



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Item Overview

Item #: , **File #:** [TMP-6585], **Version:** 1

Meeting Date: 1/21/2026

A RESOLUTION APPROVING THE CONTRACT OF TOWN ATTORNEY NICHOLAS W. YATES (2026-01-21/R-2.1)

BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council hereby approves the Contract of Town Attorney Nicholas W. Yates and authorizes the Mayor to execute the contract on behalf of the Council.

This the 21st day of January, 2026.

North Carolina

Orange County

Town of Chapel Hill Employment Contract for the Town Attorney

Introduction

This Contract, made and entered into this the ____ day of January, 2026, by and between the Town of Chapel Hill, a North Carolina municipal corporation, (hereinafter called “the Town”) and Nicholas W. Yates.

Section 1: Term.

This Contract shall remain in full force and effect until terminated by the Town or Nicholas W. Yates as provided in Section 9, 10, or 11 of this Contract.

Section 2: Duties and Authority.

The Town agrees to employ Nicholas W. Yates as the Town Attorney to perform the functions and duties specified in the policies, resolutions and ordinances of the Town; and as defined in the applicable laws of the State of North Carolina for a Town Attorney under the council-manager form of government, and to perform other legally permissible and proper duties and functions.

Nicholas W. Yates (the “Town Attorney”) agrees to accept and perform the functions and duties of Town Attorney in accordance with said policies, resolutions, and ordinances and applicable laws and pursuant to the terms of this Contract and to perform other legally permissible and proper duties and functions.

It is recognized that the Town Attorney may need to devote a great deal of time outside of the normal office hours on business for the Town in his role as Town Attorney, and to that end the Town Attorney shall be allowed to establish for himself an appropriate work schedule. In recognition of the fact that the Town Attorney will be charged with fulfilling a broad range of duties on behalf of the Town, the Town Attorney shall be authorized to engage the assistance of outside counsel when he considers it appropriate, using funds previously budget to the Town Attorney’s office.

The employment provided for by this Contract shall be the Town Attorney’s principal employment.

Section 3: Salary.

The Town agrees to pay the Town Attorney an annual base salary of two hundred ten thousand dollars (\$210,000.00) per year, payable in installments at the same time that the other employees of the town are paid. The compensation of the Town Attorney may be adjusted dependent upon the results of performance evaluations and other factors such as inflation and market conditions.

Section 4: Health, Disability and Life Insurance Benefit

The Town agrees to provide and contribute to the payment of premiums for insurance for the Town Attorney in accordance with the ordinances and policies for providing such benefits to other full-time employees. The Town Attorney's Life Insurance benefit will be equal to the amount of annual salary paid by the Town.

Section 5: Vacation and Sick Leave.

- A. The Town Attorney shall accrue vacation leave on an annual basis at a rate of twenty (20) days per year, with a starting balance of five (5) days of annual leave.
- B. The Town will accept any sick leave balance from the Town Attorney's former employer upon submission of verification acceptable to the Town. Thereafter, sick leave shall accrue on an annual basis of ninety-six (96) hours per year. If the Town Attorney does not transfer a sick leave balance at the start of his employment with the Town, the Town will credit the Town Attorney with forty (40) hours of sick leave.
- C. The Town Attorney is entitled to accrue all unused leave in accordance with the Town's policies, and in the event the Town Attorney's employment is terminated, either voluntarily or involuntarily, the Town Attorney shall be compensated for all accrued vacation time and all paid holidays. In accordance with the Town's policies, the Town Attorney, as a Department Head, does not earn Compensatory Time.

Section 6: Use of Personal Vehicle.

The Town Attorney will be entitled to mileage reimbursement when using his own car for business related travel in accordance with the Town's standard policy for reimbursement. Use of a Town vehicle for business travel may be authorized in accordance with Town policies when available.

Section 7: Retirement.

As required by law, Nicholas W. Yates shall participate in the North Carolina Local Government Employees Retirement System. The Town agrees to make contributions on his behalf on the

same basis as contributions are made for other full-time employees of the Town. The Town further agrees to make contributions to the Town's available retirement plans on the same basis as for other full-time employees of the Town. The Town Attorney will also participate in the Town's Retirement Health Savings plan.

Section 8: General Expenses.

The Town agrees to budget and pay for:

- A. Professional dues and subscriptions of the Town Attorney necessary for continuation and participation in national, state, and local associations, and organizations necessary and desirable for the Town Attorney's continued professional participation, growth, and advancement, and for the good of the Town.
- B. Travel and subsistence expenses of the Town Attorney for professional and official travel, meetings, and occasions to adequately continue the professional development of the Town Attorney, including but not limited to the IMLA Annual Conference, the North Carolina Association of Municipal Attorneys, and such other state and local governmental groups and committees in which the Town Attorney serves as a member.
- C. Travel and subsistence expenses of the Town Attorney for courses, institutes, and seminars that are necessary for the Attorney's professional development and for the good of the Town.
- D. General job-related expenses in accordance with existing Town policies.
- E. A laptop computer and allowance toward a cell phone paid at the same rate as the Town Manager.

Section 9: Termination of Contract.

The Town and the Town Attorney acknowledge and agree that under the provisions of North Carolina Municipal Corporation Law, the Town Attorney is appointed by the Town Council and serves at the pleasure of the Council. The provisions in Sections 10 and 11 below shall apply to the termination of such service and this Contract.

For the purposes of this Contract, termination by action of the Council shall occur when any of the following occurs:

- 1. The majority of the Council votes to terminate the Town Attorney at a duly authorized public meeting.

2. If the Town Attorney resigns following an offer to accept resignation, whether formal or informal, by the Town as representative of the majority of Council, then the Town Attorney may declare a termination as of the date of the offer.

Section 10: Probationary Period and Severance

Severance shall be paid to the Town Attorney when employment is terminated by action of the Council, as defined in Section 9, as follows:

If the Town Attorney is terminated by action of the Council during the first six (6) months of employment with the Town (the Probationary Period), the Town shall provide a severance payment equal to the Town Attorney's salary for the Attorney's time of employment up to the date of termination. If the Town Attorney is terminated following the Probationary Period, the Town shall pay him a severance payment equal to one year's salary. Severance shall be paid on the same schedule as salary payments are made to other employees and shall be paid at the rate of pay for the Town Attorney at the time of termination.

The Town's obligation to pay severance under this Contract shall cease following employment termination when and if Nicholas W. Yates has commenced employment with any other employer.

If the Town Attorney is terminated because of a conviction of a felony or, upon a determination of the Council based on substantial evidence, due to serious detrimental personal conduct which would constitute grounds for termination of other Town employees under the Town's personnel policies, or misrepresentation by the Town Attorney in obtaining employment with the Town, then the Town is not obligated to pay severance.

Section 11: Resignation.

The Town Attorney shall provide a minimum of ninety (90) days' notice before resigning his position unless the parties agree otherwise.

In the event the Town Attorney commits a material breach of this Contract that is not cured within a 30-day period, the Town may consider such breach a resignation. Written notice of breach shall be provided in accordance with the provisions of this Contract.

If the Town Attorney voluntarily resigns his position as Town Attorney (other than in response to an offer to resign), the Town is not obligated to pay Severance.

Section 12: Establishment of Performance Goals and Objectives; Performance Evaluation.

During the first one hundred (100) days of employment, the Town Attorney will conduct a review of the Strengths, Weaknesses, Opportunities and Threats (SWOT) of the Town's legal environment and resources. Subsequently, the Town Council shall meet with the Town Attorney to establish a set of priorities for the Town Attorney, measurable performance goals, and a timetable and set of benchmarks for achieving those goals. The Town Council and Town Attorney shall meet on a regular basis as they deem appropriate to assess progress toward meeting those benchmarks and goals. The Town Council and Town Attorney agree that the Town Attorney's compensation shall be adjusted based on consideration of the progress made toward meeting those goals and achieving the priorities established.

The Town Council and Town Attorney agree that the Town Council shall annually review the performance of the Town Attorney in the August-November time period at which time performance and progress towards meeting those measurable goals shall be assessed. The performance of the Town Attorney shall be reviewed based on a process, form, criteria, and format for the evaluation which shall be set by the Town Council with input from the Town Attorney. This process will include the opportunity for both parties to prepare a written evaluation, meet and discuss the evaluation, and present a written summary of the evaluation results.

Section 13. Residency.

The Town Attorney is not required to reside within the corporate boundaries of the Town.

Section 14: Indemnification.

The Town Council has adopted a policy for the protection of Town Officers and employees who have claims or suits filed against them arising out of service for the Town of Chapel Hill. The Town agrees that policy applies to the Town Attorney in the same manner it applies to other officers of the Town and that it will not materially alter the terms of that policy as they apply to the Town Attorney during the pendency of this Contract, except as required by law. The Town further certifies it will continue comprehensive liability insurance for officers and employees for their defense and that it will not materially alter the terms of that coverage as it applies to the Town Attorney.

Section 15: Other Terms and Conditions of Employment.

Except as have been modified by this Contract, the Employee Benefits provisions of Chapter 14, Article VII, and the provisions of leave, holiday, and leaves of absence provisions of Chapter VIII of the Town Code of Ordinances, as currently written or as may be modified in the future, shall apply to the Town Attorney.

Section 16: Notices.

Notice pursuant to this Contract shall be in writing and given as follows:

Town: By depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows: Mayor, Town Hall, 405 Martin Luther King Jr. Blvd., Chapel Hill, NC 27514; or by hand delivery from the Town Attorney to the Mayor or Town Manager.

Town Attorney: By depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows: Town Attorney, Town Hall, 405 Martin Luther King Jr. Blvd., Chapel Hill, NC 27514; or by hand delivery from the Manager or Mayor to the Town Attorney.

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

Section 17: General Provisions.

A. Integration.

This Contract sets forth the entire understanding between the Town and Town Attorney relating to employment by the Town. Any prior discussions or representations are merged into and otherwise rendered null by this Contract. The parties by mutual written agreement may amend any provision of this Contract during the life of the Contract, execute a further extension of this Contract, or enter into a revised Contract. Any amendments shall be incorporated and made part of this contract.

B. Effective Date.

This Contract is in effect as of the date first written above. The Town Attorney shall assume the duties of Town Attorney effective January 22, 2026, which date shall serve as the effective date of employment.

C. Severability.

The invalidity or partial invalidity of any portion of this Contract will not affect the validity of any other provision. In the event any provision of this Contract 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 parties subsequent to the expungement or judicial modification of the invalid provision.

IN WITNESS WHEREOF, the parties cause this instrument to be executed in their respective names as of the date first written above.

Name: Nicholas W. Yates

Witness

Town of Chapel Hill

By: Jess Anderson, Mayor

Town Clerk

Approved as to form and authorization: _____

This instrument has been pre-audited in a manner required by the Local Government Budget and Fiscal Control Act.

Finance Officer

Date