

INTERIM EMPLOYMENT AGREEMENT

EFFECTIVE DATE: This Agreement is dated as of April 4, 2017 (the "Effective Date")

PARTIES: **EMPLOYER**

City of Bozeman
121 North Rouse Avenue
Bozeman, MT 59715

EMPLOYEE

Dennis M. Taylor
920 Strawberry Drive
Helena, MT 59601

RECITAL

Employer has extended an offer of interim employment to Employee subject to the terms and conditions set forth in this Agreement. Employee expressly acknowledges the temporary nature of the employment offer and accepts interim employment on the terms, covenants, and conditions set forth in this Agreement.

AGREEMENT

In consideration of the foregoing recitals and the covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Employer and Employee agree as follows:

ARTICLE I.

DEFINITIONS AND INTERPRETATION

1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Cause" shall mean (1) misconduct, negligence, or any gross omission by Employee; (2) an act or acts of dishonesty by Employee involving the Employer; (3) conduct of Employee which is materially injurious to the Employer, monetarily or otherwise; (4) commission by Employee of a criminal offense that, if committed in the State of Montana, would have constituted a felony under the laws of the State of Montana or the United States; or (5) failure to meet the functions and duties specified by Section 3.04 of the City Charter, the Bozeman Municipal Code, state law and the job description.

1.2 Interpretation. Unless a clear contrary intention appears, as used in this Agreement (a) the singular includes the plural and vice versa, (b) reference to any document means such document as amended from time to time, (c) “include” and “including” means including without limiting the generality of any description preceding such term, (d) the word “or” is not exclusive, unless otherwise expressly stated, (e) the terms “hereof,” “herein,” “hereby,” and derivative or similar words refer to this entire Agreement, and (f) headings are for convenience only and do not constitute a part of this Agreement.

**ARTICLE II.
DUTIES AND AUTHORITY**

Employer agrees to employ Employee on a temporary basis as City Manager to perform the functions and duties specified by Section 3.04 of the City Charter, the Bozeman Municipal Code, state law and the job description, and to perform other legally permissible and proper duties and functions.

**ARTICLE III.
FULL-TIME BEST EFFORTS.**

Employee shall devote Employee’s full professional time and attention to the performance of Employee’s obligations under this Agreement, and shall at all times faithfully, industriously and to the best of Employee’s ability, experience and talent perform all of Employee’s obligations under this Agreement. Until this Agreement is terminated, Employee shall not be employed or engaged by any other person or firm other than Employer unless otherwise authorized in writing by Employer.

**ARTICLE IV.
TERM AND TERMINATION.**

4.1 Term. The term of this Agreement and the Employee’s employment shall begin on April 4, 2017. Upon hiring an individual to serve as City Manager in a non-interim capacity (the Permanent City Manager), Employer shall provide Employee written notice of the Permanent City Manager’s start date. The term of this Agreement shall end on the Permanent City Manager’s start date or no later than seven (7) days thereafter if requested by the Mayor to facilitate transition of authority to the Permanent City Manager; if so, during the transition period the Employee shall receive compensation pursuant to Article V and Business Expenses pursuant to Article VI but shall have no authority to act as City Manager under Article II.

4.2 Probationary Period of Employment. Notwithstanding Section 4.1, the Employee shall have a probationary period of employment beginning on the Effective Date and ending on the end of the day which is twelve (12) months from the Effective Date. During the probationary period of employment, either Employer or

Employee may terminate Employee's employment at will on notice to the other for any reason or for no reason.

4.3 Termination. Notwithstanding Section 4.1:

- (a) This Agreement and the Employee's employment shall terminate immediately upon Employee's death.
- (b) This Agreement and the Employee's employment shall terminate immediately upon the Employer ceasing to conduct its business.
- (c) Employer may terminate this Agreement:
 - (i) During the probationary period of employment at will on notice to the other for any reason or for no reason.
 - (ii) Upon 30 days prior written notice for any legitimate business reason;
 - (iii) Upon written notice if Employee is in material breach of any provision of this Agreement, and fails to cure the breach with 30 days of the date of the Employer's written notice;
 - (iv) Immediately upon a showing of Cause.
- (d) Employee may terminate this Agreement:
 - (i) Upon 30 days' written notice to Employer;
 - (ii) Immediately if the Employer, citizens or legislature acts to amend any provisions of the Bozeman Municipal Code and/or City Charter pertaining to the City Manager's role, powers, duties, authority, or responsibilities that substantially changes the City of Bozeman's form of government; and
- (e) This Agreement shall terminate automatically:
 - (i) Upon expiration of the term under Section 4.1;
 - (ii) If the majority of the governing body adopts a final resolution to remove the Employee at a duly authorized public meeting consistent with the provisions of Section 3.02 of the City Charter; and

- (iii) If the City Commission requests the Employee to resign under Section 3.02 of the City Charter and the Employee resigns in writing.
- (f) Upon termination of Employee's employment under this Agreement, Employer shall have no further obligation to Employee except as specifically provided under this Agreement; provided, however, that:
 - (i) Termination of Employee's employment shall not affect Employee's right to receive accrued but unpaid salary through the date of termination;
 - (ii) Termination of Employee's employment shall not affect Employee's right to be paid for accrued but unpaid leave in accordance with state and federal law;
 - (iii) Employee shall be allowed to pay for continued health insurance as permitted by federal law.
- (g) Upon termination of Employee's employment under this Agreement, Employee shall return to Employer all equipment and property, including without limitation, confidential files, proprietary information, client files, investor information, project files, construction files, electronic equipment, keys, credit cards, and the like, owned by Employer and used by Employee.

ARTICLE V. COMPENSATION

5.1 Base Salary. Employer shall pay Employee \$12,375 per month (the "Salary"), payable in installments on a monthly basis.

5.2 Health Insurance. As a temporary employee the Employee is not eligible to participate in the Employer's health, dental, or vision insurance programs.

5.3 Vehicle Allowance. Employer will reimburse Employee for use of his personal vehicle on City business at a rate equal to 60% of \$0.535 per mile, in accordance with Employer's current policy. Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage on such vehicle. Employee shall also be responsible for all expenses related, in any way, to the purchase, operation, maintenance, repair, or replacement of such vehicle.

5.4 Housing Allowance and Residency Requirement. Employer agrees to pay Employee a housing supplement of up but not to exceed \$3,000.00 per month, payable on the same day as the Employee's base salary, and prorated daily

for the time Employee is employed pursuant to this Agreement. Employee agrees to maintain residence within the corporate boundaries of the City of Bozeman.

5.5 Exclusion of Certain Fringe Benefits. The Employee shall not be entitled to participate in any plans, arrangements or distributions by the Employer pertaining to or in connection with life insurance, disability insurance, pension, retirement (unless otherwise required by law), or profit sharing.

5.6 Leave. Employee shall be entitled to accrue and utilize sick leave and vacation leave as set forth in the Employer's Employee Handbook.

5.7 April/July 2017 Vacation. Notwithstanding Sections 5.1 and 5.6, Employee shall not receive any base salary during the period of April 10, 2017 to April 23, 2017 and July 3, 2017 through July 20, 2017 while on vacation.

**ARTICLE VI.
BUSINESS EXPENSES/HOLDING OFFICE**

6.1 General Business Expenses. Employer shall reimburse Employee for any approved business-related expenses. The Finance Director is authorized to disburse reimbursement upon receipt of duly executed expense or petty cash vouchers, receipts, statements, or personal affidavits reflecting such expenses.

6.2 Holding Office. Commission approval is needed before the Employee agrees to hold office in any professional, business, or civic organization.

**ARTICLE VII.
HOURS OF WORK**

Employer recognizes that Employee must devote a great deal of time outside normal office hours on business for the City. To that end, Employee shall be allowed to establish an appropriate work schedule.

**ARTICLE VIII.
INDEMNIFICATION**

Under Montana Code Annotated section 2-9-305, Employer will indemnify, immunize and prove a defense to Employee if he is civilly sued for action taken within the scope of his employment. Further, Employer agrees that notwithstanding Section 4.3(f), this obligation shall continue beyond Employee's service to Employer as long as litigation is pending. Employer agrees to pay Employee's reasonable consulting fees and travel expenses when Employee serves as a witness, advisor, or consultant to Employer regarding pending litigation.

**ARTICLE IX.
BONDING**

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

**ARTICLE X.
MISCELLANEOUS.**

10.1 Governing Law. This Agreement shall be governed by the laws of the State of Montana.

10.2 Severability. The invalidity of any provision of this Agreement or portion of a provision shall not affect the validity of any other provision of this Agreement or the remaining portion of the applicable provision.

10.3 Counterparts and Facsimile Signatures. This Agreement and any amendments to this Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one agreement. A facsimile or electronic signature to this Agreement and any amendments to this Agreement shall be deemed an original and binding upon the party against whom enforcement is sought.

10.4 Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed facsimile or electronic mail if sent during normal business hours of the recipient, if not, then on the next business day; (iii) upon receipt, if sent by registered or certified mail or nationally recognized overnight courier. All notices shall be sent to Employer or Employee at the address set forth on the first page of this Agreement, or at such other address as either party may designate by notice pursuant to this Section.

10.5 Entire Agreement. The terms of this Agreement express and constitute the entire agreement between the parties pertaining to the subject matter of this Agreement and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties.

No supplement, modification, waiver or termination of this Agreement shall be binding, unless executed in writing by the party to be bound.

10.6 Assignment. This Agreement and all rights, entitlements, duties and obligations arising from it shall not be assignable in whole or in part by Employee except with the prior written consent of Employer.

10.7 Public Document. This Agreement is a public document and shall be available for inspection by the public.

******* End of Agreement Except for Signatures *******

The parties have executed this Agreement effective as the Effective Date.

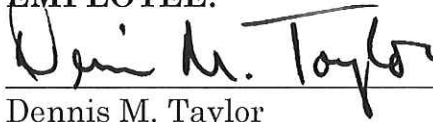
EMPLOYER:

City of Bozeman



Mayor

EMPLOYEE:



Dennis M. Taylor