

**SEVERANCE AGREEMENT**

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_ by and  
between \_\_\_\_\_ an adult individual who resides at \_\_\_\_\_  
hereinafter referred to as \_\_\_\_\_

AND

\_\_\_\_\_ political subdivision, hereinafter referred to as "City".

WITNESSETH THAT:

WHEREAS, \_\_\_\_\_ has been the City Manager and Chief Administrative Officer  
City for a period of in excess of \_\_\_\_\_ years, having commenced employment on \_\_\_\_\_;  
and

WHEREAS, \_\_\_\_\_ shall voluntarily terminate his/her employment with the  
City, and

WHEREAS, both \_\_\_\_\_ and the City are desirous of affecting a Severance Agreement  
relative to the compensation and benefits to be paid to \_\_\_\_\_ by the City,  
and

NOW THEREFORE, in consideration of the above and intending to be legally bound hereby, the

parties hereto agree as follows:

1. \_\_\_\_\_ shall voluntarily resign from his/her position as City Manager of the City by announcing his/her resignation not later than the \_\_\_\_\_ day of \_\_\_\_\_.

2. \_\_\_\_\_ shall be entitled to six (6) months severance pay at his/her current rate of pay, \$ \_\_\_\_\_ per month, calculated from the effective date of his/her resignation. He/she shall receive a lump sum payment of this severance pay within five (5) working days from his/her last date of employment with the City.

3. In addition to \$ \_\_\_\_\_ severance pay set forth in Paragraph 2, he/she shall be entitled to accumulated sick days, vacation days and a personal day through \_\_\_\_\_, which are \_\_\_\_\_ sick days, \_\_\_\_\_ vacation days, and \_\_\_\_\_ personal day. These accumulated sick, vacation and personal days are consistent with existing personnel policy; he/she \_\_\_\_\_ shall receive a lump sum payment calculated on a per diem basis for these unused days to be added into his/her severance payment. The per diem rate shall be \$ \_\_\_\_\_.

4. In addition, the City shall provide health and dental benefits under his/her current medical coverage for a minimum of six (6) months subsequent to his/her termination of employment and a maximum of \_\_\_\_\_ months. If at any time after his/her employment with the City ceases, he/she becomes re-employed or in any other way is covered by health and dental

benefits, the City's obligation to continue health and dental benefits after months shall end.

5. The City shall continue to pay \_\_\_\_\_ vision and life insurance/disability insurance through \_\_\_\_\_.

6. In addition, the City shall pay as additional consideration, the monthly Pension benefit to the I.C.M.A. Retirement Corporation, at the current monthly rate, for six (6) months, which is \_\_\_\_\_ (percent) of his/her gross severance pay.

7. To the extent permitted by law, this Agreement shall be kept confidential by the parties. Council shall refrain from any negative public comment regarding his/her tenure with the City that would negatively affect his/her opportunities of employment.

8. The City shall provide \_\_\_\_\_ with a favorable recommendation for employment acknowledging his/her excellent performance of all duties to all future prospective employers. The parties agree that \_\_\_\_\_ resignation is a result of differing philosophies in management taken by the recently elected Members of Council.

9. The president of council will promptly provide \_\_\_\_\_ with a letter of recommendation to any prospective employer and allow \_\_\_\_\_ to submit a draft of the proposed letter of recommendation to be mutually agreeable to both parties and the City shall not unreasonably withhold their approval of the letter of recommendation.

10. Following his/her voluntarily termination of employment with the City, the City will not contest his/her application for Unemployment Compensation to the extent that it is permitted by law.

11. In the event that there are any legal or administrative issues, allegations, or hearings that require \_\_\_\_\_ participation because of his/her tenure as City Manager, \_\_\_\_\_ agrees to cooperate and provide information and testimony to the extent deemed necessary by the City. In exchange, the City agrees to pay for these consulting services at the rate of \$ \_\_\_\_\_ per hour. In the event \_\_\_\_\_ is made a party to any legal or administrative proceeding as a result of his/her tenure as City Manager or because of decisions made that were within the scope of his/her employment and authority as City Manager, the City will provide a legal defense on his/ her behalf. It is understood that the City is not obligated to provide such defense for any matters outside the scope of his/her employment or authority, whether they be intentional, negligent or criminal.

12. \_\_\_\_\_ shall be entitled to copies of any non-confidential documents, which constitute his/her personal work product that may assist his/her in securing employment, provided such documents are approved by the City Attorney in advance. The City shall provide said documents to \_\_\_\_\_ within five (5) working days.

13. In consideration for the severance payments made in this agreement, hereby unconditionally and generally releases \_\_\_\_\_ and its Officers, Council members and

employees from all actions, causes of actions, claims and demands of any nature, whether known or unknown, that he/she has or may have against them or any of them up to and including the date of this Agreement, including without limitation any and all claims relating directly or indirectly to \_\_\_\_\_ employment by \_\_\_\_\_ including but not limited to claims, whether Federal or State, statutory, common law or otherwise, for breach of contract, any tortuous activity by \_\_\_\_\_ or its Officers, Councilmen or employees, defamation, fraud, misrepresentation and unlawful discrimination.

14. \_\_\_\_\_ certifies that he/she has (a) has read the terms of this Agreement, (b) understands that it contains release and waiver of any claims he/she has or may have against \_\_\_\_\_ and related persons and entities, (c) has been advised to consult with an attorney concerning it, (d) has had an opportunity to discuss it with an attorney, \_\_\_\_\_, and (e) understands its terms and effects.

16. \_\_\_\_\_ acknowledges that he/she executes this Agreement with its general release of his/her own volition, with a full understanding of its terms and effects and in exchange for the consideration that is described in this Agreement and that he/she acknowledges as adequate and satisfactory to him/ her.

17. This Agreement will not be construed as an admission of any liability by or any other agent or employees of \_\_\_\_\_, or as an admission of any violation of any federal, state, or local statute, regulation or ordinance.

18. This Agreement may not be modified or altered except by a subsequent writing to be signed by all parties to this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.