**Introduction**

This Agreement, made and entered into this [date], by and between the [local government] of [state], [type of local government] a municipal corporation, (hereinafter called “Employer”) and [name], (hereinafter called “Employee”) an individual who has the education, training and experience in public financial management, both of whom agree as follows:

**Section 1:** Term

*[Recommended language]*

1. This agreement shall remain in full force and effect from [date] until terminated by the Employer or Employee as provided in this agreement.

*[Optional replacement language]*

1. The term of this agreement shall be for an initial period of [#] years from [date] to [date]. This Agreement shall automatically be renewed on its anniversary date for a [#] year term unless notice that the Agreement shall terminate is given at least [#] months [3 months recommended] before the expiration date. In the event the agreement is not renewed, all compensation, benefits and requirements of the agreement shall remain in effect until the expiration of the term of the Agreement unless Employee voluntarily resigns.
2. In the event that the Employee is terminated, as defined in this agreement, the Employee shall be entitled to all compensation including salary, accrued vacation and sick leave, car allowance paid in lump sum or in a continuation of salary on the existing [biweekly/monthly] basis, at the Employee’s option, plus continuation of all benefits for the remainder of the term of this agreement.

**Section 2:** Duties and Authority

1. The Employer agrees to employ [name] as [title] to perform the functions and duties specified in [legal reference] of the [local government] charter and/or by ordinance (#) dated [legal reference] of the [local government] code and to perform other legally permissible and proper duties and functions without interference.
2. The Employee is the chief financial officer of the Employer and shall faithfully perform the duties as prescribed in the job description as set forth in the Employer’s charter and/or ordinances and as may be lawfully assigned by the Employer and shall comply with all lawful governing body directives, state and federal law, Employer policies, rules and ordinances as they exist or may hereafter be amended.
3. The Employee shall perform the duties of the chief financial officer of the Employer with reasonable care, diligence, skill and expertise.
4. All duties assigned to the Employee by the governing body shall be appropriate to and consistent with the professional role and responsibility of the Employee.
5. The Employee cannot be reassigned from the position of chief financial officer to another position without the Employee’s express written consent.

**Section 3:** Compensation

1. Base Salary: Employer agrees to pay Employee an annual base salary of [$ amount], payable in installments at the same time that the other management employees of the Employer are paid.
2. This agreement shall be automatically amended to reflect any salary adjustments that are provided or required by the Employer’s compensation policies to include all salary adjustments on the same basis as applied to the executive classification of employees.

*[Recommended language]*

1. In addition, consideration shall be given on an annual basis to an increase in compensation.

*[Optional replacement language]*

1. The Employer agrees to increase the compensation of the Employee dependent upon the results of the performance evaluation conducted under the provisions of Section 12 of this Agreement. Increased compensation can be in the form of a salary increase and/or performance incentive and/or an increase in benefits.

**Section 4:** Health, Disability and Life Insurance Benefits

*[Recommended language]*

1. The Employer agrees to provide and to pay the premiums for health, hospitalization, surgical, vision, dental and comprehensive medical insurance for the Employee and his/her dependents, at a minimum, equal to that which is provided to all other employees of the [local government]. In the event no such plan exists, Employer agrees to provide coverage for the Employee and dependents in a manner mutually agreed upon by Employer and Employee.
2. The Employer agrees to put into force and to make required premium payments for short-term and long-term disability coverage for the Employee.
3. The Employer shall pay the amount of premium due for term life insurance in the amount of two (2) times the Employee’s annual base salary, including all increases in the base salary during the life of this agreement. The Employee shall name the beneficiary of the life insurance policy.

*[Optional replacement language]*

1. The Employer agrees to provide for full health, hospitalization, surgical, vision, dental and comprehensive medical insurance for the Employee and his/her dependents on an equivalent basis to that which is provided to all other employees of the [local government] and Employer shall pay all premiums for the Employee and the Employee’s dependents. In the event no such plan exists, Employer agrees to provide full coverage for the Employee and dependents in a manner mutually agreed upon by Employer and Employee.
2. The Employer agrees to put into force and to make required premium payments for short term and long term disability coverage for the Employee.
3. The Employee may elect to submit once per calendar year to a complete physical examination, including a cardio-vascular examination, by a qualified physician selected by the Employee, the cost of which shall be paid by the Employer.
4. The Employer shall pay the amount of premium due for term life insurance in the face amount of two (2) times the Employee’s annual base salary, including all increases in the base salary during the life of this agreement.

**Section 5:** Vacation, Sick, and Military Leave

*[Recommended Language]*

1. Upon commencing employment, the Employee shall be credited with [#] accrued sick leave hours and [#] accrued vacation leave hours. In addition, beginning the first day of employment, Employee shall accrue sick leave and vacation leave on an annual basis, at a minimum, at the highest rate provided or available to any other management employees, under the same rules and provisions applicable to other management employees.

*[Optional replacement language]*

1. Beginning the first day of employment, Employee shall accrue vacation leave on an annual basis equivalent to four weeks per year. In addition, the Employee shall have access to a bank of 15 sick days to be used in the case of serious medical conditions. This leave can only be used to provide coverage during the waiting period between the onset of illness or disability and the point at which short- or long-term disability coverage takes effect and may be renewed after each occurrence.
2. The Employee shall be entitled to military reserve leave time pursuant to state law and [local government] policy.

**Section 6:** Retirement

1. The Employer agrees to enroll the Employee into the applicable state, provincial, or local retirement system and to make all the appropriate contributions on the Employee’s behalf.
2. In addition to the Employer’s payment to the state, provincial, or local retirement system (as applicable) referenced above, Employer agrees to execute and keep in force all necessary agreements provided by a Section 457 deferred compensation plan for Employee’s [continued] participation in said supplementary retirement plan.
3. In addition to the base salary paid by the Employer to Employee, Employer agrees to pay an amount equal to [percentage of Employee’s base salary, fixed dollar amount of [ $ ], or maximum dollar amount permissible under Federal and state law] into the designated plan on the Employee’s behalf, in an equal proportionate amount each pay period. The Employer and Employee shall fully disclose to each other the financial impact of any amendment to the terms of Employee’s retirement benefit.

**Section 7:** General Business Expenses

1. The Employer agrees to budget and pay for professional dues, including, but not limited to the Government Finance Officers Association, and subscriptions of the Employee necessary for continuation and full participation in national, regional, state, provincial, and local associations, and organizations necessary and desirable for the Employee’s continued professional participation, growth, and advancement, and for the good of the Employer.
2. The Employer agrees to budget and pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to the GFOA Annual Conference and one conference within the State/Province.
3. The Employer also agrees to budget and pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee’s professional development and for the good of the Employer.
4. The Employer recognizes that certain expenses of a non-personal but job related nature are incurred by Employee, and agrees to reimburse or to pay said general expenses. Such expenses may include meals where Employer business is being discussed or conducted and participation in social events of various organizations when representing the Employer. Such expenditures are subject to annual budget constraints as well as state and Employer ethics and purchasing policies.
5. The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer shall pay for the reasonable membership fees and/or dues to enable the Employee to become an active member in local civic clubs or organizations where membership in those groups is a job requirement.
6. Recognizing the importance of constant communication and maximum productivity, Employer shall pro- vide Employee, for business and personal use, a laptop computer, software, internet connection at Employee’s permanent residence, mobile phone/personal digital assistant and/or tablet computer for business and personal use, and pager for business and personal use required for the Employee to perform their duties and to maintain communication with Employer’s staff and officials as well as other individuals who are doing business with Employer.

**Section 8:** Termination

1. For the purpose of this agreement, termination shall occur when:

1. *[Choose option based on how Employee is appointed]*

The chief administrative/executive officer decides to terminate the employee.

*[OR]*

The majority of the governing body votes to terminate the Employee in accordance with
(cite applicable local law) at a properly posted and duly authorized public meeting.

1. If the Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this agreement and will be regarded as a termination.
2. If the Employee resigns following an offer to accept resignation, whether formal or informal, by the Employer as representative of the majority of the governing body, then the Employee may declare a termination as of the date of the offer.
3. If either party provides a written notice of breach of contract, the Employee or Employer shall have a 30-day cure period. Written notice of any breach of contract shall be provided in accordance with the provisions of Section 21.

*[Additional optional language if the appointing authority is the governing body]*

1. In the event the Employee is terminated by the Employer during the six (6) months immediately following the seating and swearing-in of one or more new governing body members, and during such time that Employee is willing and able to perform his duties under this Agreement, then, Employer agrees to pay Severance in accordance with Section 10 plus salary and benefits in accordance with Section 10 for any portion of the six months not worked.

**Section 9:** Severance

1. Severance shall be paid to the Employee when employment is terminated as defined in Section 9.
2. If the Employee is terminated, the Employer shall provide a minimum severance payment equal to six (6) months’ salary, unless otherwise dictated state law, at the then current rate of pay. This severance shall be paid in a lump sum or in a continuation of salary on the existing [biweekly/monthly] basis, at the Employee’s option,
3. The Employee shall also be compensated for all sick leave, vacation leave, and all paid holidays.
4. The Employer agrees to make a contribution to the Employee’s deferred compensation account on the value of this compensation calculated using the then current annual salary of Employee at the date of termination divided by two thousand and eighty (2080) hours. If the amount of the contribution under this Section exceeds the limit under the Code for a contribution to the Deferred Compensation plan, the remainder shall be paid to the Employee in a lump sum as taxable compensation
5. For a minimum period of six months following termination, the Employer shall pay the cost to continue the following benefits:
	1. Health insurance for the employee and all dependents as provided in Section 4A, after which time, Employee will be provided access to health insurance pursuant to the Consolidated Omnibus Budget Reconciliation Act (“COBRA”).
	2. Life insurance as provided in Section 4D.
	3. Short-term and long-term disability as provided in Section 4B.
	4. Out-placement services should the employee desire them in an amount not to exceed [$10,000 to $15,000 recommended].
6. Notwithstanding the foregoing provisions Agreement, in the event that the Employee is terminated because of his participation in any illegal act or because of his breach of this Agreement, the Employer shall have no obligation to pay the termination pay and benefits designated in this Agreement.
7. The termination and severance of Employee shall be in accordance with the “Separation Agreement” agreed to by Employer and Employee. A template for such agreement is incorporated herein by reference.

*[Note: Provisions for severance and severance related benefits may be governed by state and/or local law. Before entering into negotiations, both parties should be knowledgeable about relevant legal provisions.]*

**Section 10:** Resignation

In the event that the Employee voluntarily resigns his/ her position with the Employer, the Employee shall provide a minimum of 30 days’ notice unless Employer and Employee agree otherwise.

**Section 11:** Performance Evaluation

1. The Employer shall annually review the performance of the Employee in [month] subject to a process, form, criteria, and format for the evaluation which shall be mutually agreed upon by the Employer and Employee. The annual evaluation process, at a minimum, shall include the opportunity for both parties to:
	1. Meet to discuss goals and objectives of both the past twelve (12) month performance period as well as the upcoming twelve (12) month performance period.
	2. Prepare a written evaluation of goals and objectives for the past and upcoming year.
	3. Meet and discuss the written evaluation of these goals and objectives.
	4. Present a written summary of the evaluation results to the Employee.

The final written evaluation should be completed and delivered to the Employee within 30 days of the initial evaluation meeting.

1. Unless the Employee expressly requests otherwise in writing, the evaluation of the Employee shall at all times be conducted considered confidential to the extent permitted by law. Nothing herein shall prohibit the Employer or Employee from sharing the content of the Employee’s evaluation with their respective legal counsel.
2. In the event the Employer deems the evaluation instrument, format and/or procedure is to be modified by the Employer and such modifications would require new or different performance expectations, then the Employee shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

**Section 12:** Ethical Commitments

1. The Employee will at all times uphold the tenets of the GFOA Code of Ethics, a copy of which is attached hereto and incorporated herein. Specifically, the Employee shall not endorse candidates, make financial contributions, sign or circulate petitions, or participate in fund-raising activities for individuals seeking or holding elected office, nor seek or accept any personal enrichment or profit derived from confidential information or misuse of public time.
2. The Employer shall support the Employee in keeping these commitments by refraining from any order, direction or request that would require the Employee to violate the GFOA Code of Ethics. Specifically, neither the governing body nor any individual member thereof shall request Employee to endorse any candidate, make any financial contribution, sign or circulate any petition, or participate in any fund-raising activity for individuals seeking or holding elected office, nor to handle any matter of personnel on a basis other than fairness, impartiality and merit.

**Section 13:** Moving and Relocation Expenses

*[Recommended Language]*

1. Employee agrees to establish residence within the corporate boundaries of the local government, if required, within [number] months of employment, and thereafter to maintain residence within the corporate boundaries of the local government.
2. Employer shall pay directly for the expenses of moving Employee and his/her family and personal property from [location name] to [location name]. Said moving expenses include packing, moving, storage costs, unpacking, and insurance charges. The Employee shall provide evidence of actual moving expenses by securing quotations from three (3) companies. The Employee shall submit these quotes to the Employer who, in consultation with the Employee, shall select the moving company.
3. Employer shall reimburse Employee for actual lodging and meal expenses for his/her family in route from [location name] to [location name].
4. Employer shall pay Employee an interim housing supplement of [dollar amount] per month for a period commencing [date], and shall continue for a maximum of [#] months.
5. Employer shall reimburse Employee for a total of [number] round trip air fares for Employee and his/ her family [amount of total tickets] at any time during the first year of service to assist with house hunting and other facets of the transition and relocation process. The Employee and his/her family may utilize and distribute the total [enter number] individual round-trip tickets in any combination of individual members making the trips. The Employee shall be reimbursed for actual lodging and meal expenses incurred by Employee or his/her family members on any trips conducted prior to relocation, as detailed herein.
6. The Employee shall be reimbursed, or Employer may pay directly, for the expenses of packing and moving from temporary housing to permanent housing during the first year of this agreement. The cost of this move shall not exceed [dollar amount].

*[Optional replacement language]*

The Employer shall pay a lump sum payment of [$] to the Employee to cover relocation costs.

**Section 14:** Indemnification

1. Beyond that required under Federal, State, Provincial or Local Law, the Employer shall defend, save harmless, and indemnify the Employee against any obligation to pay money or perform or not perform action, including without limitation, any and all losses, damages, judgments, interests, settlements, penalties, fines, court costs and other reasonable costs and expenses of legal proceedings including attorneys’ fees, and any other liabilities arising from, related to, or connected with any tort, professional liability claim, or demand or any other threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigation, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee’s duties as [job title] or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act or omission involved willful or wanton conduct.
2. The Employee may request and the Employer shall not unreasonably refuse to provide independent legal representation at the Employer’s expense and the Employer may not unreasonably withhold approval. Legal representation, provided by the Employer for the Employee, shall extend until a final determination of the legal action including any appeals brought by either party.
3. The Employer shall indemnify the Employee against any and all losses, damages, judgments, interest, settlements, penalties, fines, court costs and other reasonable costs and expenses of legal proceedings, including attorneys’ fees, and any other liabilities incurred by, imposed upon, or suffered by the Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of the Employee’s duties. Any settlement of any claim must be made with prior approval of the Employer in order for indemnification, as provided in this Section, to be available.
4. The Employee recognizes that the Employer shall have the right to compromise and, unless the Employee is a party to the suit, which the Employee shall have a veto authority over the settlement, settle any claim or suit, unless, said compromise or settlement is of a personal nature to the Employee.
5. The Employer agrees to pay all reasonable litigation expenses of the Employee throughout the pendency of any litigation to which the Employee is a party, witness or advisor to the Employer. Such expense payments shall continue beyond Employee’s service to the Employer as long as litigation is pending.
6. The Employer agrees to pay the Employee reasonable consulting fees and travel expenses when the Employee serves as a witness, advisor or consultant to the Employer regarding pending litigation.

**Section 15:** Bonding

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

**Section 16:** Other Terms and Conditions of Employment

1. The Employer, only upon agreement with Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the [local government] Charter, local ordinances or any other law.
2. Except as otherwise provided in this Agreement, the Employee shall be entitled, at a minimum, to the highest level of benefits that are enjoyed by or offered to other [appointed officials, appointed employees, department heads or general employees] of the Employer as provided in the Charter, Code, Personnel Rules and Regulations or by practice.

**Section 17:** Notices

1. Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, and addressed as follows:

**EMPLOYER:** [Insert Employer Name]

[Address]

[City, State, Zip]

**EMPLOYEE:** [Insert Employee Name]

[Address]

[City, State, Zip]

1. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

**Section 18:** General Provisions

1. **Integration.** This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the Employer and Employee are merged into and rendered null and void by this Agreement. The Employer and Employee by mutual written agreement may amend any provision of this agreement during the life of the agreement. Such amendments shall be incorporated and made a part of this agreement.
2. **Binding Effect.** This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.
3. **Effective Date.** This Agreement shall become effective on [insert date].
4. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both Employer and Employee subsequent to the expungement or judicial modification of the invalid provision.
5. **Precedence.** In the event of any conflict between the terms, conditions and provisions of this Agreement and the provisions of Council’s policies, or Employer’s ordinance or Employer’s rules and regulations, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Agreement shall take precedence over contrary provisions of Council’s policies, or Employer’s ordinances, or Employer’s rules and regulations or any such permissive law during the term of this Agreement.

[Name of Employer]

By:

[Insert Title of Governing Body Representative]

*Executed this the [number] day of [month] [year]*

Employee Signature:

*Executed this the [number] day of [month] [year]*