

(Note: Comments are noted in italics.)

THIS AGREEMENT entered into this ____ day of _____, 2001.

BETWEEN:

(the "Municipality")

AND:

(the "Employee")

CHIEF ADMINISTRATIVE OFFICER'S EMPLOYMENT AGREEMENT

The Municipality has by By-Law No. _____, established the position of Chief Administrative Officer ("CAO").

The Municipality desires to engage the services of the Employee as its CAO and the Employee desires to accept the Municipality's engagement upon the terms and conditions herein contained;

In consideration of the promises and other good and valuable consideration herein contained, the parties agree as follows:

1. Position and Term

This agreement does not have a specific term. It ends by an action of either party.

1.1 The Municipality hereby agrees to appoint the Employee to the office of CAO for the Municipality and the Employee accepts such appointment.

1.2 The term of this Agreement shall be effective on _____.

2. Employee's Responsibilities

2.1 The Employee shall serve as the CAO (referred to as the Chief Administrative Officer in the *Municipal Government Act*) of the Municipality and shall be responsible and accountable to the Council of the Municipality for the administration of the Municipality.

2.2 The Employee shall well and faithfully perform the duties assigned to the Employee by the Council of the Municipality or as prescribed from time to time by Resolution or by-law of the Council of the Municipality, which duties include, but are not limited to those duties of the CAO set forth in the *Municipal Government Act* ("MGA").

3. Remuneration

A salary grid is preferred by some managers.

- 3.1 The Municipality shall pay to the Employee an annual salary of \$ _____, effective _____, subject to required withholdings, payable in accordance with the regular payroll policies of the Municipality in existence from time to time.

4. Performance and Evaluation

Communication can solve many of life's problems and so the more information you have flowing between the Council and the CAO, the better. The timeline for three, six, and 12-month evaluations is tight but it may provide the Council and the CAO security for many issues. Some managers may choose other intervals such as after a probation period or annually.

- 4.1 The Council of the Municipality shall conduct a performance evaluation of the Employee at the following intervals.
- a) After the first three months of the Term;
 - b) After the first six months of the Term; and
 - c) After 12 months into the Term and annually thereafter.
- 4.2 The Council of the Municipality reserves the right, in its unfettered discretion, to conduct further or additional reviews and evaluations of the performance of the Employee from time to time.

5. Continuing Education

The Council should not and should not have to decide each and every course service employees want to attend.

- 5.1 In each year of the Term, at the expense of the Municipality, the Employee may attend professional development courses, seminars or workshops for personal education purposes reasonably related to the discharge of the functions of the CAO. The CAO will recommend to Council an annual allocation in the budget for this purpose.

You may wish to limit 5.2 to those for which you are paid.

- 5.2 The Employee may publish articles or make presentation in publications or to organizations. Any publication or presentation made by the Employee shall be subject to advance written consent, that consent not being unreasonably withheld, received by the Employee from the Employer.

List as many memberships you feel are necessary or important. G.F.O.A. is another example.

5.3 The Municipality will cover the Employee's expense of belonging to:

- Canadian Association of Municipal Administrators;
- Local Government Administrators Association;
- Alberta Rural Municipal Administration Association;
- Society of Local Government Managers; and
- Certified Management Accountants.

Negotiate for fringe benefits and get them into your contract. It never hurts to ask and when they want you, they will commit to benefits such as this!

5.4 The Municipality will partially reimburse the Employee for the education expense of pursuing his MBA over the next three years, to a maximum total reimbursement of \$12,500 for year one, \$3,000 for year two and \$3,000 for year three.

6. Standard Benefits

6.1 The Employee shall be entitled to participate in all standard benefit plans as may be offered to managerial employees of the Municipality according to Municipality policies in existence from time to time.

6.2 The Employee authorizes the Municipality to make all necessary payroll deductions and to convey all necessary confidential information for the Employee's participation in the above plans or any benefit plan arrangements provided for in this Agreement.

7. Expense Reimbursement

Some managers may find this too restrictive regarding activities and procedures.

7.1 The Municipality shall reimburse the Employee for all out of pocket expenses reasonably and directly incurred by the Employee in the discharge of the Employee's duties under this Agreement, provided that such expenses shall only be reimbursed when supported by proper receipts, invoices or vouchers submitted to the Municipality within thirty (30) days from the date upon which such expenses are incurred.

Negotiate for extra benefits.

7.2 The Municipality will also reimburse the Employee for the cost of flying himself and his spouse to Edmonton return twice annually.

7.3 The Municipality will reimburse the employee for all reasonable moving costs.

8. Vacation

It is a demanding job and you should negotiate for as much as possible. It is also a good tactic to negotiate one week of time off with pay in lieu of all overtime. One Friday per month is another suggestion. There are other suggestions such as time for overtime beyond a certain limit – you do the math!

- 8.1 The Employee shall be entitled to an annual vacation of four (4) weeks. The Employee will accrue additional vacation days at a rate of one additional day per year of service to a maximum of six weeks.
- 8.2 The Employee shall notify the Reeve and/or Council of the Municipality prior to taking any vacation or other time off, and the Employee shall designate a department head as acting CAO in his absence.

9. Termination

- 9.1 The Municipality may terminate this Agreement at any time for just cause without notice or compensation in lieu thereof.

With the risks involved in this business, six months of pay may not be enough to find the next "dream" job; or, it "may be just around the corner".

- 9.2 The Municipality may terminate this Agreement for any reason, in its unfettered discretion, by providing to the Employee six (6) months advance written notice to that effect, or, payment in an amount equivalent to six (6) months salary, less required deductions. This notice or payment entitlement shall increase by one (1) month for each completed year of service at the time of termination up to a maximum of 24 months payment. It is acknowledged and agreed by the parties that the provision of such payment is reasonable and adequate and will fulfill all requirements for notice or payment in lieu thereof, to which the Employee is entitled arising out of termination of this Agreement.
- 9.3 The Employee may terminate this Agreement by providing to the Municipality two (2) month's advance written notice to that effect.
- 9.4 Upon termination of this Agreement as set forth in this Section 9, the Employee shall have no further claims against, or be entitled to any further remuneration or compensation from, the Municipality.

10. Automobile Insurance

Again, negotiate the most you can.

- 10.1 The Municipality shall pay an automobile allowance as per Policy _____ bi-weekly while on municipal business, to the Employee as reimbursement for use of the Employee's personal automobile on behalf of the Employer. The Municipality will provide the

Employee with a credit card for the purchase of gas and oil only to be billed monthly to the Municipality. The Employee acknowledges and agrees that for the purposes of the *Income Tax Act*, the automobile allowance has been based on the cost of operating a personal vehicle and is designed not to be a taxable benefit and subject to taxes and deductions, but that if this automobile allowance is determined at any future date to be a taxable benefit, then the Employee shall be solely responsible for all resulting taxes and deductions.

- 10.2 The Municipality may, upon the recommendation of the Employee provide the Employee with an automobile deemed suitable for the position for his unrestricted use as an alternative to paying the automobile allowance specified in Section 10.1. The Employee agrees to submit all vehicle-related expenses for payment by the Municipality. The Municipality agrees to replace the vehicle provided to the Employee at least every 24 months.

11. Miscellaneous

- 11.1 The Employee shall at no time conduct himself, either professionally or personally, in such a manner as to bring the Municipality or its representatives or officers, into public disrepute or ridicule and the parties hereto agree that breach of this Section constitutes just cause for immediate termination of this Agreement in accordance with Section 9.1 hereof.
- 11.2 The Employee shall devote his full time and attention to properly and competently discharging the duties set out in this Agreement. Volunteer, board and representational work are considered to be within the duties of the Employee.
- 11.3 The Employee shall not commence any employment for or with any other person during the Term unless specifically authorized to do so in advance, in writing, by the Council of the Municipality at its absolute discretion.
- 11.4 The Employee acknowledges that any information whatsoever of which the Employee may become aware during the course of his employment with the Municipality shall be held by him in strictest confidence and shall not be released without the prior written approval of the Council of the Municipality.
- 11.5 Whether or not so stipulated herein, all notices, communication, requests and statements (the "Notice") required or permitted hereunder shall be in writing. Notice shall be served by one of the following means:
- a) Personally, by delivering it to the party on whom it is to be served at the address set out herein, provided such delivery shall be during normal business hours. Personally delivered Notice shall be deemed received when actually delivered as aforesaid; or

- b) By telecopy or by any other like method by which a written or recorded message may be sent, directed to the party on whom it is to be served at that address set out herein. Notice so served shall be deemed received on the earlier of:
 - i) upon transmission with answer back confirmation if received within the normal working hours of the business day; or
 - ii) at the commencement of the next ensuing business day following transmission with answer back confirmation thereof; or
- c) By mailing via first class registered post, postage prepaid, to the party on whom it is served. Notice so served shall be deemed to be received seventy-two (72) hours after the date it is postmarked. In the event of a postal interruption, no notice sent by means of the postal system during or within seven (7) days prior to the commencement of such postal interruption or seven (7) days after the cessation of such postal interruption shall be deemed to have been received unless actually received.

Except as herein provided, Notice required to be given pursuant to this Agreement shall be deemed to have been received by the addressee on the date received when served by hand or courier, or three (3) days after the same has been mailed in a prepaid envelope by double registered mail to:

- i) the Municipality;
- ii) the Employee; or
- iii) such other address as each party may from time to time direct in writing.

11.6 This Agreement is not assignable, either in whole or in part.

11.7 This Agreement shall be governed by the laws of the Province of Alberta.

11.8 This Agreement constitutes the entire Agreement between the parties, and there have been no additional representations or warranties.

12. Independent Legal Advice

12.1 The Employee hereby acknowledges and confirms that he was advised by the Municipality to obtain independent legal or other professional advice and that by executing this Agreement, the Employee hereby confirms that he has had the opportunity to seek independent legal or professional advice prior to executing this Agreement and has either:

- a) Obtained such legal or other professional advice; or
- b) Waived the right to obtain such independent legal or other professional advice.

IN WITNESS WHEREOF the Employee has hereunto affixed his hand in the presence of the witness and the Municipality has hereunto affixed its seal as witnessed by the hands of its proper signing officers duly authorized in that behalf as of the day and year first above written.

Per: _____

SIGNED, SEALED and DELIVERED
in the presence of:

_____ Name)
_____ Address) _____

The person who submitted this contract believes that is a good contract; and, felt some further benefits could have been negotiated had it not been that the person was unemployed at the time. The person felt bargaining leverage is increased when "you don't need that job".