

EMPLOYMENT AGREEMENT

This Employment Agreement (hereinafter, the "Agreement") is made and entered into effective as of the 12th day of July, 2021 by and between the City of Grand Rapids, a Minnesota municipal corporation (hereinafter called "Employer"), and Steve Schaar (hereinafter called "Employee"):

WHEREAS, the current Chief of Police is Scott Johnson, and Scott Johnson will be retiring on July 31, 2021.

WHEREAS, the Employee is currently the Assistant Chief of Police.

WHEREAS, Employer desires to employ the services of Employee as Chief of Police of the City of Grand Rapids, Minnesota beginning on August 1, 2021 upon the retirement of the current Chief of Police; and

WHEREAS, it is the desire of the governing board, hereinafter called "Council," to provide certain benefits, to establish certain conditions of employment, and to set working conditions of said Employee; and

WHEREAS, the Employee has expressed his intent and desire to retire upon reaching retirement age on April 30, 2023; and

WHEREAS, it is the desire of the Council to continue to retain the services of Employee and to provide inducement for him to remain in such employment for approximately two years until the Employee reaches retirement age on April 30, 2023; and

WHEREAS, Employee desires to retain employment with the City as Chief of Police beginning on August 1, 2021 and for approximately two years until the Employee reaches retirement age on April 30, 2023; and

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1. TERM

The term of this Agreement shall be for a period commencing August 1, 2021 through April 30, 2023, unless terminated earlier by either party as set forth in Section 7. All compensation, benefits, and requirements of the Agreement shall remain in effect until April 30, 2023 which is the expiration of the term of the Agreement unless terminated earlier by either party as set forth in Section 7, to the extent permitted under this Agreement.

Section 2. POSITION.

Employer agrees to employ Employee as its Chief of Police. Employee agrees to serve as Chief of Police in accordance with state statutes, City ordinances and policies, to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign.

Section 3. COMPENSATION

A. Base Salary: Effective August 1, 2021 Employer Agrees to pay Employee an annual base salary of \$108,696.00 payable in installments in accordance with Employer's standard payroll procedures. This annual base salary is subject to confirmation the City maintains compliance with the Minnesota Government Pay Equity Act with this salary provided to the Employee.

B. Effective January 1, 2022 and January 1, 2023, the Employee's annual base salary will be increased by the average increase provided to all other exempt employees of the City, except for increases provided through binding interest arbitration pursuant to Minn. Stat. 179A.16. All salary increases shall be consistent with the increases allowed by state statute.

Section 4. FLEXIBLE TIME OFF AND EXTENDED MEDICAL BENEFIT

The employee shall continue to accrue Flexible Time Off (FTO) and Extended Medical Benefit (EMB) in accordance with the City of Grand Rapid's Personnel Policy Manual.

Section 5. RETIREMENT

A. The Employer agrees to enroll the Employee into the applicable Minnesota State Retirement System and to make all the appropriate contributions on the Employee's behalf, for share required of the Employer. This includes but is not limited to MSRS and all State/Federal withholdings (Social Security, FICA, etc.).

B. Upon the Employee's retirement on April 30, 2023, the Employee will be entitled to the additional payments outlined below:

1. The Employee will receive a lump sum payment of \$15,000, subject to State/Federal withholdings, on May 1, 2023, following his retirement.
2. The Employee will receive a lump sum payment of \$15,000, subject to State/Federal withholdings, on January 1, 2024, following his retirement.
3. The Employee will receive a lump sum payment of \$15,000, subject to State/Federal withholdings, on January 1, 2025, following his retirement.
4. The Employee will receive a lump sum payment of \$15,000, subject to State/Federal withholdings, on January 1, 2026, following his retirement.

C. The payments outlined above amount to \$60,000 total. These payments will be due to the Employee by the Employer only if the Employee retires on April 30, 2023. In the event the employee is terminated from employment, or this Agreement is terminated prior to April 30, 2023, the Employee will not be entitled to the retirement payments outlined above. In the event the Employee does not retire on April 30, 2023, the Employee will not be entitled to the retirement payments outlined above, and the Employee will be immediately returned to a position of employment with the City, other than the Assistant Chief of Police position, as that position will be eliminated.

Section 6. TERMINATION

For the purpose of this agreement, termination shall occur when:

1. The Employee's death
2. The Employee's disability, which means the Employee's inability to perform the essential functions of the Employee's duties to the Employer by reason of the Employee's illness or injury, which inability has continued for a period of 120 consecutive days or 150 non-consecutive days in a 12 month period.
3. Employee's unwillingness to perform all or substantially all of the Employee's duties to the employer, which failure persists for 5 business days after written notice to the Employee.
4. Employee's documented acts of dishonesty by the Employee in connection with the performance of the Employee's duties to the Employer.
5. The majority of the governing body votes to terminate the Employee at a duly authorized public meeting.
6. If the Employee resigns following an offer to accept resignation, whether formal or informal, by the Employer as a representative of the majority of the governing body that the Employee resigns.
7. 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.
8. In any event, this contract shall terminate no later than April 30, 2023 and shall be considered null and void as of that date.

Section 7. GENERAL CONDITIONS OF EMPLOYMENT

Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employer to terminate the services of Employee at any time, for any reason, subject only to the provisions of this Agreement, statutory requirements, and sixty (60) days advance written notice from Employer to Employee. Furthermore, nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his position with Employer, subject only to the provisions of this Agreement.

Section 8. 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 (or such other address of which such party shall have given written notice in the manner provided herein):

- (1) EMPLOYER: City of Grand Rapids
 420 North Pokegama Avenue
 Grand Rapids, MN 55744-2662

- (2) EMPLOYEE: Steven D. Schaar
 36210 Columbus Avenue
 Cohasset, MN 55721

Alternatively, notice required pursuant to this Agreement may be personally serviced 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 9. GENERAL PROVISIONS

A. **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 this agreement. Such amendments shall be incorporated and made a part of this agreement.

B. **Binding:** This agreement shall be binding on the Employer and the Employee.

C. **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.

D. This Agreement shall be governed by the laws of the State of Minnesota.

IN WITNESS WHEREOF, the City of Grand Rapids, Minnesota, has caused this agreement to be signed and executed in its behalf by its City Administrator and duly attested by its City Clerk, approved to form by the City Attorney and the Employee has signed and executed this agreement, both in duplicate, effective as of the day and year first above written.

EMPLOYER:

CITY OF GRAND RAPIDS, MN

By: Dale Christy
Dale Christy (Jul 13, 2021 19:47 CDT)

Dale Christy, Mayor

Date: Jul 13, 2021

EMPLOYEE:

[Signature]

Steve Schaar

Date: 7/17/21

ATTEST:

By: [Signature]
Kim Gibea (Jul 13, 2021 08:19 CDT)

CITY CLERK

Approved as to Form: _____

City Attorney