

North Carolina
Orange County

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

Introduction

This Contract, made and entered into this the 1st day of January, 2023, by and between the Town of Chapel Hill, a North Carolina municipal corporation (the “Town”) and Christopher C. Blue.

Section 1: Term.

This Contract shall remain in full force and effect 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 Interim Town Manager to perform the functions and duties specified in the policies, resolutions, and ordinances of the Town, as defined in the applicable laws of the State of North Carolina for a manager under the council-manager form of government, and to perform other legally permissible and proper duties and functions.

Christopher C. Blue (the “Interim Manager”) agrees to accept and perform the functions and duties of Town Manager in accordance with said policies, resolutions, and ordinances of the Town, as defined in the applicable laws of the State of North Carolina for a manager under the council-manager form of government, and to perform other legally permissible and proper duties and functions.

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

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

Section 3: Salary.

The Town agrees to pay the Interim Manager an annual base salary of \$225,000.00, effective beginning January 1, 2023, payable in installments at the same time the other employees of the Town are paid. Nothing in this Contract shall be construed to prevent Council from adjusting this salary to a higher amount during the Initial Term or an Extended Term of this Contract through an amendment to this Contract should Council determine it is in the best interest of the Town to do so.

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 Interim 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 Interim Manager shall accrue sick leave and vacation leave on an annual basis at the rate he was accruing such leave as a Town employee as of December 31, 2022.
- B. The Interim Manager is entitled to accrue all unused leave in accordance with the Town's policies, and in the event the Interim Manager's employment is terminated, either voluntarily or involuntarily, he shall be compensated for all accrued vacation time and paid holidays. Nothing in this Contract is intended to affect the Interim Manager's existing right to receive compensation from the Town for his leave and other benefits accrued prior to the effective date of this Contract.

Section 6: Use of Personal Vehicle.

The Interim Manager's duties require that he have at all times during his employment with the Town an automobile available for Town business. The Interim 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 Interim 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 automobile within the greater Chapel Hill area is defined as travel to locations within a 25-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.

The Town agrees to execute all necessary agreements for the Interim Manager to participate in retirement plans and supplemental plans available to Town employees and to make contributions thereto on the same basis as for other full-time employees of the Town.

Nothing in this Contract is intended in any way to limit or curtail the Interim Manager's existing retirement benefits and rights as established prior to the effective date of this Contract.

Section 8: General Expenses.

The Town agrees to budget and pay for:

- Professional dues and subscriptions of the Interim Manager necessary for continuation in associations and organizations necessary and desirable for the Interim Manager's professional development and for the good of the Town;
- Travel and subsistence expenses of the Interim Manager for professional and official travel and meetings to pursue necessary official functions of the Town, including but not limited to the ICMA Annual Conference, the NC League of Municipalities, and other similar groups and committees of which the Interim Manager serves as member;

- Travel and subsistence expenses of the Interim Manager for short courses, institutes, and seminars necessary for professional development and the good of the Town;
- Non-personal but job-related reasonable expenses incurred by the Interim Manager on a reimbursement basis and in accordance with existing Town policies upon receipt of duly executed expense vouchers, receipts, statements, or personal affidavits;
- Reasonable fees for membership in local civic clubs and organizations relevant to his duties;
- A laptop computer and all necessary hardware and software for professional use (to remain property of the Town upon employment termination); and
- Mobile phone service reimbursement at a rate commensurate with the rate paid to the Town Attorney.

Section 9: Termination of Contract.

The Town and the Interim Manager acknowledge and agree that under the provisions of North Carolina Municipal Corporation Law, the Interim 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 purposes of this Contract, termination by action of the Council shall occur when any of the following occurs on a date on or before the Initial Term (as defined below) of this Contract:

1. The majority of the Council votes to terminate the Interim 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 Interim Manager's position that substantially change the form of government, the Interim Manager shall have the right to declare that such amendments constitute termination.
3. If the Town reduces the base salary, compensation, or any other material financial benefit of the Interim 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 Interim Manager resigns following an offer to accept resignation, whether formal or informal, by the Town as representative of the majority of Council, then the Interim 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 this Contract.

Section 10: Contract Term and Severance

The initial term of this Contract is January 1, 2023 to July 31, 2023 ("Initial Term"). On August 1, 2023, the life of this Contract will extend automatically for up to five (5) successive 30-day periods, each constituting an "Extended Term", unless either party is notified by the other party at least 15 days before the start of the next Extended Term that that party desires not to further extend the Contract. (A decision by either party not to extend the Contract beyond the Initial Term or any Extended Term shall not constitute termination as defined in Section 9.)

Severance shall be paid to the Interim Manager when employment is terminated by action of the Council, as defined in Section 9, as follows: If the Interim Manager is terminated by action of the Council during the Initial Term of this Contract, the Town shall pay him a severance equal to the amount of salary he would have been paid for the remainder of the Initial Term, provided that the minimum severance payment shall be the equivalent of one month'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 of the Interim Manager at the time of termination. Severance shall also include continuation of health insurance, life insurance, and disability insurance on the same basis and for the same length of time as the severance pay is provided.

The Town is not obligated to pay Severance under this Section if the Interim Manager is terminated because of a conviction for a felony, or, upon 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.

Section 11: Resignation.

In the event the Interim Manager voluntarily resigns his position with the Town during the Initial Term, the Interim Manager shall provide a minimum of 30 days' notice unless the parties agree otherwise.

In the event the Interim Manager 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 Interim Manager voluntarily resigns his position with the Town (other than in response to an offer as described in Section 9, above), the Town is not obligated to pay Severance under Section 10.

Section 12: Residency.

The Interim Manager shall not be required to reside within the corporate boundaries of the Town.

Section 13: 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 Interim Manager 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 Interim Manager 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 Interim Manager during the pendency of this Contract, except as required by law.

In the event the Interim Manager believes that in any particular case there is a need for him to have independent legal representation in connection with a claim or lawsuit brought against the Interim Manager along with the Town or other officers or employees, he may request such counsel. The

decision to provide the Interim Manager independent 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 14: Bonding.

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

Section 15: 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 the leaves, 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 Interim Manager.

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 State 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 Interim Manager to the Mayor or Town Attorney.

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

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 Interim Manager 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 January 1, 2023.

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 had 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: Christopher C. Blue

Witness

TOWN OF CHAPEL HILL

By: Pam Hemminger, 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