

*(Note: Comments are noted in italics.)*

**AGREEMENT BETWEEN**

\_\_\_\_\_, as represented by the Council,  
(hereinafter called "the Council")

of the first part

- and -

\_\_\_\_\_, of \_\_\_\_\_ in the Province of Alberta  
(hereinafter called "the Manager")

of the second part

**PREAMBLE**

**WHEREAS**, Section 205 of the *Municipal Government Act*, Chapter M-26.1 1994, requires the Council to appoint a Chief Administrative Officer;

**AND WHEREAS**, the Council has determined that the Chief Administrative Officer be referred to as "the Manager";

**AND WHEREAS**, the Council and the Manager are desirous of entering into these presents as confirmation of the terms and conditions of such appointment;

**NOW THEREFORE**, the parties hereto agree as follows:

**1. APPOINTMENT AND COMMENCEMENT DATE**

The Council hereby confirms the appointment of \_\_\_\_\_ as the Manager (Chief Administrative Officer), in accordance with the provisions of the *Municipal Government Act* and this Agreement, as a continuing appointment which was first made \_\_\_\_\_. The Manager accepts the confirmation of such appointment.

**2. SCOPE OF POSITION**

The duties and responsibilities shall be those contained in the Manager's By-Law and the *Municipal Government Act*. Any alteration or modification to the duties and responsibilities of the Manager shall be by mutual agreement of the parties hereto.

**3. COVENANT**

The Manager covenants and agrees to discharge faithfully and to the best of his knowledge, skill, and ability the duties and responsibilities referred to herein in the best interests of the Municipality.

4. **INDEMNITY**

*A clause to indemnify a manager from liability for actions taken in good faith and with honest intent that may be considered negligent by strict legal interpretations regarding the responsibilities of a CAO, especially regarding the supervision of others. This clause could be strengthened to clearly state the provision of funds for legal fees during a termination.*

The Municipality will indemnify the Manager for any liability which arises from the performance of his duties and responsibilities as Manager, including all legal fees and disbursements incurred in connection therewith, provided that this covenant does not apply in respect of any criminal acts committed by the Manager or in respect of any civil liability incurred by the Manager outside the course and scope of his employment.

5. **PROFESSIONAL DEVELOPMENT ACTIVITIES**

*Some managers may want to be more specific here. Some may feel a policy manual should cover these concerns.*

The Council recognizes the value of professional growth of the Manager by encouraging and sponsoring his attendance at various meetings, conferences, conventions, and his membership in professional associations and agrees to cover the expenses therefor.

Attendance at meetings, conferences and conventions outside the Province require prior approval by the Council.

6. **EXPENSES**

The Council shall reimburse the Manager for expenses, including transportation, food and lodging, public relations, etc. incurred in conducting any of the functions of the Manager, with such reimbursement to be in accordance with Municipality’s policies governing reimbursement for expenses.

7. **SALARY**

*Some managers may not be on a pay grid. Some contracts may include provision for salary increases on an annual basis. Preferences related to individual circumstance.*

The Council agrees to pay the Manager in accordance with the municipal staff pay grid as approved and amended from time to time. Such salary is to be paid in the same manner as the municipal employees.

The parties agree that salary increases shall be on the basis of merit as measured by the overall annual performance appraisal of the Manager, in accordance with the merit pay policy of the Municipality. Furthermore, the Council shall not at any time during the term of this agreement reduce the salary of the Manager except to the degree of such a reduction being applicable across the board to all other management employees of the Municipality.

**8. BENEFITS**

The Council shall provide for the Manager such medical, dental, extended health care, long-term disability, sick leave, RRSP (pension), and all other benefits that are currently provided at municipality expense. Furthermore, the Council shall not at any time during the term of this agreement reduce the benefits of the Manager except to the degree of such a reduction being applicable across the board to all other management employees of the municipality.

The Manager shall be entitled to an annual paid vacation of five (5) days in addition to the municipality’s policy for Managers’ vacation, time off in lieu of overtime and meetings. A maximum of ten (10) days of the above may be carried over in any one year.

The Council shall pay to the Manager, a reasonable monthly car allowance. (Such amount may be subject to review from time to time for a potential increase.) Mileage rates shall apply outside the Edmonton region, in accordance with the municipality’s mileage reimbursement policy.

In the event of the death of the Manager prior to the termination of this contract, the Council shall pay to his widow if she survives him, or otherwise to his estate, an amount equal to any unpaid salary, vacation and other benefits earned by him to his last day of service.

**9. PERFORMANCE APPRAISAL**

There shall be an evaluation in writing on the performance of the Manager at least once per year prior to May 1<sup>st</sup>. The Council and the Manager are mutually responsible for ensuring that the reviews are completed on time.

This evaluation shall be reasonably related to the responsibilities and duties assigned to the Manager and the goals and objectives of the Council. The parties agree to cooperate and consult with each other in amending the evaluation format and processes as required. The Manager shall be provided with an individual written evaluation report from each of the Councillors, and a report which is consolidated and signed by the Mayor.

The Council (and each Councillor) undertakes to cooperate with the Manager in carrying out his duties and agrees to refer any criticism, complaints or compliments about the Municipality, as well as any suggestions for improvement, to the Manager for study and recommendation.

**10. DISPUTES RESOLUTION**

From time to time, the parties may agree that a dispute arising out of the interpretation or application of this contract be dealt with in the following procedure:

Where a dispute cannot be resolved through direct negotiation between the parties, that dispute shall be submitted to a committee consisting of one appointee of the Manager, one

appointee of the Council, and a chairperson selected by the respective appointees. None of the appointees may be paid.

Committee decisions shall be by majority vote. The decision of the committee shall be rendered in writing and shall be binding on both parties.

#### **11. TERMINATION AND NOTICE**

*Some managers may want a minimum notice period to compensate for the leaving of employment elsewhere, knowledge and skills, etc. Some provision for professional counselling for you and your family could be considered in the contract. One contract was said to only allow termination of the CAO without severance pay for criminal convictions for illegal acts involving personal gain; for instance, conflict of interest or fraud.*

The Council may terminate this agreement of employment of a Manager for just cause without notice. The Council may terminate this agreement of employment of the Manager without just cause provided that 1.25 month’s salary and benefits is paid for each year of service to a maximum of twenty-four (24) months. The amount will be paid in any reasonable manner that minimizes the Manager’s taxes.

In the event the Manager wishes to terminate this agreement, he shall provide not less than three (3) month’s notice in writing to the Mayor of the Municipality. The Manager may ask the Mayor to abridge the notice period and the Mayor will not unreasonably withhold consent.

#### **12. PROCEDURE FOR TERMINATION**

*Some managers may negotiate a lesser time for notice. It is all part of the “balance”. Some managers may want a letter of reference and assurance about how reference calls are answered.*

The Council agrees it will not terminate the Manager without providing in writing, the reason therefor. Such notice is to be served personally or by registered mail to the last known address of the Manager. The Council shall give the Manager or the Manager’s representative an opportunity to be heard at a special meeting of the Council where all members are present. The Council agrees that a minimum of two-thirds majority of the Council (with all members present) shall be required to pass a motion to terminate this contract.

#### **13. GENERAL**

This agreement constitutes the entire agreement between the parties and there are no oral or written conditions, warranties, promises or inducements except as referred to herein.

In the event that any term of this agreement is inconsistent with or in violation of the provisions of the *Municipal Government Act* or any other laws of the Province of Alberta, it is hereby deemed to be amended to the extent required to avoid such inconsistency, and if any term of this agreement is hereby annulled, the remainder shall remain in full force and effect.

**14. TERM OF AGREEMENT**

This agreement shall take effect on the date it is signed and shall continue thereafter until and unless terminated in accordance with the provisions of this contract.

**15. DATE AND ORIGINALS**

This agreement made in duplicate this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signed, sealed and delivered )  
In the presence of )  
)  
)  
\_\_\_\_\_)  
)  
As to the signature of )  
The Manager )

\_\_\_\_\_  
(Name of Manager)

THE MUNICIPALITY OF \_\_\_\_\_

\_\_\_\_\_  
(Mayor)

*(Note: Consideration may be given to an allowance of \$\_\_\_\_\_ to be provided on termination, for legal fees, relocation allowance or professional counselling.)*