

**NORTH CAROLINA
ORANGE COUNTY**

**TOWN OF CHAPEL HILL EMPLOYMENT CONTRACT
FOR THE TOWN MANAGER**

Introduction

This Contract, made and entered into this the 24th day of July, 2023, by and between the Town of Chapel Hill, a North Carolina municipal corporation, (hereinafter called "the Town") and Christopher C. Blue.

Section 1: Term.

This Contract shall remain in full force until terminated by the Town or Christopher C. Blue as provided in Section 9, 10 or 11 of this Contract.

Section 2: Duties and Authority.

The Town agrees to employ Christopher C. Blue as the Town Manager 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 manager under the council-manager form of government, and to perform other legally permissible and proper duties and functions. Christopher C. Blue (hereinafter called "the Manager") agrees to accept and perform the functions and duties of Town Manager in accordance with said policies, resolutions, ordinances and applicable laws and pursuant to the terms of this Contract and to perform other legally permissible and proper duties and functions.

Section 3: Compensation.

A. Base Salary: The Town agrees to pay the Manager an annual base salary of \$235,000.00 payable in installments at the same time that the other employees of the Town are paid.

B. The compensation of the Manager shall be adjusted dependent upon the results of the performance evaluation conducted under the provisions of Section 12 of this Contract. Increased compensation can be in the form of a salary increase and/or a bonus.

Section 4: Health, Disability and Life Insurance Benefits.

The Town agrees to provide and to contribute to the payment of the premiums for comprehensive medical insurance and other insurance for the Manager and his dependents in accordance with the ordinances and policies of the Town for providing such insurance benefits to other full-time employees.

Section 5: Vacation and Sick Leave.

A. The Manager shall retain his existing vacation and sick leave in addition already accrued. The Manager shall then accrue sick leave on an annual basis at the rate equivalent for other Town employees, 12 days per year, and vacation leave on an annual basis at the rate of 26 days per year.

B. The Manager is entitled to accrue all unused leave in accordance with the Town's policies, and in the event the Manager's employment is terminated, either voluntarily or involuntarily, the Manager shall be compensated for all accrued vacation time and all paid holidays.

D. The Town agrees to allow the Manager to sell back to the Town 300 hours of accrued leave at the Manager's current hourly rate. This shall be drawn from the Manager's sick leave balance.

Section 6: Use of Personal Vehicle.

The Manager's duties require that he have at all times during his employment with the Town an automobile available for Town business. The Manager shall be responsible for the purchase, operation, insurance, maintenance, repair, and regular replacement of said automobile and shall use his personal vehicle for all Town business travel where travel by automobile is reasonable. The Town shall reimburse the Manager at the IRS standard mileage rate for any business use of the vehicle beyond the greater Chapel Hill Area. For purposes of this Section, use of the car within the greater Chapel Hill area is defined as travel to locations within a 50-mile radius of Chapel Hill. All travel outside this radius shall be reimbursed at a cents-per-mile rate equal to the IRS allowable rate then in effect.

Section 7: Retirement.

A. The Town agrees to continue contributions on the Manager's behalf into the North Carolina Law Enforcement Officers Retirement System and the Town further agrees to make contributions to the Manager's 401(k) account with the Town on the same basis as for other full-time employees of the Town.

B. The Town agrees that that Manager may retain certification as a sworn law enforcement officer and, in addition to the Town's payment to the state retirement system referenced above, the Town agrees to contribute to and fully comply with the provisions of the North Carolina General Statutes Chapter 143, Article 12D, *Separation Allowances for Law-Enforcement Officers*, as it may be periodically amended, which provides that that law enforcement officers retiring before the age of 62 are eligible for a 'separation allowance' under specific conditions. In calculating the amount of the separation allowance, the Town will use any service which is accepted by the State Retirement System as creditable service consistent with Town Policy "*PP 7-3 Law Enforcement Separation Allowance Procedures.*"

Section 8: General Business Expenses.

A. The Town agrees to budget for and to pay for professional dues and subscriptions of the Manager necessary for continuation and participation in national, regional, state, and local associations, and organizations necessary and desirable for the Manager's continued professional participation, growth, and advancement, and for the good of the Town.

B. The Town agrees to budget for and to pay for travel and subsistence expenses of the Manager for professional and official travel, meetings, and occasions to adequately continue the professional development of the Manager and to pursue necessary official functions for the Town, including but not limited to the ICMA Annual Conference, the North Carolina League of Municipalities, and such other national, regional, state and local governmental groups and committees in which the Manager serves as a member.

C. The Town also agrees to budget for and to pay for travel and subsistence expenses of the Manager for short courses, institutes, and seminars that are necessary for the Manager's professional development and for the good of the Town.

D. The Town recognizes that certain expenses of a non-personal but job related, and general job-affiliated nature are incurred by the Manager and agrees to reimburse or to pay said general expenses in accordance with existing Town policies. The finance director is authorized to disburse such moneys upon receipt of duly executed expense or petty cash vouchers, receipts, statements, or personal affidavits.

E. The Town acknowledges the value of having the Manager participate and be directly involved in local civic clubs or organizations. Accordingly, the Town shall pay for the reasonable membership fees and/or dues to enable the Manager to become an active member in a local civic club or organization.

F. The Town shall provide the Manager with a laptop computer, software, high speed Internet access at home, and a cell phone required for the Manager to perform the job and to maintain communication.

Section 9: Termination of Contract.

The Town and the Manager acknowledge and agree that under the provisions of North Carolina Municipal Corporation Law, the Manager 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 purpose of this Contract, termination by action of the Council shall occur when:

1. The majority of the Council votes to terminate the Manager at a duly authorized public meeting.
2. If the Town or legislature acts to amend any provisions of the charter or law pertaining to the role, powers, duties, authority, responsibilities of the Manager's position that substantially change the form of government, the Manager shall have the right to declare that such amendments constitute termination.
3. If the Town reduces the base salary, compensation, or any other financial benefit of the Manager, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this Contract and will be regarded as a termination.
4. If the Manager resigns following an offer to accept resignation, whether formal or informal, by the Town as representative of the majority of the Council, then the Manager may declare a termination as of the date of the offer.
5. There is a material breach of this Contract by the Town, which breach is not cured within a 30-day cure period. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 19.

Section 10: Probationary Period, Contract Term and Severance.

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

1. If the Manager is terminated during or at the conclusion of the first four months of employment with the Town (the Probationary period) the Town shall provide a severance payment equal to the Manager's salary for one half the Manager's time of employment up to the date of termination.
2. The Council shall provide the Manager a minimum of 90 days' notice prior to termination during the Probationary period, or such extension thereof which the parties agree to, unless the employment of the Manager is concluded based on paragraph 8 of this section below.
3. Following the satisfactory completion of the four-month Probationary period (or such extension thereof which the parties agree to by amendment to this Contract), which completion the parties shall acknowledge in writing, this Contract shall convert to a contract for an additional three-year period.
4. If the Manager is terminated during the term of this Contract following the Probationary period, the Town shall provide a severance payment equal to 12 months' salary.
5. After the conclusion of the Probationary period, at least 120 days prior to the conclusion of the three-year term of this Contract, the Council and the Manager shall meet and discuss the status of the Contract and options for renewal or whether the Contract shall be allowed to conclude without renewal.

The Council shall provide the Manager a minimum of 90 days' notice prior to the expiration of this Contract of its intent not to renew or extend the Contract unless the employment of the Manager is concluded based on paragraph 8 of this section below. A decision not to renew or extend the contract shall be considered termination as defined in Section 9 for purposes of payment of severance.

6. The Town's obligation to pay severance for 12 months under this Contract shall cease six months following employment termination if by that time the Manager has commenced employment with any other employer at a base salary that is equal to or higher than the Manager's base salary on the date of termination. In the event the Manager has by that time accepted employment with another employer at a base salary that is lower than the Manager's base salary on the date of termination, then the Town shall pay the Manager, effective on the date of new employment and for the duration of the severance payment period, the difference between the base salary on the date of termination and the base salary of the new employer.

If the Manager commences employment with a new employer at any point after the first six-month period following termination, then severance pay shall be similarly modified or eliminated effective on the date of new employment.

7. 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 Manager at the time of termination. Severance pay shall include continuation of health insurance, life insurance, executive compensation, and short-term and long-term disability insurance on the same basis and for the same length of time as the severance pay is provided.

8. If the Manager 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 Ordinances, then the Town is not obligated to pay severance under this section.

Section 11: Resignation.

In the event that the Manager voluntarily resigns his position with the Town, the Manager shall provide a minimum of 90 days' notice unless the parties agree otherwise. In the event that the Manager commits a material breach of this contract which is not cured within a 30-day cure period, the Town may consider such breach a resignation. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 20. If the Manager voluntarily resigns his position with the Town (other than in response to an offer as described in Section 9, paragraph 4 above) then the Town is not obligated to pay severance under Section 10.

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

The Town Council shall meet with the Manager during the first two months of the Manager's employment with the Town to establish a set of priorities for the Manager, measurable performance goals, and, if appropriate, a timetable and set of benchmarks for achieving those goals that the Council and Manager agree to. The Town Council and Manager shall meet during the Probationary period and, thereafter, on a regular basis as they deem appropriate to assess progress toward meeting those benchmarks and goals. The Council and Manager agree that the Manager'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 Manager agree that the Town Council shall annually review the performance of the Manager in the September-November time period at which time performance and progress toward

meeting those measurable goals shall be assessed. The performance of the Manager shall be reviewed based on a process, form, criteria, and format for the evaluation which shall be mutually agreed upon by the Town Council and the Manager. The process at a minimum shall include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and (3) present a written summary of the evaluation results. Upon a determination of a majority of the Town Council that such evaluation is warranted the Council may conduct such additional evaluations as it deems appropriate.

Section 13: Hours of Work.

It is recognized that the Manager must devote a great deal of time outside the normal office hours on business for the Town, and to that end the Manager shall be allowed to establish an appropriate work schedule.

Section 14: Outside Activities.

The employment provided for by this Contract shall be the Manager's principal employment. Recognizing that certain outside paid consulting or teaching opportunities provide indirect benefits to the Town and the community, the Manager may elect to accept limited teaching, consulting, or speaking opportunities with the understanding that such arrangements shall not interfere with nor create a conflict of interest with his responsibilities under this Contract.

Section 15: Residency.

Residence within the Town shall not be required.

Section 16: 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 their service for the Town of Chapel Hill. The terms of that policy are spelled out in "A Resolution Relating to Claims and Judgments Sought or Entered Against Town Officers or Employees" adopted on October 14, 1985. The Town agrees that said policy applies to the Manager in the same manner as it applies to all other officers and employees of the Town. The Town further agrees that it will not materially alter the terms of that policy as to the Manager during the term of this Contract without the Manager's consent, except as may be required by law. The Town further certifies that it has and will continue comprehensive liability insurance for officers and employees for the defense of officers and employees and that it will not materially alter the terms of its insurance coverage during the term of this Contract without the Manager's consent, except as may be required by law.

In the event the Manager believes that in any particular case there is a need for the Manager to have independent legal representation in connection with any claim or suit brought against the Manager along with the Town or other officers or employees, he may request such counsel. The decision to provide the Manager independent legal representation at the Town's expense will be made by the Town Council after consultation with the Town Attorney and the Town's insurance carrier.

Section 17: Bonding.

The Town shall bear the full cost of any fidelity or other bonds required of the Manager under any law or ordinance.

Section 18: Other Terms and Conditions of Employment.

Except as have been modified by this Contract, the Employee Benefit provisions of Chapter 14, Article VII, and the provisions of Holiday and Leaves of Absence provisions of Chapter 14, Article VIII of the Town Code of Ordinances, as currently written or as may be modified in the future, shall apply to the Manager.

Section 19: Notices.

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

THE TOWN: Mayor, Town Hall, 405 Martin Luther King Jr. Blvd.,
Chapel Hill, NC 27514

THE MANAGER: Manager, Town Hall, 405 Martin Luther King Jr. Blvd.,
Chapel Hill, NC 27514

Alternatively notice required pursuant to this Contract may be personally served in the same manner as is applicable to civil judicial practice. 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 20: Withdrawal of any Pending Applications.

Upon the execution of this contract by both parties, the Manager shall withdraw as a candidate for positions for which he is now an applicant with other employers.

Section 21: General Provisions.

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

B. Effective Date. This Contract is in effect as of the date first above written. The Manager shall assume the duties of Town Manager effective August 1, 2023, 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 that 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 hereunto cause this instrument to be executed in their respective names as of the date first above written.

NAME: Christopher C. Blue

Witness

TOWN OF CHAPEL HILL

BY: _____
MAYOR TOWN CLERK

Approved as to form and authorization: _____
TOWN ATTORNEY

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

FINANCE OFFICER DATE