

EMPLOYMENT AGREEMENT

This Agreement is made by and between T.C. Broadnax Jr. (the "City Manager") and the City of Austin (the "City"), a Texas home rule municipality. The City Manager and the City are referred to together in this Agreement as the "Parties." This Agreement is made with reference to the following facts:

- A. The City's Charter provides that the Austin City Council (the "Council") shall appoint a City Manager who shall be the chief administrative and executive officer of the City, and further provides that the City Manager shall be chosen solely based on executive and administrative training, experience, and ability.
- B. The Council has selected T.C. Broadnax Jr. for appointment to the position of City Manager of the City under the terms and conditions set out in this Agreement.
- C. T.C. Broadnax Jr. wishes to accept the Council's appointment to the position of City Manager for the City in accord with the terms and conditions set out in this Agreement.
- D. On April 4, 2024, the Council approved a ordinance appointing T.C. Broadnax Jr. as the City Manager for the City, and authorized Mayor Kirk Watson to execute this Agreement on behalf of the City in order to establish the terms and conditions of employment for the City Manager.
- E. The City is authorized under state law and the City Charter to enter into this Agreement, and Mayor Kirk Watson has been properly authorized to execute this Agreement on behalf of the City.

WHEREFORE, in light of the facts stated above, which the Parties stipulate as true and correct, and in consideration of their mutual promises and undertakings set out in this Agreement, the Parties agree to the following terms and conditions:

1. Appointment to City Manager Position. T.C. Broadnax Jr. shall serve as the City Manager for the City effective as of May 6, 2024 (the "Effective Date"). As City Manager, T.C. Broadnax Jr. shall have and may exercise all duties, responsibilities, and authority provided in Article V, Section 2 of the City Charter, and as may be provided to the City Manager elsewhere in the City Charter. The City Manager shall also have and may exercise any other duties, responsibilities or authority that are expressly assigned by the Council and are not inconsistent with any provision of the City Charter.

2. Term of Appointment. The term of appointment for the City Manager shall be indefinite as provided in Article V, Section 1 of the City Charter. The Council may terminate the appointment of the City Manager at any time subject only to applicable provisions of the City Charter and in a manner consistent with Paragraph 5 of this Agreement. Nothing in this

Agreement is intended to, or does, create a definite term of employment for the City Manager or in any way abridge or limit the right of the Council to terminate the City Manager's appointment at any time.

3. Compensation and Benefits. Beginning at the Effective Date, the City shall provide the City Manager with the following compensation and benefits:

- A. Base Salary:** An initial annual base salary of \$470,017.60, paid in accord with the City's normal payroll practice. The base salary will be adjusted annually in the same percentage and at the same time as any general annual base salary adjustment approved by the Council for City employees not covered by a labor agreement for that fiscal year.
- B. Cell Phone Allowance:** \$1,620.32 annually, distributed equally over the annual biweekly payroll cycle, plus an additional \$225 cell phone equipment allowance annually.
- C. Deferred Compensation:** annual contributions to the City Deferred Compensation Plan for City Employees equal to the maximum permissible annual contribution for which the City Manager is eligible, as determined annually by the Internal Revenue Services, with contributions distributed equally over the annual biweekly payroll cycle.
- D. Executive Allowance:** \$7,000.00 annually, distributed equally over the annual biweekly payroll cycle.
- E. Retirement Benefits:** participation in the City of Austin Employee Retirement System on terms applicable to full-time, exempt City employees.
- F. Health and Wellness Benefits:** participation for the City Manager and eligible dependents in the following City employee group benefits programs under the terms and conditions of such programs that apply to full-time employees.
 - i. Group healthcare plan** (currently three plan options available, each with dependent coverage).
 - ii. Group dental insurance** (with available dependent coverage).
 - iii. Group life insurance coverage** (City-provided one times annual base salary for basic life and AD&D coverage, with optional supplemental coverage and dependent coverage).
 - iv. Short-term disability plan** (City-provided coverage at 70% of base salary for off-the-job injuries or illnesses).
 - v. Long-term disability insurance** (an optional benefit provided through

third party insurance).

- vi. **Healthcare and dependent care spending accounts:** an available option that permits costs associated with group benefits, healthcare expenses, and dependent care expenses to be managed through pre-tax payroll deductions; and
 - vii. **Worker's assistance program:** an optional pre-paid professional counseling service available to employees and their household members.
- G. Vacation Leave:** Accrual of 1.92 days of vacation leave per month (23 days per year) with a maximum accumulation of 400 hours. An additional 144 hours of vacation leave will be credited upon start of employment and available for immediate use. Cash payout of unused vacation leave balance not to exceed 240 hours will be made upon separation from the City in good standing.
- H. Sick Leave:** accrual of one day per month with unlimited accrual. An additional 40 hours of sick leave will be credited at the start of employment and available for immediate use. Unused sick leave is not paid on separation from employment with the City.
- I. Paid Holidays:** All paid holidays, as provided in the City's annual holiday schedule.
- J. Service Incentive Pay:** eligibility and payment amount to be in accord with City policy applicable at the time of payment to City employees not covered by a labor agreement.
- K. Annual Physical Examination:** reimbursement for charges not paid by insurance up to a maximum of \$500.00 per year. Unused amounts in a year will be carried forward for up to three years (maximum annual carry forward is \$1,500.00).
- L. House Hunting Trip:** reimbursement of expenses for house hunting trips of up to seven days total for employee and spouse (subject to limits and procedures in current City policy). Maximum duration may be split into shorter trips.
- M. Housing Allowance:** payment of \$5,000 per month for 6 months (paid equally over the first 12 biweekly pay periods) to offset costs of a temporary residence. Housing allowance may be extended by Council for up to an additional six months. Temporary residence must be located within the City.
- N. Relocation & Moving Assistance:** Payment of moving costs pursuant to City policy.
- O.** The payments referenced in Parts D., L., M., and N. of this Paragraph shall be

grossed-up to account for the City Manager's federal employment tax withholding obligations on these payments (including federal income taxes withheld at the 22.0% rate applicable to supplemental earnings, Social Security taxes, and OASDI taxes), such that the net payments to the City Manager under Parts D., L., M., and N. of this Paragraph after federal employment tax withholdings shall be the amounts stated in those Parts of this Paragraph.

4. Performance Review. The Council will initially review the City Manager's job performance in October of 2024, and will subsequently review the City Manager's job performance annually or on such other basis as the Council may determine. The Council shall determine, with input from the City Manager, the timing, content, criteria, and manner of reporting of any such performance review process. The City Council may consider adjustments to the City Manager's compensation in conjunction with its performance review.

5. Termination of Appointment and Employment.

- A.** Termination of the appointment and employment of the City Manager shall be in accord with Article V., Section 1 of the City Charter, which provides in part that the City Manager "may be removed at the will and pleasure of the council by a majority vote of the entire membership of the council. If removed after serving six months he or she may demand written charges and the right to be heard thereon at a public meeting of the council prior to the date on which his or her final removal shall take place. Pending such hearing, the council may suspend him or her from office. The action of the council in suspending or removing the city manager shall be final, it being the intention of this Charter to vest all authority and fix all responsibility for such suspension or removal in the council." Nothing in this Agreement modifies or affects in any way the authority of the Council under the City Charter to remove the City Manager.
- B.** Unless the City Manager voluntarily resigns or is removed by the Council for "cause" as defined Part D. of this Paragraph, and subject to the requirements of Part C. of this Paragraph, the City Manager shall receive a payment (the "Severance Payment") at the time of separation from employment with the City. The Severance Payment shall be a lump sum payment equal to 12 months of the City Manager's then-current base pay plus an additional amount equal to six times the monthly premium for continued coverage under the City's group healthcare program available through COBRA for the City Manager (including any eligible dependents covered at the time of a separation). The City Manager shall also receive at the time of separation a payout of any unused vacation leave in accord with City policy.
- C.** The City's obligation to make the Severance Payment to the City Manager under Part B. of this Paragraph is expressly conditioned on the City Manager's execution of a severance agreement at the time of separation from City employment which provides that the City Manager waives and releases all legal claims against the City, its elected officials, and its employees arising in any way

from the City's Manager's employment with the City or the termination of that employment. The only exceptions to the scope of such waiver and release are for legal claims that cannot be waived under the law (such as workers compensation or unemployment compensation claims).

D. The Severance Payment is not payable and will not be paid if the City Manager voluntarily resigns or if the Council removes the City Manager for cause. As used in this Paragraph, "cause" means:

- i. Conviction of a crime of moral turpitude; or
- ii. Commission of any criminal act by the City Manager in the performance of the City Manager's job duties; or
- iii. Commission of an act of moral turpitude. In this Agreement, an "act of moral turpitude" means an action or behavior that the Council determines to be a grave violation of a widely accepted moral standard of the community and that substantially and directly reflects negatively on the City.

E. Before voluntarily resigning his position, the City Manager agrees to give the City Council at least sixty (60) days' notice in writing of his intention to resign, stating the reasons for the resignation.

6. Other Provisions.

- A.** Nothing in this Agreement preempts or supersedes any provision of the City Charter. In the event of any conflict between this Agreement and the City Charter, the City Charter controls.
- B.** During the term of his appointment, the City Manager shall observe the residency requirement in Article V, Section 1 of the City Charter.
- C.** This Agreement constitutes the entire agreement and understanding between the Parties concerning the City Manager's terms and conditions of employment, and merges any and all prior offers, proposals, or counterproposals. This Agreement may not be modified in any way except through a written instrument designated as an amendment to this Agreement and approved by the Council at a public meeting.
- D.** This Agreement shall be interpreted and applied in accord with the laws of the State of Texas, including its conflict of laws provisions. The Parties agree and stipulate that all duties, tasks, and obligations of the City Manager under this Agreement are deemed to be performed in Travis County, Texas. The Parties further expressly agree and stipulate that any legal action arising under this Agreement shall be brought in the state courts of Travis County, Texas, and

consent to the jurisdiction of such courts in any such action.

- E. This Agreement is solely between the City Manager and the City. This Agreement does not create or confer any third-party beneficiary or other rights on any other person or entity.

AGREED TO BY THE PARTIES on the dates of their signatures below, and effective as of the Effective Date stated in Paragraph 1, above, when signed by all Parties.

CITY MANAGER:

CITY OF AUSTIN, TEXAS:

Signature of T.C. Broadnax Jr.

By: _____
Kirk Watson, Mayor

Date: _____, 2024

Date: _____, 2024