Council to remove Adams from the position of City Manager and terminate his employment with the City under this Agreement at any time pursuant to and in accordance with the provisions of

Section 8-1(e) of the City Charter. For purposes of this Agreement, the words "remove," "removed" and "removal," when used in the context of Adams being removed from the position of City Manager by the Council under Section 8-1(e) of the City Charter, shall be deemed to also mean that Adams's employment with the City under this Agreement has been terminated.

C. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Adams to resign at any time from his position as City Manager, provided that he gives the City thirty (30) days prior written notice of his intent to resign.

D. Adams shall commence his employment with the City under this Agreement as the City Manager effective July 1, 2016.

SECTION III. SALARY AND CAR ALLOWANCE

A. The City shall pay to Adams for his services as City Manager an annual base salary of One Hundred Eighty Five Thousand and no/100 Dollars (\$185,000.00) commencing July 1, 2016, which shall be payable in periodic installments at the same time as other City employees are paid and subject to the customary tax deductions and withholdings required by law and any withholdings authorized by Adams. Adams's base salary shall be subject to a mandatory three (3%) contribution by Adams to the City's 401 (a) qualified retirement plan and the City shall continue to contribute its amount in conformance with City personnel policies. Any subsequent modifications of Adams's salary shall be accomplished by Council resolution and shall be incorporated into this Agreement by this reference without the necessity of further modification of this Agreement. Further the City agrees to roll over Adams' retirement plans with the City into another qualified retirement plan or to transfer those to his succeeding employer's qualified plans upon Adams' cessation of employment with the City, to the extent such rollover or transfer is allowed by law and the terms of the City's plans.

B. In addition to the base salary referenced in subsection III.A. above, the City shall pay Adams a car allowance in the amount of Five Hundred and no/100 Dollars (\$500.00) per month. To the extent reasonable, the City will cooperate with Adams in creating, maintaining, and providing to Adams or his designees any records or documentation that Adams may request in order to comply with the requirements of the Internal Revenue Code or related regulations regarding the tax treatment of the car allowance.

SECTION IV. VACATION, MEDICAL AND OTHER LEAVE

A. Adams shall be granted twenty six (26) days of annual vacation leave. The twenty six (26) days of annual vacation leave shall accrue to Adams throughout the calendar year at the bi-weekly accrual rate of 8.031 hours. Adams will continue to accumulate leave time in accordance

with City personnel policies. Notwithstanding any City policy to the contrary, vacation leave accrued and unused by Adams shall be subject to the following terms and conditions:

(1) At the end of each calendar year, the balance of Adams's accrued, unused vacation leave shall be carried over to subsequent years, up to a maximum accrual of 480 hours. Any balance in excess of 480 hours that exists as of the last day of the final pay period of the calendar year shall be forfeited by Adams. For purposes of this provision, the final pay period of any calendar year shall mean the last pay period of that year for which Adams is paid by the end of that calendar year.

(2) Upon the cessation of Adams's employment with the City, whether by termination, death, disability, resignation, removal or otherwise, Adams shall be compensated by cash payment for the total amount of his accrued, unused vacation leave balance. The amount of said payment shall be based upon Adams's then current rate of pay.

B. Adams shall be credited for and be entitled to receive those medical leave benefits provided to all full-time employees of the City. Adams shall not be entitled to be paid for any earned but unused medical leave, including any banked medical leave, except as provided through City personnel policies upon resignation or termination from employment under this Agreement.

C. Adams shall be entitled to receive such other leave, such as holiday leave and family leave, as is available to all other full-time and exempt City employees.

SECTION V. DISABILITY, HEALTH AND LIFE INSURANCE

The City will provide and offer to Adams and his qualified dependents the same insurance benefit packages and plans it provides and offers to all full-time employees of the City, which benefit packages and plans currently include, without limitation, group life, accidental death and dismemberment insurance; long-term and short-term disability insurance; health and dependent care flexible spending accounts; dental insurance; vision insurance; and major medical insurance.

SECTION VI. PROFESSIONAL DEVELOPMENT

The City shall pay for the reasonable expenses related to Adams's continuing professional development, as approved and appropriated in each annual budget and any amendments and supplements thereto. Professional development includes attending and full participation in national, regional, state and local associations or organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of the City. This shall also include professional dues and subscriptions and reasonable travel and subsistence expenses of Adams for professional and official travel, meetings, and occasions adequate to continue the

professional development of Adams and to adequately pursue necessary official and other functions for the City, including the annual conferences of the International City Management Association, the Colorado Municipal League, and such other national, regional, state and local governmental groups and committees thereof which Adams may serve as a member. The City also agrees to pay for the reasonable travel and subsistence expenses of Adams to attend continuing education short courses, institutes and seminars related to his profession, to the extent such expenses are budgeted and appropriated.

SECTION VII. GENERAL EXPENSES

The City recognizes that there are expenses of a non-personal and generally job-related nature that are incurred from time to time by Adams. To the extent that the City's Finance Director is authorized by applicable administrative procedures and policies of the City, the Finance Director is authorized to pay directly or reimburse Adams for such expenses upon receipt of proper documentation submitted not more often than monthly.

SECTION VIII. COMMUNITY ACTIVITIES

The City recognizes the desirability of Adams participating in service and charitable organizations in the community and in the event Adams becomes a member of any such service or charitable organizations, the City will pay all reasonable expenses and fees related to such membership to the extent such expenses and fees are budgeted and appropriated.

SECTION IX. TERMINATION AND SEVERANCE PAY

A. Pursuant to Article 8 of the City Charter, Adams shall be considered as an at-will employee under this Agreement and, therefore, the Council may remove Adams from his position as City Manager at any time with or without cause in accordance with the method set forth in Section 8-1(e) of the City Charter. Adams acknowledges and agrees that as City Manager he is not subject to the for "cause" protections afforded City employees set forth in Section 8-4(b) of the City Charter.

B. In the event that Adams is removed from his position as City Manager by the Council for "cause" in accordance with the method set forth in Section 8-1(e) of the City Charter, Adams shall only be entitled to such accrued compensation and benefits as are required to be paid or provided to him under this Agreement. As used in this Section X, the word "cause" shall mean: (1) conviction of a felony or a crime of moral turpitude; (2) dishonesty towards, fraud upon, or deliberate injury or attempted injury to the City; (3) of the breach by Adams of a term or condition of this Agreement.

C. In the event that Adams voluntarily resigns from his employment with the City under this Agreement, Adams shall not be entitled to receive any further compensation, including, without limitation, severance pay, from the City accruing after the effective date of his resignation. Adams shall, however, be entitled to receive from the City all compensation and benefits that have accrued to him under this Agreement up to the effective date of his resignation.

D. In the event that Adams is removed from his position as City Manager by the Council in accordance with the method set forth in Section 8-1(e) of the City Charter for any reason other than for "cause" as defined in Section X.B. above, the City shall within fifteen (15) days of the resignation date pay in a lump-sum to Adams as a severance payment a total amount equal to six (6) months of his then existing salary and benefits.

E. Whether Adams voluntarily resigns from his position as City Manager under this Agreement or is removed from his position by the Council with or without cause, Adams shall retain all rights and benefits that may have accrued to him under any of the benefit, pension, or deferred compensation plans provided to him under this Agreement and that he is entitled to retain in accordance with the provisions of such plans and applicable law as any City employee who has resigned or been terminated from employment with the City would be entitled to retain.

F. Medical insurance shall be provided to Adams through the end of the month in which the termination occurs. Adams may elect to thereafter continue coverage by paying the premium in effect at the time of termination under the same terms and conditions and according to the same provisions of law which are applicable to all employees of the City who, upon termination, elect to continue medical coverage at their own expense.

SECTION X. PERFORMANCE EVALUATIONS

Within six (6) months of July 1, 2016, the Council shall review Adams's performance, salary and benefits. Thereafter, the Council shall review Adams's performance, salary and benefits not less than annually as provided in Section 8-1(d) of the City's Charter. Said evaluation shall focus on Adams's performance of the duties and responsibilities assigned to him by the City Charter, City Code and this Agreement, as well as the achievement of any goals or performance objectives established by the Council in consultation with Adams. The Council shall adjust Adams's salary and benefits in such amounts and to such extent as the Council shall determine in its sole discretion.

SECTION XI. RESIDENCY REQUIREMENT

Pursuant to Section 8-1(c) of the City Charter, Adams agrees to reside within the boundaries of the City of Loveland, Colorado, at all times during his employment under this Agreement.

SECTION XII. HOURS WORKED

The Council recognizes that Adams is required to work and perform on behalf of the City other than on an "eight-to-five" basis. As City Manager, he is subject to call at any time, is required to attend night meetings, and is required to participate in various other activities that benefit the City, often working long hours and at times that are not considered normal working hours. The Council expects Adams to manage his schedule and working hours using good professional judgment in establishing flexible working hours.

SECTION XIII. INDEMNIFICATION

To the extent the City is required and authorized to do so under the Colorado Governmental Immunity Act (C.R.S. §§ 24-10-101, *et seq.*), the City shall indemnify and defend Adams for all civil claims brought against Adams arising out of an alleged act or omission by Adams occurring during the performance of his duties as City Manager, within the scope of his employment as City Manager, and provided that such act or omission is not willful and wanton.

SECTION XIV. BONDING

The City agrees to bear the full cost of any fidelity or other bond required of Adams under any law or ordinance or as may be deemed required or desirable by the Council.

SECTION XV. APPLICABILITY OF PERSONNEL POLICIES

A. Adams hereby acknowledges receipt of the City's current personnel rules and regulations, as now found in the City's Administrative Regulations ("Personnel Policies"). Adams agrees to be bound by and adhere to those provisions of the City's current Personnel Policies that apply to exempt management employees of the City, as they may be amended, modified, supplemented, rescinded or as provided in Section 8-4(b) of the City Charter.

B. In the event that any of the provisions of the Personnel Policies are inconsistent with or conflict with the terms of this Agreement, then the terms of this Agreement shall be controlling.

SECTION XVI. ANNUAL APPROPRIATION

All financial obligations of the City under this Agreement shall be subject to the Council's annual appropriation of the funds necessary to satisfy such obligations.

SECTION XVII. OTHER EMPLOYMENT

Pursuant to Section 8-3 of the City Charter, Adams shall not be an employee of, or perform any services for compensation from, any person or entity other than the City, unless Adams has first obtained the Council's approval.

SECTION XVIII. NOTICES

Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given on the date of service if served personally, or three (3) days after mailing if mailed by certified first-class mail, postage prepaid, return receipt requested, and addressed as follows:

If to the City:	City of Loveland Mayor 500 East Third Street, Suite 330 Loveland, CO 80537
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With a copy to:	City Attorney 500 East Third Street, Suite 330 Loveland, CO 80537
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If to Adams:	Stephen C. Adams (At his residential address stated in his most recent Personnel Action Form on file with the City)
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SECTION XIX. GENERAL PROVISIONS

A. This Agreement constitutes the entire agreement between the parties concerning the rights granted herein and the obligations assumed herein. Any oral representation or oral modification concerning this Agreement shall be of no force or effect. Although the provisions set forth in the City's current Personnel Policies that are applied to Adams, as provided in Section XVII above, may be amended, modified, supplemented or rescinded at any time, the terms of this Agreement can be modified only by a writing signed by both the parties hereto. It is further understood and agreed by Adams that no representation, promise or other agreement not expressly contained herein has been made to induce the execution of this Agreement.

B. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and any judicial action brought by either of the parties hereto to enforce the

terms and conditions of this Agreement and/or to recover damages for a breach of this Agreement, shall be brought in the Larimer County District Court in Fort Collins, Colorado.

C. This Agreement is personal to the City and to Adams and may not be assigned or delegated by either party without the prior written consent of the other party.

D. A party's failure to enforce any provision of this Agreement shall not be construed in any way as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

E. If any term or condition of this Agreement shall be declared void or unenforceable by any court of competent jurisdiction, such term or condition shall be deemed severable from the remainder of this Agreement, and the other terms and conditions of this Agreement shall continue to be valid and enforceable.

F. This Agreement shall be construed as if prepared by both of the parties hereto.

G. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

H. Time is of the essence for each and every term, covenant, condition and provision of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE CITY OF LOVELAND, COLORADO

By: _____
Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



City Attorney



Stephen C. Adams