

Employment Agreement

Between the City of Newport, Tennessee and H. Bradley Moffitt

WHEREAS, a vacancy exists in the office of city administrator for the City of Newport, Tennessee; and,

WHEREAS, the Newport Board of Mayor and Aldermen has recruited to fill said vacancy in the office of city administrator; and,

WHEREAS, the City, following a thorough review of all applications received in response to said recruitment, desires to employ the services of H. Bradley Moffitt as the city administrator of Newport in accordance with the provisions of The Newport Charter, the Newport Municipal Code and the laws of the State of Tennessee; and,

WHEREAS, it is the desire of the Newport Board of Mayor and Aldermen to provide certain benefits, establish certain conditions of employment, and to set working conditions of the city administrator; and,

WHEREAS, it is the desire of the Newport Board of Mayor and Aldermen to (1) secure and retain the service of H. Bradley Moffitt and to provide inducement to him to remain in such employment, (2) to make possible full work productivity by assuring the city administrator's morale and peace of mind with respect to future security, (3) promote and foster trust between the Board of Mayor and Aldermen and the city administrator, and (4) to provide a just means for terminating the city administrator's services as such time as he may be unable to fully discharge his duties to the satisfaction of the Board.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Term

This agreement shall remain in full force and effect from February 1, 2006 until terminated by the City of Newport (hereinafter referred to as the "Employer") or H. Bradley Moffitt, as provided in this agreement.

Section 2. Duties and Authority

The Employer agrees to employ H. Bradley Moffitt (hereinafter referred to as the "Employee") as city administrator to perform the functions and duties specified in the Charter of the City of Newport, and by the municipal code of the City of Newport and to perform other legally permissible and proper duties and functions as the Board of Mayor

and Aldermen may from time to time assign.

Section 3. Compensation

Employer agrees to pay Employee an annual base salary of \$70,000, payable in installments at the same time that the other employees of the Employer are paid. This agreement shall be automatically amended to reflect any salary adjustments that are provided by the Employer, and due consideration shall be given on an annual basis to increase the Employee's compensation.

Section 4. Health, Disability, Retirement, Life Insurance, and Other Benefits

The Employer agrees to provide and the employee shall be entitled to at least the same level of benefits provided to other employees in the City of Newport, including those for health, retirement, disability, life insurance, and any other benefits provided to other employees.

Section 5. Vacation and Sick Leave

Upon commencing employment, the Employee shall be credited with 12 days sick leave and 10 days vacation leave. Beginning with his first day of employment, the Employee shall then accrue sick and vacation leave on an annual basis at the same rate provided to other employees.

Section 6. Automobile Allowance

The Employee's duties will require exclusive and unrestricted use of an automobile. The Employer agrees to pay to the Employee, during the term of this Agreement and in addition to other salary and benefits herein provided, the sum of \$300 per month, as a vehicle allowance. This allowance shall be paid in the Employees regular pay check so that record-keeping will not be required, therefore most easily complying with IRS regulations. This agreement shall be automatically amended to reflect any adjustments in this amount that are provided by the Employer and due consideration shall be given on a periodic basis to increase the vehicle allowance. The Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and regular replacement of the vehicle. The Employer shall reimburse the Employee for any business use of the vehicle beyond the greater Newport area at a rate as specified in the Employer's travel policy, if any, and if not then at the State standard mileage rate.

Section 7. Termination of Employment

For purpose of this agreement, termination shall occur when (a) a majority of the governing body votes to terminate the Employee at a duly authorized public meeting; or (b) the Employer, citizens or Tennessee legislature acts to amend any provisions of the charter pertaining to the role, powers, duties, authority, responsibilities of the Employee's position that substantially changes the form of government; or © 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; or (d) the employee resigns at the suggestion of a majority of the governing body, whether such request is formal or informal.

Section 8. Severance Pay

If the Employee is terminated, except as provided in Section 9 below, the Employer shall provide a minimum severance payment equal to six months salary at the rate of pay earned by the employee at the time of his termination. This severance shall be paid in a lump sum unless otherwise agreed to by the Employer and the Employee. The Employee shall also be compensated, at the rate of pay earned by the employee at the time of his termination, for all accrued vacation time and other leave where payment is normally provided to other employees upon termination.

Section 9. Termination for Cause

This agreement may be terminated by the Employer upon a finding that the employee:

- (a) has been convicted of a felony or crime involving moral turpitude; or
- (b) has engaged in actions deemed by the Employer to be conflicts of interest as defined by State law or in the City's Personnel Policies and Procedures; or
- (c) has engaged in actions deemed by the Employer to constitute gross negligence; or
- (d) has engaged in conduct or activities deemed by the Employer to be detrimental to the good name and reputation of the City of Newport, provided that the Employee was given written notice of specific allegations of such inappropriate conduct and that the Employee failed to substantially cure such alleged deficiencies within thirty (30) days.

Should the Employee be terminated for any of the reasons enumerated in this section, his severance pay shall be limited to reimbursement of accrued vacation leave, at the rate of pay earned by the employee at the time of his termination of employment.

Section 10. Voluntary Resignation

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

Section 11. Disability

If the employee is permanently disabled, or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four (4) successive weeks beyond any accrued sick leave or family medical leave, the Employer shall have the option to terminate this agreement subject to the conditions of Section 9.

Section 12. Performance Evaluations

Annually, within sixty (60) days of the anniversary of initial employment, the Employer shall review the performance of the Employee subject to a process, form, criteria, and format for the evaluation mutually agreed upon by the Employer and Employee. Nothing in this section shall be construed as limiting the Employer's authority to conduct an evaluation of the Employee's performance at any time deemed appropriate by majority vote of the governing board.

Section 13. Residency Required and Payment of Moving/Relocation Expenses

Employee agrees to establish residence within the corporate boundaries of the City of Newport, within 90 days of initial employment, and thereafter to maintain residence within the corporate boundaries of the City of Newport.

The Employer shall pay a lump sum payment of \$3,000 to the Employee to cover moving/relocation expenses.

Section 14. Professional Associations and Conferences

The Employer agrees to pay the cost of the Employee's membership in the Tennessee City Management Association (TCMA) and the International City/County Management Association (ICMA). The Employer will pay for Employee attendance at annual TCMA conferences and an occasional out-of-state ICMA conference.

Section 15. Amendments

This Agreement may be amended by the mutual consent of the Employer and the Employee.

Section 16. Effective Date and Severability

This Agreement shall become effective on December 13, 2005 or as soon thereafter as both the Employer and Employee sign the Agreement. The invalidity or partial invalidity of any portion of this Agreement will not effect 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 parties subsequent to the expungement or judicial modification of the invalid provision.

Mayor, City of Newport, Tennessee

Date

H. Bradley Moffitt

Date