

Prepared by:
Kori Bledsoe Jones, Attorney
Mounger & Molder, PLLC
P.O. Box 1468
Columbia, TN 38401
931-380-9005

CITY MANAGER EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and effective into as of the _____ day of June, 2024, by and between the **CITY OF MOUNT PLEASANT, TENNESSEE**, a municipal corporation, (hereinafter referred to as "the City"); and **PHILLIP GROOMS** (hereinafter referred to as "City Manager").

WITNESSETH:

WHEREAS, Section 6-21-101 of the Charter of the City of Mount Pleasant, Tennessee (hereinafter "the Charter") provides that a city manager shall be the chief administrative officer of the city, and he shall be responsible to the Board of Commissioners for the administration of all the city affairs placed in his charge by or under the Charter. The City Manager will agree to work under the direction and supervision of the board;

WHEREAS, the Board of Commissioners shall appoint a city manager on the basis of his executive and administrative qualifications to serve at the will of the board, and that the Board of Commissioners shall fix the compensation of the city manager;

WHEREAS, the Board of Commissioners wishes to re-appoint Phillip Grooms as City Manager, and Phillip Grooms has accepted such appointment upon terms agreed to by both parties;

WHEREAS, the selection and appointment of a City Manager entails a lengthy process in which the City makes a major investment in time, effort and public dollars; and,

WHEREAS, the City and the City Manager desire to enter into a written agreement memorializing the terms of their relationship and assuring a continuous and harmonious management of the affairs of the City in the event the relationship should cease to exist.

NOW, THEREFORE, for and in consideration of the mutual promises and the benefits to be derived therefrom, the City and the City Manager agree as follows:

1. **Employment.** The City hereby re-appoints and continues to employ Phillip Grooms as its City Manager, and Phillip Grooms accepts such appointment and continued employment.

2. **Duties.** The City Manager, as a full-time employee of the City will discharge and perform to the best of his ability the lawful duties and responsibilities as are normal and customary for the City Manager in accordance with T.C.A. §6-21-101, et. seq. or as otherwise established by the City's Charter, ordinances, resolutions, other applicable law, and to perform such other legally permissible and proper duties and functions as the Board, acting through a majority of its Board of Commissioners, shall from time-to-time assign.

3. **Effective Date.** July 1, 2025 or when the Agreement is signed by all Parties, whichever is the latter.

4. **Initial Term.** The term of this Agreement shall be twelve (12) months, beginning on July 1, 2025 and ending June 30, 2026.

6. **Automatic Renewal.** Unless otherwise terminated, this Agreement shall be automatically renewed annually on July 1st of each year. The provisions of this Agreement will remain in full force and effect during any extension due to either party's failure to execute a new agreement, it being understood, however, that the City Manager serves at the will of the governing body (Board of Commissioners) of Mt. Pleasant at the expiration of the term of this Agreement or the term of any renewal Agreement.

7. **Compensation.** For his professional services to the City, the City will pay City Manager the following compensation:

(a) An annual base salary of One Hundred And Twenty-Four Thousand Dollars (**\$124,800**), payable in equal biweekly installments ("Base Pay").

(b) The City Manager shall receive cost of living and merit-based raises at the same rate as raises provided to regular, full-time city employees of the City, unless otherwise determined by a majority of the Board of Commissioners.

(c) This agreement will be deemed to be amended automatically so as to reflect any salary adjustments that are made to the base salary of the City Manager.

(d) An education pay incentive of twelve percent (12%) of his Base Pay in accordance with the terms of the Education Pay Incentive Program in the City of Mount Pleasant Employee Handbook.

8. **Health, Disability, Life Insurance, and Retirement Benefits.**

(a) The City will provide the City Manager and his dependents with all of the health, dental, and vision insurance benefits which are provided for

regular, full-time employees of the City upon the same terms that these benefits are made available to such employees.

(b) The City will provide the City Manager with all of the life and long-term disability benefits which are provided for regular, full-time employees of the City upon the same terms that these benefits are made available to such employees.

(c) The City Manager will be entitled to participate in the City's retirement plan(s) upon the same terms that these benefits are provided for regular, full-time employees of the City.

9. No Automobile Allowance. During the term of employment, the City will provide the City Manager with a City vehicle and will provide the liability, property damage and comprehensive insurance coverage on the vehicle and will be responsible for all expenses attendant to the maintenance of such vehicle. The City will not provide him with an additional automobile allowance.

10. General Business Expenses.

(a) The City will pay such professional dues and subscriptions reasonably incurred by the City Manager for his continuation and full participation in national, regional, state and local associations and organizations which are desirable for the City Manager's professional participation, growth and advancement and which benefit the City.

(b) The City will pay such travel and subsistence expenses reasonably incurred by the City Manager for professional and official travel, meetings, conferences and seminars which are desirable for the professional development of the City Manager, and for official business and functions of the City, including but not limited to the Tennessee Municipal League, the annual conference of the International City/County Management Association, Tennessee City/County Management Association, and such other similar organizations in which the City Manager is a member. The City Manager must have prior Commission approval if his education or travel expenses will exceed the City's approved budget for such expenses.

(c) The City will pay such reasonable travel and subsistence expenses incurred by the City Manager for his continuing professional education and development. The City Manager must have prior Commission approval if her travel and subsistence expenses for continuing professional education and development will exceed the City's approved budget for such expenses.

(d) The City will pay or reimburse the City Manager for such expenses he may reasonably incur on behalf of the City or in the performance of his official

duties. The treasurer is authorized to disburse such moneys upon receipt of proper documentation from the City Manager.

(e) The City will pay such professional dues and subscriptions reasonably incurred by the City Manager to maintain his licensures and for his continuation and full participation in national, regional, state and local associations and organizations of which he is a member as of the Effective Date of this Agreement.

11. Vacation, Sick, and Executive Leave.

(a) City Manager will retain the Vacation Leave incurred by him as Fire Chief and City Manager as of the Effective Date of this Agreement. The City Manager will accrue 4.7 hours of vacation time each pay period, which, if not used will carry over to the next calendar year. Vacation time can be used as it is earned.

(b) The City Manager will retain the Sick Leave incurred by him as Fire Chief and City Manager as of the Effective Date of this Agreement. Upon commencing employment, the City Manager will accrue sick leave pursuant to the City of Mount Pleasant Employee Handbook.

(c) The City Manager will have two days of executive/personal leave every year based on the hire/anniversary date. Executive/personal leave days do not accrue annually and are not paid out upon termination.

12. Hours of Work. It is recognized that the City Manager will devote a significant amount of time outside the normal office hours to the performance of his duties for the City, and the City Manager will be allowed to establish an appropriate work schedule consistent with the professional nature of his employment. It is understood that the City Manager will not receive overtime or compensatory time as all the hours required to do the job are figured in with the salary.

13. Outside Activities. The employment provided for by this Agreement will be the City Manager's sole employment. However, recognizing certain outside professional activities outside City employment may provide indirect benefits to the City and the Community, the City Manager may elect to accept limited teaching, consulting or other business opportunities provided such arrangements do not interfere with, or constitute a conflict of interest for the responsibilities of the City Manager under this agreement.

14. Indemnification.

(a) To the fullest extent permitted by law, the City will defend, save harmless and indemnify the City Manager against any tort, professional liability claim, demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of the City Manager's

duties as city manager or resulting from the exercise of his judgment or discretion in connection with the performance of his duties, unless the act or omission involved negligence, willful or wanton conduct. The City Manager may request, and the City will not unreasonably refuse to provide in appropriate situations, independent legal representation for the City Manager at the City's expense. Legal representation provided by the City for the City Manager will continue until a final determination of the legal action including any appeals brought by either party. The City will further indemnify the City Manager against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings, including reasonable attorney's fees, and any other liabilities incurred by, imposed upon, or suffered by the City Manager in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of his duties, unless the act or omission involved negligent, willful, or wanton conduct. Any settlement of a claim against the City Manager must be made with prior approval of the City in order for the indemnification as provided in this Section to be available.

(b) The City Manager recognizes that the City will have the right to compromise and settle claims and litigation and, unless the City Manager is a party thereto in which event then any such compromise and settlement will require the approval of the City Manager, the City may compromise and settle any claim or litigation unless such compromise and settlement is of a personal nature to the City Manager. The City will pay all reasonable litigation expenses incurred by the City Manager throughout the pendency of any litigation to which the City Manager is a party, witness or advisor to the City. The City's obligation to pay such expenses will continue beyond the City Manager's employment with the City as long as the litigation is pending.

(c) After the City Manager's employment with City terminates, the City Manager, if requested to do so by the City, will assist the City in any litigation involving the City, including returning to the city if requested, to testify or otherwise participate in such litigation. In such event, the City will reimburse the City Manager for reasonable expenses incurred by him for travel and subsistence and will pay the City Manager reasonable compensation for her post-employment services for the City.

15. Termination and Severance Pay

(a) For the purposes of this Agreement, during the term and any Renewal Term, the termination of the City Manager shall occur upon the happening of any one or more of the following:

1. If at least three members of the Board of Commissioners members vote to terminate the employment of the City Manager at a duly authorized public meeting.

2. If the Charter or applicable state law relating to the role, powers, duties, authority or responsibilities of the office of city manager is amended in such a manner that changes the City's form of government so as to substantially diminish the office of City Manager, then the City Manager will have the right to declare that such amendments constitute a termination.

3. If the City reduces the base salary, compensation or any other financial benefits provided to the City Manager under this Agreement, unless such is applied in no greater percentage than the average reduction applied to all department heads, such shall constitute a breach of this Agreement and will constitute a termination.

4. If the City Manager tenders his written resignation within ten (10) days after at least three (3) members of the vote of the Board of Commissioners to request his resignation at a duly authorized public meeting, then a termination shall occur at the time the resignation is submitted.

5. If the City commits a material or substantial breach of this Agreement and fails to cure such breach within thirty (30) days after notice thereof is given to the City by the City Manager in accordance with Section 18 of this Agreement.

(b) In the event the Employee is terminated by the Board except for incompetence, malfeasance, misfeasance, or neglect of duty or resigns at the request of the majority of the Board, the severance pay shall be six (6) months of his regular salary. This severance pay shall be paid in accordance with the City's current payroll system unless otherwise agreed to by the Board and Employee. The City shall continue payment of retirement and health insurance benefits during this period in the same manner and amounts as provided for all other general employees of the City. In addition to the severance payments described herein, Employee shall be entitled to a lump sum payment at the date of termination of any accumulated sick leave and vacation days that has been accrued under the same terms and conditions as provided for all other general employees of the City upon termination of employment."

(c) Upon termination, all city documents and city property are to remain with or to be returned immediately to the city.

16. Bonding. The City will pay for any fidelity, surety or other bonds which may be required for the City Manager.

17. Other Terms and Conditions of Employment. Upon agreement of the City and the City Manager, the City may from time to time establish such other terms and conditions of employment of the City Manager.

18. Notices. Any notices given under this Agreement will be given by hand delivery or depositing the same in the custody of the United States Postal Service, postage prepaid, addressed as follows:

If to the City:

City of Mount Pleasant, Tennessee

ATTN: Mayor

P. O. Box 426

Mount Pleasant, TN 38474

If to the City Manager:

Phillip Grooms

ADDRESS

Notice will be deemed to have been given at the time it is hand delivered or as of the date it is deposited with the United States Postal Service.

19. Miscellaneous.

(a) Any dispute regarding this matter will be decided by Tennessee law and Tennessee Courts.

(b) Should the City Manager breach this contract in any way, he will be responsible for all litigation fees including, but not limited to reasonable attorneys' fees.

(c) This Agreement sets forth and establishes the entire understanding between the City and the City Manager concerning the employment relationship of the parties. All prior discussions or representations by or between the parties have been merged into this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during its term. Any such amendments shall be incorporated into and made a part of this Agreement.

(d) This Agreement will be binding on the City, and its successors, and on the City Manager, and his heirs and personal representatives.

(e) This Agreement and the relationship of the parties will be governed and construed under the laws of the State of Tennessee.

(f) The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. Should a court of competent jurisdiction hold any provision of this Agreement to be invalid, the remaining

provisions will 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 parties have affixed their respective signatures as of the day and year first above written.

CITY OF MOUNT PLEASANT, TENNESSEE

By: _____,
Mayor

ATTEST:
(Duly approved by the Board of Commissioners of the
City of Mount Pleasant, Tennessee on _____, 2025)

City Recorder

City Manager

Approved as to form: _____
City Attorney