CITY OF MUSCATINE
EMPLOYMENT AGREEMENT

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City of Muscatine Employment Agreement

Introduction

This Agreement, made and entered into this 4th day of November, 2011, by and between the City of Muscatine, Iowa, a municipal corporation, (hereinafter called "Employer") and Gregg Mandsager, (hereinafter called "Employee") an individual who has the education, training and experience in local government management and who, as a member of ICMA, is subject to the ICMA Code of Ethics, both of whom agree as follows:

Section 1: Term
This agreement shall remain in full force in effect from the 4th Day of November, 2011, until terminated by the Employer or Employee as provided in Section 9, 10 or 11 of this agreement.

Section 2: Duties and Authority
Employer agrees to employ Gregg Mandsager as City Administrator to perform the functions and duties specified in Title I, Chapter 8 of the City Code and to perform other legally permissible and proper duties and functions.

Section 3: Compensation

1. Base Salary: Employer agrees to pay Employee an annual base salary of $124,142.98, payable in installments at the same time that the other management employees of the Employer are paid.

2. This agreement shall be automatically amended to reflect any salary adjustments that are provided or required by the Employer's compensation policies.

3. The Employer agrees to increase the compensation annually on July 1st by the minimum of the across the board increase granted to other non-bargaining unit employees of the Employer.

4. In Addition, Employer may increase the base salary and/or other benefits of Employee in such amounts and to such extent as the City Council may determine it is desirable to do so.

Section 4: Health, Disability and Life Insurance

1. The Employer agrees to provide and to pay the premiums for health, hospitalization, surgical, dental and comprehensive medical insurance for the Employee and his/her dependents equal to that which is provided to all other employees of the City of Muscatine.

2. The Employer agrees to put into force and to make required premium payments for long term disability coverage for the Employee.

3. The Employer shall pay the amount of premium due for term life insurance in the amount of $170,000. The Employee shall name the beneficiary of the life

insurance policy. In addition, the City will provide an additional life insurance policy in the amount of $250,000.

Section 5: Vacation and Sick

1. The Employer agrees to grant twenty (20) days of vacation annually to employee.

2. The Employer agrees to grant fifteen (15) days sick leave credit to employee from the initial date of employment and Employee shall be entitled to acquire sick leave at the same rate as other department heads.

3. The Employee is entitled to accrue all unused leave, without limit, and in the event the Employee's employment is terminated, either voluntarily or involuntarily, the Employee shall be compensated for all accrued vacation time, all paid holidays, all accrued sick leave, and other benefits to date.

Section 6: Automobile - Monthly Vehicle Allowance

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 $five thousand four hundred dollars ($5,400) per year, payable monthly ($450), as a vehicle allowance to be used to purchase, lease, or own, operate and maintain a vehicle. The Employer shall reimburse the Employee based upon the City's current mileage reimbursement policy for any business use of the vehicle beyond the greater Muscatine area. For purposes of this Section, use of the car within the greater Muscatine area is defined as travel to locations within a fifty (50) mile radius of the City of Muscatine.

Section 7: Retirement

1. The Employer agrees to enroll the Employee into the Iowa Public Employees Retirement System and to make all the appropriate contributions on the Employee's behalf, for both the Employer and Employee share required. This amount shall be in addition to the Employee's salary.

2. In addition to the Employer's payment to the state or local retirement system (as applicable) referenced above, Employer agrees to execute all necessary agreements provided by ICMA Retirement Corporation [ICMA-RC] or other Section 457 deferred compensation plan for Employee's participation in said supplementary retirement plan.

Section 8: General Business Expenses

1. Employer agrees to budget for and to pay for professional dues and subscriptions of the Employee necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer.

2. Employer agrees to budget for and to pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference, the state league of municipalities, and such other national, regional, state, and local governmental groups and committees in which

Employee serves as a member.

3. Employer also agrees to budget for and to pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and for the good of the Employer.

4. Employer recognizes that certain expenses of a non-personal but job related nature are incurred by Employee, and agrees to reimburse or to pay said general expenses. The finance director is authorized to disburse such moneys upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

5. The Employer shall provide Employee with a cell phone required for the Employee to perform the job and to maintain communication that shall be paid for by the City of Muscatine.

Section 9: Termination

Termination shall occur when:

1. The majority of the governing body votes to terminate the Employee at a duly authorized public meeting.

2. If the Employer, citizens or legislature acts to amend any provisions of the City or State Code pertaining to the role, powers, duties, authority, responsibilities of the Employee's position that substantially changes the form of government, the Employee shall have the right to declare that such amendments constitute termination.

3. If the Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless it is applied in no greater percentage than an applicable across-the-board reduction for all City employees or in the event the City refuses, following written notice, to comply with any other provision benefiting Employee herein, the Employee shall have the right to declare that such amendments constitute termination.

4. If the Employee resigns following a suggestion, whether formal or informal, by the Employer that he resign, then the Employee may declare a termination as of the date of the suggestion.

5. Breach of contract declared by either party with a 30-day cure period for either Employee or Employer. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 20.

Section 10: Severance

Severance shall be paid to the Employee when employment is terminated as defined in Section 9.

If the Employee is terminated, the Employer shall provide a minimum severance payment equal to six (6) months salary at the current rate of pay. 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 for all accrued sick leave, vacation time, all paid holidays. The Employer agrees to make a contribution to the Employee's deferred compensation account on the value of this compensation calculated using the rate ordinarily contributed on regular compensation.

For a minimum period of six (6) months following termination, the Employer shall pay the cost to continue Health insurance for the employee and all dependents as provided in Section 4A.

If the Employee is terminated because of a conviction of any illegal act involving personal gain to him, then the Employer is not obligated to pay severance under this section.

Section 11: Resignation
In the event that the Employee voluntarily resigns his position with the Employer, the Employee shall provide a minimum of 45 days notice unless the parties agree otherwise.

Section 12: Performance Evaluation
Employer shall annually review the performance of the Employee by October 31^{st} subject to a process, form, criteria, and format for the evaluation, which shall be mutually agreed upon by the Employer and Employee. 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. The final written evaluation should be completed and delivered to the Employee annually by October 31^{st}.

Section 13: Hours of Work
It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

Section 14: Outside Activities
The employment provided for by this Agreement shall be the Employee's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may elect to accept limited teaching, consulting or other business opportunities with the understanding that such arrangements shall not constitute interference with nor a conflict of interest with his or her responsibilities under this Agreement.

Section 15: Moving and Relocation Expenses
Employee agrees to establish residence within the corporate boundaries of the local government, if required, within 3 months of employment, and thereafter to maintain residence within the corporate boundaries of the local government.

1. Employer shall pay directly for the expenses of moving Employee and his family and personal property from Lebanon, NH, to Muscatine, IA. Said moving expenses include packing, moving, storage costs, unpacking, and insurance charges.

2. Employer shall reimburse Employee for actual lodging and meal expenses for his/her family in route from Lebanon, NH, to Muscatine, IA. Mileage costs for moving two personal automobiles shall be reimbursed at the current IRS allowable rate.

3. Employee shall provide three written estimates for the move from Lebanon, NH, to Muscatine, IA, and choose the lowest one for moving expenses.

Section 17: Indemnification & Bonding
Please refer to Employer's insurance policy.

Section 18: Other Terms and Conditions of Employment
The Employer, only upon agreement with Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the City Code or any other law.

Section 19: Notices
Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows:

(1) EMPLOYER: Mayor, City of Muscatine, City Hall, 215 Sycamore Street, Muscatine, IA, 52761

(2) EMPLOYEE: Gregg Mandsager, 100 Eagle Watch Road, Muscatine, IA 52761

Alternatively, notice required pursuant to this Agreement 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: General Provisions

1. Integration. This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this agreement during the life of the agreement. Such amendments shall be incorporated and made a part of this agreement.

2. Binding Effect. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

3. Effective Date. This Agreement shall become effective on November 4, 2011.

4. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect 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.

IN WITNESS WHEREOF, the City of Muscatine has caused this agreement to be signed and executed on its behalf by its Mayor, and duly attested to by the Finance Director, and the Employee has signed and executed this agreement, both in duplicate, the day and year first written above.

Richard W. O'Brien

Richard W. O'Brien, Mayor

Gregg Mandsager

Gregg Mandsager, Employee

ATTEST:

Stephanie Romagnoli

Stephanie Romagnoli
Human Resources Manager