

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered on this 22nd day of April, 2024, by and between the City of Sand Springs, Oklahoma, and various public trusts created by the City of Sand Springs pursuant to Title 60 of the Oklahoma Statutes (including the Sand Springs Municipal Authority and the Sand Springs Cultural and Historical Museum Trust Authority), to further the public interest of the community, hereinafter called Employer, and Michael S. Carter, hereinafter called Employee, both of whom understand as follows:

WHEREAS, it is the desire of the Employer to:

1. Secure and retain the services of Employee and to provide inducement for employee to remain in such employment;
2. To make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security; and,

WHEREAS, Employee desires to secure employment as City Manager of the City of Sand Springs.

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

SECTION 1: DUTIES

The City of Sand Springs, Oklahoma, and various public trusts created by the City of Sand Springs pursuant to Title 60 of the Oklahoma Statutes, to further the public interest of the community, hereby agree to employ Michael S. Carter as City Manager of said City, to perform the functions and duties specified in the City Charter and Code of Ordinances and applicable Oklahoma State Statutes and to perform other legally permissible and proper duties and functions as the City Council shall from time-to-time assign, both in regard to the City of Sand Springs and those trusts related to the City.

SECTION 2: TERM

1. This Agreement shall become effective upon approval and is for an indefinite term.
2. The Employer agrees there shall, at all times this Agreement is in effect, there will be sufficient funds budgeted and appropriated to pay all benefits Employee may be entitled to receive should this contract be fully performed, either by continued employment or termination. By approval of this agreement, City staff is authorized to make any and all necessary budget allocations or amendments during the term of this Agreement without need for further approval by Council.

SECTION 3: BASE SALARY, HEALTH INSURANCE AND OTHER BENEFITS

1. The Employer agrees to pay Employee, for employee's services rendered pursuant hereto, an annual base salary of \$151,876.00 for the effective period of this Agreement, except as adjusted by council, and for each year thereafter except as modified as provided herein. Said annual base salary shall be paid on a bi-weekly basis. Additionally, the Council shall annually review Employee's salary to determine whether any merit increase should be provided. The base salary shall be adjusted for the first full pay period after January 1 of each year by an additional two percent increase.

2. The Employer agrees to provide insurance (including but not limited to employee and dependent health, dental and life coverage), opportunity for participation in any cafeteria plan, 401-K type plan or other related plans, longevity pay, appropriate safety equipment, vehicle mileage reimbursement, educational incentives, disability pay, holiday leave, family and medical leave, personal vacation leave, sick leave benefits, and other benefits in the same manner as such are provided other employees of the City, except as otherwise provided herein.

3. The Employer agrees to provide a retirement plan through the Oklahoma Municipal Retirement Fund, said plan to be a Defined Benefit Plan for the City Manager, with contribution rate by the Employer and Employee to equal that of all other non-union employees. The Employee will also be provided with the opportunity to participate in a Defined Contribution plan with the Employer contribution that will be equal to the highest percentage rate provided for any other employee or employee group of Employer sans the amount provided through the Defined Benefit Plan. (Example – Currently Firefighters contribution is 14%. The Employee will receive a contribution of 8.36% in the Defined Benefit plan and 5.64% in the Defined Contribution plan by the Employer.)

4. The Employee shall accrue vacation leave at a rate of three weeks (120 hours) per year with a maximum accrued amount of six weeks (240 hours). Existing accrual of time as of the effective date of this agreement shall be carried forward. Said vacation leave shall accrue with each payroll processed except in the event of a third pay period. Employee shall take a vacation for a minimum of five consecutive business days' worth of leave each year during the contract period but shall not take in excess of ten consecutive business days' worth of leave in any given year without providing prior notice to Employer. Upon separation of employment, accrued and unused vacation may be sold back to the City at the same rate as applicable for other employees, except the maximum vacation that may be sold back to the City shall be three weeks (120 hours).

5. The Employer agrees to pay Employee the sum of \$6,000.00 per year as a vehicle allowance, payable bi-monthly. Car allowance would not be paid during any severance period. Employer and employee acknowledge that even though a vehicle allowance is paid pursuant to this contract, Employee is authorized to drive any City vehicle or equipment, for business related activity, since the intent of this provision is to authorize such usage while recognizing that there will be times in which public safety, emergencies, or other work related reasons justify the use of a City vehicle. Further, the payment of a vehicle allowance is not intended to preclude the use of a City vehicle in any instance, but instead

is to compensate for personal use of the Employee's vehicle for many work-related activities.

6. The Employer agrees to pay Employee the sum of \$2,500 per year as a clothing/cleaning allowance, payable with the first full pay period after July 1 of each year.

7. The employee shall provide to all members of the City Council, no later than March 1 of each year, a copy of the W-2 provided to employee by the City, a summary of employee's compensation and benefits, and a summary of all reimbursed expenses paid by the City.

8. The Employer also agrees to provide the following performance bonuses as follows: (a) a \$25,000.00 bonus if a retail store, or combination of stores, of 50,000 square feet or larger, or a stand-alone retail store of 30,000 square feet or larger, opens in the City and the City had an economic development role; and/or (c) a \$5,000.00 bonus if a restaurant opens in the City and the City has had an economic development role in the project; and/or a \$15,000 retention bonus, payable on April 1, 2029, if Employee is still employed with the City as City Manager. The retention bonus will be paid earlier than April 1, 2029 if, after the approval date of this agreement, the City has issued 100 or more certificates of occupancy for new, single family residences within the City. The Mayor shall be notified prior to the payment of any bonus, and if there is any objection by the Mayor to payment, it shall be placed on the next available agenda for review by the full City Council.

9. The Employer recognizes that the Employee must devote a great deal of time outside normal office hours, to the business of the City, and to that extent, the Employee is authorized to establish an appropriate work schedule and to take compensatory time-off as he deems appropriate during normal business hours. Furthermore, the use of such compensatory time-off shall not be charged against the Employee's accrued vacation and/or sick leave, except accrued compensatory time off shall not be used as a substitute for vacation time, it being the intent of this article that the Employee shall have flexibility in work schedule, but shall not have the ability to avoid the use of vacation time for extended leave. It is specifically agreed that accrued compensatory time cannot be sold back to the City and is not intended as an additional leave bank; any compensatory time not used within 30 days of accrual shall lapse. Employee agrees to provide the Employer with timely reports, of Employee's activities, on a regular basis.

SECTION 4: PROFESSIONAL DEVELOPMENT, DUES AND EXPENSES

1. During regular full time employment, the Employer agrees to budget and pay the professional dues, for the Employee's or City's membership in the International City/County Management Association, the Oklahoma Municipal League, and the City Management Association of Oklahoma. Employer further agrees to pay the professional dues for the Employee's membership in other municipal-related organizations in which the Employer deems Employee's membership to be in the Employer's interest.

2. The Employer agrees to budget and to pay the actual and necessary travel and subsistence expenses of Employee for professional and official travel meetings and occasions adequate to continue the professional development of Employee and to

adequately pursue necessary official and other functions for the City. These functions may include, but are not limited to, the annual conference of the Oklahoma Municipal League, International City/County Management Association, and City Management Association of Oklahoma, National League of Cities, and other governmental groups which Employee or City is a member of. The car allowance paid above shall serve as the total mileage compensation for routine travel within the City, within Tulsa County and within the area if routine, normal travel within the scope of employment. Travel outside the area (including Oklahoma City) shall entitle the Employee to mileage reimbursement.

3. The Employer agrees to budget and pay for the actual and necessary costs of registration, travel and subsistence related to training, seminars, and short courses which serve to continue the professional educational development of Employee and for the good of the Employer. The Employer further agrees to reimburse Employee for college tuition at a rate equal to the prevailing tuition rate for either Oklahoma State University or Oklahoma University, with reimbursement upon successful completion, if the tuition incurred is for required courses leading to a degree in public administration, or other degrees related to Employee's employment as a City Manager for the City.

4. Employer encourages Employee to be actively involved in community activities, to attend civic functions, and belong to established civic organizations. In furtherance of that objective, the Employer agrees to budget and pay for membership and association dues associated with participation in said community and civic organizations.

5. The Employer agrees to reimburse all reasonable and necessary business-related expenses incurred by Employee, subject to the travel limitations set forth above.

SECTION 5: ACCESS TO CITY FACILITIES, PROGRAMS AND EVENTS FOR ASSESSMENT PURPOSES

The Employer recognizes it is in the public interest to encourage Employee to regularly use City facilities and participate in City programs and events in order to be able to assess their quality, and for that purpose, authorizes Employee access to said City facilities, programs and events at no expense to Employee.

SECTION 6: PERFORMANCE GOALS

The Employer and Employee agree, at least once annually, that they shall meet and discuss the performance of the employee and the mutually agreed upon goals for the City.

SECTION 7: TERMINATION

1. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employer to terminate the services of Employee at any time, subject only to the provisions of the City Charter and Code of Ordinances and as set forth in this Agreement. However, in recognition of the need for the City to maintain stability in the operations of government, and in recognition of the professional responsibilities placed upon the City Manager, and in consideration of creating the best possible working environment for the

organization, the parties agree that the following procedure should be established concerning those situations that could arise in which termination of employment is to be considered. The parties agree that prior to the City initiating any termination proceeding:

- a. Any council member who desires to include an agenda item to discuss the termination of the City Manager shall, fourteen days prior to doing so, advise the City Manager of the basis for termination, in writing, and provide the City Manager not less than twenty business days to provide a written response.
- b. If the written response does not resolve the dispute to the satisfaction of the councilmember, the Mayor, City Manager and councilmember shall meet to attempt to resolve the dispute.
- c. If upon meeting, the dispute is not resolved, the possible termination of the City Manager may be included on a council agenda.
- d. These procedures shall not apply to any allegation of criminal conduct and shall not apply to any other review of performance in which the council desires to evaluate, review, or discuss the job performance of the City Manager.

2. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign, at any time, from her position with the Employer. In the event Employee voluntarily resigns employee's position as City Manager during the term of this Agreement, then Employee shall give Employer thirty days' notice in advance, unless the parties otherwise agree. It is further agreed that the severance package referred to in SECTION 8 below would be inapplicable if Employee voluntarily resigns her position as City Manager, and wherein Employee's resignation is not the result of a constructive termination. Employee shall be entitled to all pay earned up to the date of termination and benefits, including retirement, accrued annuities, and all accumulated vacation as allowed by Section 3.4 and sick leave buy back as allowed for other employees of the City, after five years of service.

3. The failure of the parties to agree to a new agreement shall constitute a termination of this Agreement and shall, at the option of the Employee, constitute a termination of employment without cause, allowing those benefits, including severance pay, applicable to termination without cause to be paid to Employee.

SECTION 8: SEVERANCE PAY

1. In the event of termination of Employee's employment without cause, severance pay shall be allowed Employee, pursuant to the policy set forth below. Severance pay shall be paid as follows:
 - a. Severance pay shall be paid in an amount equal to nine month's salary, based on the Employee's current salary rate at the time of termination, said severance to begin immediately after the last day worked. An

additional three month's of severance shall be added to the above amount if a termination is obtained by less than five votes of council. All severance payments beyond the initial six months shall be reduced by any earnings during the severance period.

- b. Severance pay shall include those benefits, including all accumulated leave accrued at the time of termination; said benefits to continue for the entire severance period.
 - c. Severance pay shall be paid as a lump sum payment or in bi-weekly installments, as determined by the Employee, within ten (10) days of termination.
 - d. In the event severance pay is paid as a lump sum payment, Employer will pay Employee a lump sum amount equal to three months of COBRA premiums.
2. In the event the Employer, at any time during the employment term, reduces the salary or other financial benefits of Employee in a greater percentage than an applicable across-the-board reduction for all other employees, or in the event the Employer refuses, following written notice, to comply with any other provisions benefiting Employee herein, or the Employee resigns or retires following a suggestion by the Employer that employee resign or retire, respectively, then in that event, Employee may, at employee's sole option, be deemed to be terminated within the meaning and context of the severance pay provision contained in this Agreement.

SECTION 9: RESPONSIBILITIES AFTER TERMINATION

The parties agree that following termination of Employee's employment, certain responsibilities to the City may continue to exist, such as, assistance with transition to a new administration, completion of work in progress and pending litigation. The parties agree that during the period of time for which severance benefits are being paid, Employee shall assist with such pending matters to such extent as needed and requested by City, not to exceed twenty (20) hours per month at mutually agreeable times, without additional compensation and with reimbursement of actual, necessary expenses. The parties further agree that if additional services are needed during a time period in which no severance pay is being paid, Employee shall be compensated at either employee's last base salary (calculated hourly) or employee's base salary existing at the time services are requested (calculated and paid hourly), at Employee's sole option, with reimbursement of actual, necessary expenses.

SECTION 10: INDEMNIFICATION AND SAVINGS CLAUSE

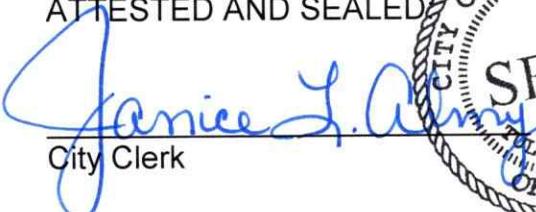
1. Employer shall provide insurance coverage for Employee to protect Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring within

the scope of Employee's duties. Employer will compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

2. If any provision, or any portion thereof, contained in this Employment Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Employment Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the City of Sand Springs has appropriated funds to satisfy the terms and conditions of this Agreement, the City Council approves such Agreement and authorizes the Mayor to execute said Agreement and attested to by the City Clerk, and the Employee has signed and executed this Agreement, which becomes effective commencing the 22nd day of April, 2024.

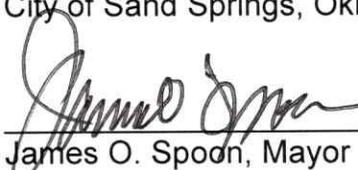
ATTESTED AND SEALED



City Clerk



City of Sand Springs, Oklahoma:



James O. Spoon, Mayor

APPROVED AS TO FORM:



City Attorney

EMPLOYEE:



Michael S. Carter