

**2018EMPLOYMENT AGREEMENT FOR  
CITY MANAGER AND CITY OF HUTTO, TEXAS**

This 2018 Employment Agreement (the “Agreement”) is made and entered into as of this 20<sup>th</sup> day of July, 2018 by and between the City of Hutto, Texas, a Texas municipal corporation (the “City”), and Odis Jones (“Employee”).

**RECITALS**

The City desires to increase Employee’s annual salary and make other revisions to the employment agreement between the parties. The Employee is willing to continue to be employed by the City on the terms and subject to the conditions set forth in this Agreement.

The City and Employee wish to enter into this Agreement that sets forth all of the rights and obligations of the parties and that will supersede all prior negotiations, discussions or agreements.

This Agreement supersedes all prior contractual agreements of any type or form between the parties and this Agreement controls the terms of Employee’s employment as City Manager of the City of Hutto, Texas effective July 20, 2018.

In consideration of the mutual covenants and promises of the parties, the City and Employee covenant and agree as follows:

**AGREEMENT**

**ARTICLE 1. TERM**

1.1 **Term.** The City hereby employs Odis Jones as City Manager of the City of Hutto, Texas and he accepts employment subject to the terms of this Agreement which shall be in full effect on July 20, 2018 (the “Effective Date”). This Agreement shall continue in full effect until terminated in accordance with the terms set forth in this Agreement.

**ARTICLE 2. EMPLOYMENT**

2.1 **Duties.** The Employee shall faithfully perform the duties of City Manager of the City as prescribed by the Charter of the City of Hutto, and shall comply with all legal City Council directives, state and federal laws, and lawful City of Hutto policies, work rules, and regulations as they exist or may hereinafter be adopted or amended. Except as provided in this Agreement, the Employee agrees to devote his time and energy to the performance of these duties in a faithful, diligent and efficient manner.

2.2 **Residency.** The Employee shall establish his principal physical residence within the City’s corporate boundaries or extraterritorial jurisdiction as soon as practicable, and shall maintain his principal physical residence in the City or its extraterritorial jurisdiction continuously during the term of his employment as City Manager.

### ARTICLE 3. COMPENSATION AND SALARY

3.1 Annual Base Salary. Commencing as of the Effective Date and continuing through the term of this Agreement, the Employee will be paid an annual base salary of Two Hundred Seventy Five Thousand and No/100 Dollars (\$275,000.00), plus an annual 3% cost of living increase that shall be applied upon the annual anniversary date of this Agreement. The salary paid to the Employee shall be in bi-weekly installments after appropriate withholdings consistent with federal and state law.

3.2 Non-Competition Agreement. In consideration of the increase in salary provided by the City herein, Employee agrees that, if he should voluntarily terminate this agreement then he shall not work for a governmental entity within the State of Texas for one year after Employee's termination of this Agreement. Notwithstanding anything to the contrary herein, or in any other agreement between the City and Employee, the provisions of this paragraph shall survive termination of the Employment Agreement.

3.3 Employee Benefits. The City shall provide for Employee's participation in the City of Hutto's retirement plan through the Texas Municipal Retirement System in a manner consistent with all other employees of the City, unless otherwise provided in this Agreement. The City agrees to provide employee benefits for medical, dental, life insurance, and disability in accordance with normal City policy for general employees.

3.4 Dues and Subscriptions. The City agrees to budget and to pay for professional dues and subscriptions of Employee reasonably necessary for his continuation and full participation in national, regional, state, and local associations and organizations necessary and desirable for his continued professional participation, growth, and advancement, and for the good of the City. The City shall also pay for the dues for Employee to join and become a member of a local civic organization.

3.5 Outside Activities. Employee shall not spend more than ten (10) hours per week in teaching, consulting or other non-City connected business without the prior approval of the City Council.

3.6 Automobile Expense. The City will pay Employee an amount of Seven Hundred and No/100 Dollars (\$700) per month during the term of this Agreement for purposes of a car allowance to ensure appropriate compensation for use of personal vehicle while the Employee is conducting business on behalf of the City. Therefore, this allowance shall be in lieu of the payment of mileage expenses.

3.7 Performance Evaluation. The City Council shall review and evaluate the performance of the Employee at such times as are determined appropriate by the City Council. Such review and evaluation shall be in accordance with specific criteria developed jointly by the City and Employee. Said criteria may be added to or deleted from as the City Council may from time to time determine, in consultation with the Employee.

3.8 Paid Time Off. The Employee shall be entitled to twenty (20) workdays off without the loss of pay for vacation leave each year. Any paid time off days not taken during the year shall accrue and be carried forward to the next year up to a maximum of five (5) days.

3.9 Sick & Personal Leave. The Employee shall be entitled to ten (10) leave days per year, which may be utilized for sick or personal business. Any sick and personal leave days not taken during the year shall accrue and be carried forward to the next year. Unused sick and personal leave days shall be paid to the Employee at termination or expiration of this Agreement.

3.10 Holidays. The Employee shall also be entitled to holiday leave pursuant to the personnel policies and/or standard practices for all employees of the City.

3.11 Indemnification and Defense. To the fullest extent provided by law, the City shall provide for indemnification and defense of the Employee in accordance with the provisions found in the Hutto City Charter and Policies of the City Council. The City will assume the cost of separate counsel for Employee if the City Council deems that necessary and Employee's selection of counsel to represent him must be approved by the City Council. The City shall bear the full cost of any fidelity or other bonds or other insurance required of the Employee under law or ordinance by virtue of his employment.

#### ARTICLE 4. TERMINATION OF EMPLOYMENT AGREEMENT

4.1 Disability, Retirement or Death. This Agreement shall be terminated upon the disability, retirement or death of the Employee. For purposes of this Agreement, "disability" is defined as unable to perform the duties of Hutto City Manager position of employment or substantially similar position of employment due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months.

4.2 Termination by the City. The City retains the right to terminate this Agreement and Employee's employment with the City at any time without cause during the term of this Agreement. Any such termination by the City shall be effective not less than thirty (30) days after the City gives the Employee written notice of termination. It is understood and agreed, however, that, if the City terminates the employment of the Employee without cause during this Agreement, the Employee shall receive a severance payment equal to twelve (12) months' base salary and the cost of continuation of group health plan benefits under the City's group health plans. Employee shall still be responsible for his contribution towards group health plan benefits in the event the Employee qualifies for severance under this section.

4.3 Termination for Cause. The City may dismiss the Employee during the term of this Agreement for Cause as that term is defined herein. In the event the Employee is terminated for Cause, the Employee's compensation shall be paid only through the effective date of termination. In this Agreement, "Cause" shall be defined as: (i) an intentional act of fraud, embezzlement, theft or any other material violation of law that occurs during or in the course of employment with the City; (ii) intentional damage to the City's assets; (iii) intentional, unauthorized disclosure of the City's confidential information contrary to policies; (iv) material breach of the Employee's obligations under this Agreement; (v) intentional breach of the City's policies or procedures; (vi) the Employee's willful failure to substantially perform his duties to the City; (vii) acts

of moral turpitude; or (viii) the Employee's willful misconduct that demonstrably and materially injures the City, monetarily or otherwise.

4.4 Termination by Employee. The Employee retains the right to terminate this Agreement and his employment with the City from and after the Effective date by providing not less than thirty (30) days' advance written notice prior to the effective termination date.

4.5 Remedies for Early Termination by Employee. If the Employee terminates this Agreement on or before July 31, 2021, the damages to the City, including the cost of recruiting and the salary for a City Manager of comparable skills, is incapable or impossible to determine. If the Employee terminates this Agreement on or before July 21, 2019 then the employee shall pay the City \$50,000 and if before July 21, 2020 the employee shall pay to the City \$30,000, as compensation for the damages it will sustain in recruiting and retaining a City Manager of skills comparable to that of Employee, setting a salary to induce a candidate comparable to Employee to take the position of Hutto City Manager, and other damages flowing directly from Employee's early termination of the Agreement. The Employee and the City each severally acknowledges that the liquidated damages provided in this paragraph will be substantially less than the actual damages which will be incurred by the City. As a material inducement to the City to enter into this Agreement, Employee further acknowledges that the liquidated damages have been agreed upon based upon arm's length negotiations and does not constitute, and is not intended to constitute, a penalty. The liquidated damages provided herein shall be due and payable within thirty (30) days following Employee giving notice of termination of the Agreement. Provided, however, that if a serious medical condition of Employee or his immediate family necessitates Employee's termination of this Agreement, Employee may terminate this Agreement without having to the liquidated damages set forth herein.

#### ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1 Controlling Law. The laws of the state of Texas and applicable federal law shall govern this Agreement, and it shall be performable in Williamson County, Texas, unless otherwise provided by law. Venue for any dispute concerning the interpretation or enforcement of this Agreement shall be in Williamson County, Texas.

5.2 Notice. Any notice required to be given under this Agreement shall be delivered to the receiving party by personal delivery, certified mail, return receipt requested or by overnight mail or courier service, to the following addresses:

If to the City, to:

Mayor  
City of Hutto  
401 West Front Street  
Hutto, Texas 78634

If to Employee, to:

Odis Jones  
City Manager  
401 West Front Street  
Hutto, Texas 78634

5.3 Complete Agreement. This Agreement embodies the entire agreement between the parties and, except as expressly provided herein, it cannot be varied except by written agreement of the parties.

5.4 Binding Agreement. This Agreement shall be binding pursuant to the laws of the State of Texas and the City of Hutto Charter, which provides that this Agreement shall not be binding upon the parties until approved by the City Council of Hutto, Texas.

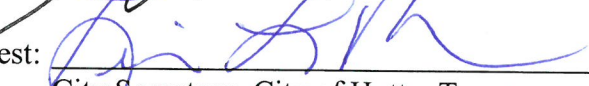
5.5 General Provisions. The parties agree that this Agreement replaces and supersedes all prior agreements between parties, whether written or oral. The text herein shall constitute the entire agreement between the parties with respect to the subject matter hereof. Furthermore, if any provision or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

5.6 Exclusive Venue. The parties agree that the exclusive venue for any suit between them, whether arising from this Agreement or not, is in Williamson County, Texas, and/or the Federal District Court within whose jurisdiction Williamson County, Texas, falls.

IN WITNESS WHEREOF, the parties have affixed their signatures on the date and year first above written.

By:   
\_\_\_\_\_  
Odis Jones, Employee

By:   
\_\_\_\_\_  
Mayor, City of Hutto, Texas

Attest:   
\_\_\_\_\_  
City Secretary, City of Hutto, Texas