

EMPLOYMENT AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into as of April 1, 2019, by and between Town of Abingdon, Virginia ("Employer") and James Morani ("Employee").

RECITALS

WHEREAS § 15.2-1540 of the Code of Virginia, authorizes the Town Council to appoint and supervise a chief administrative officer for Employer, to be designated the Town Manager and to serve at the pleasure of the Town Council, and,

WHEREAS, Employer desires to employ the services of Employee as the Town Manager of Employer, as provided by Section 4.2 of the Town Charter and Section 2-126 of the Town Code to serve at the pleasure of the Town Council; and,

WHEREAS, Employee desires to be employed as the Town Manager of Abingdon, Virginia;

WHEREAS, the parties wish to enter into an employment relationship whereby Employee shall be employed by Employer to perform services upon the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the parties agree as follows:

1. **Employment and Duties:** Employer agrees to employ Employee as Town Manager of Employer, and Employee agrees to serve Employer in such capacities specified in § 15.2-1541 of the Code of Virginia, Section 4.2 of the Town Charter and in Section 2-126 of the Town Code, or as specified by adopted resolution, policy or motion, and to perform such other legally permissible and proper duties and functions as the Town Council shall from time to time assign and to devote his full work day to the business of Employer, to the best of his ability. Employee shall report directly to the Town Council and serve at its pleasure.

2. **Term:** Employee's employment shall commence as of May 6, 2019. As provided in Section 15.2-1503 of the Code of Virginia, the Employee's employment shall be without a definite term and shall continue until terminated as provided in this Agreement or otherwise provided by law, charter or ordinance.

3. **Compensation:** For all services rendered by Employee under this Agreement, Employer shall pay Employee \$120,000 annually, prorated for any partial year. Employee's salary shall be payable in 26 equal and consecutively biweekly installments, or otherwise pursuant to Employer's customary payroll practices. All

compensation paid to Employee as the result of employment shall be subject to the customary withholding and other employment taxes as required by federal, state and local laws with respect to compensation paid by an employer to an employee. If Employer grants an increase in salary applicable to all of Employer's employees, or a group of employees to which Employee belongs, then such a salary increase will also apply to Employee.

4. **Business and Professional Expenses:** It is understood that Employee will from time to time incur reasonable business and professional expenses in connection with employment under this Agreement, to include but not limited to Employee's professional dues and subscriptions related to membership in professional organizations, his expenses for attending professional meetings, institutes, and/or professional development and leadership programs. Employer will reimburse Employee for any such proper expenses pursuant to the applicable Employer's expense policy(s) and applicable Virginia statutory expense policy(s) provided that Employee shall present Employer with an itemized written receipt of such expenses.

5. **Benefits:** Employee shall be entitled to receive such benefits and to participate in such employee benefit plans as may be adopted from time to time by Employer, in accordance with the terms of such benefit programs. Those programs notwithstanding, upon commencement of this Agreement, Employee shall be entitled to participate in Annual Leave Option 2, Paid Time Off ("PTO") and shall receive a pro-rated annual amount of PTO applicable for employees with 1-9 years of service until July 1, 2019, at which time Employee shall receive PTO consistent with Section 303 Annual Leave Option 2 of the Personnel Manual ("Section 303") applicable for employees with 1-9 years of service. Thereafter, Employee shall receive PTO consistent with Section 303, and any such benefit as may from time to time be amended. Unless otherwise provided by any applicable benefit plan or law, the right to receive any such benefits or to participate in any such plans will cease immediately upon the termination, for any reason, of this Agreement. Employer's grievance policy does not apply to Employee.

6. **Performance Review:** The parties agree that Employer shall evaluate Employee in person on an annual basis with the evaluation process to begin near the end of the fiscal year. At that time, Employer shall review the Employee's performance of the preceding year and establish performance goals and objectives for the following year. At the completion of the annual review the Employer and Employee will discuss any increases in compensation.

7. **Vehicle Allowance:** During the term of this agreement, Employer shall compensate Employee for the use of his personal vehicle for travel on Town business purposes at an annual sum of \$6,000.00, to be payable in 26 equal and consecutively biweekly installments, or otherwise pursuant to Employer's customary payroll practices. This vehicle allowance may be revised from time to time by mutual agreement of the parties. The Vehicle Allowance shall terminate upon termination of this Agreement.

8. **Equipment:** Employer shall furnish Employee with appropriate equipment, such as a cellular telephone, tablet, laptop computer and office desk computer for electronic telecommunications, email, word processing and other typical uses of such equipment, for use in his duties, consistent with Employer's policies. Employer shall also provide for the periodic update and replacement of such equipment.

9. Employee shall maintain his residence within the boundaries of the Town and is granted until July 1, 2019 to become a resident of Abingdon. Employer may grant an extension to this deadline in its sole discretion.

10. Employer will reimburse Employee for reasonable moving expenses, with approval from Employer's finance officer for the moving of Employee's household goods to his new residence in the Town. Employee shall, if practical, secure three quotes for this service prior to Employer's approval of such reimbursement. In addition to applicable PTO, Employee shall be granted reasonable time off, not to exceed ten (10) days with pay, to accomplish the logistics of his move between May 6 and July 1, 2019.

11. **Termination and Severance:** This Agreement and Employee's employment shall terminate or be terminable, as the case may be, in accordance with law, charter, ordinance and with the following provisions:

A. Employee serves at the pleasure of Council, pursuant to Section 4.2 of the Town Charter and Section 2-126 of the Town Code.

B. Employer and Employee may terminate this Agreement at any time by their mutual written agreement to do so.

C. Employee may unilaterally terminate this Agreement at any time, for any reason or for no reason at all, by giving written notice thereof to Employer at least sixty (60) days prior to the effective date of termination. If Employee unilaterally terminates this Agreement, Employee shall continue to receive his applicable salary and benefits only until the effective date of termination.

D. If at its pleasure, Employer terminates this Agreement for Cause immediately upon giving written notice thereof to Employee, such Cause to specifically include:

- i. Employee's material violation of the terms of this Agreement; or
- ii. Employee's continuing inattention to, or neglect of, the duties to be performed by him; or

iii. Any act by Employee of fraud, embezzlement, or theft against the Employer; (ii) any act by Employee of dishonesty, misrepresentation or breach of duty with respect to the Employer; (iii) Employee's gross negligence, recklessness or willful misconduct in the performance of his duties to the Employer; (iv) Employee's failure or refusal to comply with the reasonable directions of the Employer or with the policies of the Employer, provided that such directions or policies do not require Employee to (a) take any action which is illegal, immoral or unethical or (b) fail to take any action required by applicable law, regulations or licensing standards; or, and if such refusal is curable, if such refusal is not cured within ten (10) days after the Employer's written notice to Employee of such refusal; and (v) Employee's conviction of or indictment for or entering of a guilty plea or plea of no contest or nolo contendere with respect to any felony or any crime involving an act of moral turpitude or for which imprisonment is a possible punishment. In the event Employee is terminated for Cause, the Employee shall only be entitled to receive compensation through the date of termination.

E. This Agreement shall automatically terminate immediately upon the death of Employee.

F. Notwithstanding the termination of this Agreement, the parties shall carry out any provisions hereof which contemplate performance by them subsequent to such termination, and such termination shall not affect any liability or other obligation which shall have accrued up to and including the date of such termination.

G. Termination shall not prejudice any other remedy to which either party may be entitled, either at law, in equity or under this Agreement.

H. Following any notice of termination of employment, whether given by Employer or Employee, Employee will fully cooperate with Employer in all matters relating to the winding up of Employee's pending work on behalf of Employer and the orderly transfer of such work to the other employees. On or after the giving of notice of termination hereunder and during any notice period, Employer will be entitled to such full-time or part-time services of Employee as Employer may reasonably require, and Employer will specifically have the right to terminate, in its sole discretion, the active services of Employee at the time such notice is given and to pay to Employee the compensation due to him under this Agreement for the duration of the notice period.

I. If Employer unilaterally terminates this Agreement without Cause, Employee shall continue to receive his applicable salary and benefits for a period of three (3) months from the date of the notice of termination ("Severance Period"). If Employee remains employed in good standing by Employer after May 6, 2020, then the Severance Period shall be extended to four (4) months.

12. Notice: Any notice to be given hereunder shall be deemed given when personally delivered to the party to receive such notice, or when mailed, postage prepaid,

by registered or certified mail, if to Employer, to its principal office, and if to Employee, to Employee's residence address appearing on the books of Employer.

13. **Binding Effect:** This agreement shall be binding upon and shall inure to the benefit of the parties hereto, the successors and assigns of Employer, and the heirs and personal representatives of Employee, but neither this Agreement nor any of the rights hereunder shall be assignable by Employee or by any beneficiary or beneficiaries of Employee.

14. **Acknowledgment and Review:** Employee states that he has carefully read this Agreement, knows and understands its contents, has had full and adequate opportunity to consult with an attorney of own choosing regarding this Agreement, and freely and voluntarily assents to all the terms and conditions hereof, and signs the same as own free act.

15. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties and contains all the agreements between the parties with respect to the subject matter hereof.

16. **Governing Law; Venue:** This Agreement shall be construed in accordance with and governed by the Commonwealth of Virginia. Exclusive jurisdiction of any action or proceeding brought under or in connection with this Agreement shall be vested in the Circuit Court for Washington County, Virginia. The parties consent irrevocably to the jurisdiction over them that Court in any such action or proceeding. The parties agree that the venue provided above is the most convenient forum for both parties. Each party waives any objection to venue or jurisdiction and any objection based on a more convenient forum in any action under this Agreement.

IN WITNESS WHEREOF, the undersigned have hereunto executed this Agreement on the date and year first written above.

Employer:

Town of Abingdon

By: Wayne Craig
Wayne Craig, Mayor

ATTEST:

Kimberly Kugdey (Seal)
Clerk of Council

Employee:

James Morani
James Morani