

**CITY OF MINERAL WELLS
EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into this 15th day of March, 2022, by and between Dean Sullivan ("Employee") and the CITY OF MINERAL WELLS ("Employer"). In consideration of the mutual covenants herein contained, Employee and Employer acknowledge and agree as follows:

I. Employment; Term of Employment; Residence.

- a. Effective as of the date hereof Employee shall faithfully and competently and to the best of his abilities, serve Employer as City Manager, and he shall devote his working time to the duties and responsibilities as set forth in the City Manager job description, City Charter, and City ordinances.
- b. The term of employment shall begin on March 1, 2022 (the "Effective Date") and continue for a period of three (3) years, unless terminated earlier pursuant to Section IV of this Agreement.
- c. Employee shall establish residency within the City limits of Mineral Wells by or before September 1, 2022. This deadline may be extended, by agreement of the parties, up to an additional ninety (90) days should Employee demonstrate the unavailability of suitable housing.

II. Compensation: Base Salary: Adjustment to Base Salary. As compensation of Employee's services under this Agreement, Employer shall pay and Employee shall accept a base salary of \$170,000, subject to increases of such kind and nature as are offered to all City employees. Any additional compensation or compensation adjustment will follow all policies as set out in the Employer's Personnel Policies and Procedures Manual.

III. Benefits. During the term of the Employee's employment pursuant to this Agreement, Employer shall provide Employee with employment benefits of such kind and nature as are offered to all City management employees and described in Employer's Personnel Policies and Procedures Manual, as the same now exists or may from time-to-time hereafter be amended. Employer shall provide Employee with the following benefits:

- a. Vacation and Holidays. Employee shall accrue vacation hours at a rate of 13.36 hours per month during the term of this Agreement (20 days per year). The vacation leave taken by Employee will be taken at such time or times as will least interfere with the performance of the Employee's duties. Employee's maximum cumulative vacation leave accruals and forfeiture are based on the Employer's Personnel Policies and Procedures Manual.

Employee shall be authorized holiday leave as provided to other full-time employees through the Employer's Personnel Policies and Procedures Manual.

- b. **Sick Leave.** Employee's monthly sick leave accrual, maximum cumulative sick leave accrual, and forfeiture are based upon the Employer's Personnel Policies and Procedures Manual.
- c. **Insurance Benefits.** Employer shall provide Employee with insurance benefits consistent with those provided to all other management employees and pursuant to the Employer's Personnel Policies and Procedures Manual.
- d. **Retirement.** Employer shall make reasonable and customary contributions on the Employee's behalf to the Texas Municipal Retirement System (TMRS). Employee is responsible for his portion of such payments.
- e. **Professional Memberships.** Employer shall pay the professional dues and subscriptions necessary for Employee's continued participation in national, regional, state, and local professional associations and organizations necessary and desirable for his continued professional growth and advancement, and for the good of Employer. Expenses incurred shall be subject to limitations established by the Employer's annual budget.
- f. **Professional Conferences.** Employer shall pay the conference tuition, travel, food, lodging and incidental expenses of Employee for professional and official travel, meetings and occasions relating to Employer business as approved according to Employer's policies. Expenses incurred shall be subject to limitations established by the Employer's annual budget.
- g. **Civic organizations.** Employer shall pay the annual dues and expenses of Employee for membership in such area civic organizations as Employee may choose to join. Expenses incurred shall be subject to limitations established by the Employer's annual budget.
- h. **Equipment.** Employee shall be issued all necessary and required computer equipment for performance of his duties under the terms of this Agreement.

IV. Termination of Employment. Employee's employment may be terminated before the expiration of the term of this Agreement only as follows:

- a. Employee's employment pursuant to this Agreement shall terminate automatically upon the death of the Employee. Promptly thereafter, Employer shall pay the Employee's estate Employee's base salary at the then current rate through the date of death, plus a lump sum cash payment in an amount equal to Employee's accrued but unused vacation time, as provided in the Employer's Employment Policies and Procedures.
- b. Employee may terminate his employment pursuant to this Agreement upon no less than thirty (30) days prior written notice to the Employer, which notice requirement may be waived in whole or in part by the Mayor with the consent of the

Council in their sole discretion. Promptly following the effective date of Employee's termination of his employment pursuant to this section Employer shall pay to Employee his base salary through the effective date of termination, at the then current rate, plus a lump sum cash payment in an amount equal to Employee's accrued unused vacation time, as provided in the Employer's Employment Policies and Procedures.

c. Employee's employment pursuant to his Agreement may be terminated at any time in the sole and exclusive discretion of Employer for any reason or for no reason. Such termination shall only become effective upon thirty (30) days' notice given to Employee, and the following provisions:

1. If such termination is not for cause, as that term is defined herein, then Employee shall receive his base salary to the effective date of his termination, plus a lump sum cash payment in an amount equal to the sum of Employee's accrued, unused vacation time, as provided in Employer's Personnel Policies and Procedures Manual. Employee shall further receive severance payment equal to three (3) months of the Employee's salary calculated at the regular rate of pay ("Severance Amount"). The Severance Amount shall increase to an amount equivalent to six (6) months of the Employee's salary calculated at the regular rate of pay, beginning one year from the Effective Date. All severance pay shall be paid as a lump sum unless otherwise agreed by both parties and is subject to usual and customary withholding, including TMRS contributions.

2. If such termination is for cause, as that term is defined herein, the Employer shall within thirty (30) days after the effective date of termination of Employee's employment pursuant to this subsection pay to Employee his base salary through the date of termination, plus a lump sum cash payment in an amount equivalent to his accrued but unused vacation time. "Cause" shall be limited to the following:

i. Material breach of this Agreement or misconduct by Employee. A determination of "cause" as described in this section shall be within the province of the Employer; provided, however, unless and until Employee has been given written notice from the Mayor of the particular breach, duties, instructions, policies or directives he has failed to follow, or the particular respect in which his conduct has been found wanting or unacceptable and given a reasonable opportunity to correct his actions (if correctable), Employee may not be terminated for cause. Employee's failure or refusal to carry out, implement, or adhere to unlawful policies, directives, duties, or instructions which are not reasonably capable of being performed generally, or specifically by him, shall under no circumstances constitute cause.

ii. Unreasonable neglect or refusal to perform the duties and responsibilities assigned to Employee, or failure to provide an

acceptable quality of professional service. "Acceptable quality of professional service" means a quality that would be generally acceptable in the municipal government management community in a Texas city of size comparable to Mineral Wells. Unless and until Employee has been given written notice from the Mayor of the particular breach, duties, instructions, policies or directives he has failed to follow, or the particular respect in which his conduct has been found wanting or unacceptable and given a reasonable opportunity to correct his actions (if correctable), Employee may not be terminated for cause. Employee's failure or refusal to carry out, implement, or adhere to unlawful policies, directives, duties, or instructions which are not reasonably capable of being performed generally, or specifically by him, shall under no circumstances constitute cause.

iii. An arrest for a criminal offense, the filing of a complaint, information or indictment alleging a crime, or a conviction of any crime. "Arrest" does not include a mere Terry stop, traffic stop, field identification and release, or being held in an alleged domestic violence incident if the incident is dismissed by a court within 10 days. Cause as defined in subparagraph 2(iii) shall be grounds for immediate termination and Employee shall not be entitled to notice.

d. Immediately upon the effective date of termination of employee, Employee shall cease to perform any activities on behalf of and will cease to hold himself out as representing Employer, and will forfeit and return all Employer issued equipment and other Employer owned property assigned to, or in the possession of the Employee.

e. Employer's obligation to pay the Severance Amount is conditioned upon the Employee's contemporaneous release and waiver of all claims arising from the Employee's employment with the City. Such release shall include all elected and appointed officials, employees, agents and attorneys acting for or on behalf of the City. The failure to execute or deliver such release and waiver shall nullify any obligation of the City to pay the Severance Amount. In the event Employee is terminated for Cause as defined herein, Employer shall have no obligation to pay the Severance Amount.

V. Provisions of General Applicability.

- a. Performance Evaluations. Employer shall conduct a performance review of Employee at least annually, and not later than January 31st of the following year.
- b. Amendment. No amendment or modification of this Agreement shall become effective unless authorized by the City Council and made in writing and signed by both Employer and Employee.

c. **Integration.** Except for documents expressly referred to within this contract, which are hereby incorporated by reference as though fully set forth herein, this document expresses the complete agreement between Employer and Employee, and they have not entered into any other agreements, either oral or written.

d. **Severability.** To the extent any provision of this Agreement shall be found invalid or unenforceable, it shall be considered deleted here from, and the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect.

e. **Notice.** All notices required or permitted to the given hereunder shall be in writing and shall be given to the parties addressed as follows:

To Employee: Dean Sullivan

To Employer:
Regan Johnson; Mayor
City of Mineral Wells, Texas
P.O. Box 460
Mineral Wells, Texas 76068

With a copy:
Eileen Hayman
Messer, Fort & McDonald, PLLC
2500 S. Willis Street, Suite 400
Abilene, Texas 79605

Or at such other address as a party may be noticed direct. Notices shall be deemed given only upon personal service on the party or upon confirmation of receipt by US Mail, certified mail, return receipt requested.

CITY OF MINERAL WELLS

EMPLOYEE

Regan Johnson
Regan Johnson, Mayor

Dean Sullivan
Dean Sullivan

ATTEST:

Peggy Clifton
Peggy Clifton, City Clerk

