

## EMPLOYMENT AGREEMENT

This Agreement is entered into this 26<sup>th</sup> day of April, 2021 by and between the CITY OF ROYAL OAK, a Michigan Municipal Corporation with offices at 203 S. Troy Street, Royal Oak, Michigan 48067 (the "City") and AARON LEAL, an individual whose current residence is 3513 Chapel Hill Lane, Denton, Texas 76207 ("Leal").

**Whereas**, the City wishes to employ Leal as its City Attorney under the terms and conditions set forth in this Agreement; and

**Whereas**, Leal wishes to be employed by the City as its City Attorney under the terms and conditions set forth in this Agreement.

**Therefore**, in consideration for the mutual promises contained in this Agreement, the sufficiency of which is hereby acknowledged, the City and Leal agree as follows:

### 1. TERM

This Agreement shall remain in full force and effect until terminated by either the City or Leal as provided in Section 15. It is expressly understood that Leal will be an at-will employee, and subject to Leal's ability to resign pursuant to Section 15, the duration of his employment is unspecified and rests solely in the discretion of the City.

### 2. DUTIES AND AUTHORITY

City does hereby hire and employ Leal as Royal Oak City Attorney effective ~~April~~ <sup>June</sup> 14, 2021 and Leal does hereby accept and agree to such hiring and employment. Subject to the general supervision and pursuant to the order, advice and direction of the Royal Oak City Commission, and the charter and ordinances of the City of Royal Oak, and laws of the State of Michigan, Leal shall have charge of and be responsible for the operation of the City of Royal Oak Attorney's Office and shall perform those duties as are

customarily performed by one holding such position and shall also render such other and unrelated services and duties as may be assigned to him from time to time by the City.

### **3. HOURS OF WORK**

The City recognizes that Leal must devote a great deal of time outside normal office hours to City business, and to that end, Leal shall be allowed to establish an appropriate work schedule.

The basic workday shall consist of eight (8) hours in a calendar day, with not more than an additional sixty (60) minutes off for lunch without pay. The basic work week shall consist of forty (40) hours in five (5) consecutive eight (8) hour days.

### **4. COMPENSATION**

The City agrees to pay Leal an annual salary of one hundred fifty thousand dollars (\$150,000.00), payable in bi-weekly installments, as compensation for his service as City Attorney. The City Commission shall conduct an annual evaluation of Leal's performance, subject to a process, form, criteria and format that shall be mutually discussed by the parties, upon which the Commission may also consider increasing Leal's wages. This evaluation shall occur no later than March 31 of each year.

### **5. BENEFITS**

A. Health Insurance. The City agrees to pay Leal's existing premium obligations for continuing health coverage from his prior employer (commonly known as COBRA coverage) until Leal is eligible to become a participant in the City's health insurance plan. When Leal becomes eligible to participate in the City's health insurance plan, he agrees to enroll and to pay the same percentage of the illustrative premium rate for the plan as the City's Executive Department Heads on a monthly basis through payroll deduction.

- B. Life Insurance. The City agrees to provide fifty thousand dollars (\$50,000.00) of term life insurance at no cost to Leal.
- C. City agrees to budget and to pay for the professional dues, memberships and subscriptions of Leal necessary for Leal's continuation of full participation in national, regional, state and local associations and organizations necessary and desirable for the City's continued professional participation, growth and advancement as City Attorney, and for the good of the Employer in amounts that are approved by the City Commission in the annual budget for the City of Royal Oak.
- D. Professional Development. City hereby agrees to budget for and to pay the full travel, participation, and subsistence expenses of Leal 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 City, including but not limited to the Michigan Municipal League, and other such national, regional, state and local groups and committees thereof which Leal serves as a member in the amounts approved by the City Commission in its annual budget for the City of Royal Oak.
- E. The City agrees to bear the cost of any fidelity or other bond required of Leal in his capacity as City Attorney.
- F. Except as otherwise provided in this Agreement, Leal shall receive the benefits set forth in the Administrative Rules for Executive Department Heads, as may be amended; provided, however, that Leal shall not accrue compensatory time for any hours worked in excess of the basic workday and work week described in Paragraph 3.

**6. MOVING AND RELOCATION EXPENSES**

The City agrees to pay Leal's actual and necessary expenses to move from Texas to Michigan, including packing, moving, up to three (3) months storage, unpacking and insurance charges. Leal shall obtain three (3) estimates from reputable moving companies, and the City shall pay an amount equal to the lowest of the three estimates directly to the moving company selected by Leal. The reimbursement of the move will be handled through payroll and such an amount will include the federal income tax liability resulting in a net dollar amount equivalent to the cost of the move. To be eligible for this reimbursement, such move for permanent housing will be to a residence in either Royal Oak or somewhere in Oakland County, Michigan.

**7. VEHICLE/HOUSING ALLOWANCE**

- A. The City agrees to provide Leal with a vehicle allowance of six hundred dollars (\$600.00) per month for the use of his personal vehicle while serving in the capacity of City Attorney.
- B. The City agrees to pay Leal a one-time bonus of ten thousand dollars (\$10,000.00) if he establishes permanent residency within the City of Royal Oak on or before June 14, 2022 to assist in the purchase of such residence.

**8. TECHNOLOGY**

The City agrees to provide Leal with a cell phone allowance of seventy-five dollars (\$75.00) per month for the use of his personal cell phone while serving in the capacity of City Attorney.

**9. RETIREMENT**

Subject to IRS and plan limits, the City agrees to provide the 401 and RHS benefit through the MissionSquare in the amount equivalent to other executive department directors.

## **10. PAID TIME OFF**

- A. Leal will begin employment with twenty-five (25) vacation days, and in each subsequent year of service with the City, shall be allowed twenty-five (25) vacation days.
- B. Leal shall receive other leave time (including, but not limited to, sick leave, holidays, personal business days and bereavement leave) as provided in the Administrative Rules for Executive Department Heads.

## **11. GENERAL BUSINESS EXPENSES**

The City recognizes that Leal may incur certain expenses of a non-personal, community, or job-affiliated nature, and agrees to reimburse Leal or pay those expenses for him. The Director of Finance is hereby authorized to disburse such monies upon production of appropriate receipts, statements, or affidavits. Leal shall not be reimbursed for any mileage, including but not limited to daily travel to and from his home to the City.

## **12. INDEMNIFICATION**

To the fullest extent permitted by law, the City shall defend, hold harmless and indemnify Leal against any tort, professional liability claim, demand, or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring during the performance of Leal's duties as City Attorney, or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act or omission involves willful or wanton conduct. Leal may request and the City shall not unreasonably refuse to provide independent legal representation at the City's expense in the event of a conflict between Leal's interests and those of the City. This legal representation, which is currently provided by the City through the Michigan Municipal Risk Management

Authority (MMRMA), shall extend until a final decision of the legal action, including any appeals brought by any party. The City shall indemnify Leal against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings, including attorney fees, and other liabilities incurred by, imposed upon, or suffered by Leal 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. Any settlement of any claim must be made with the prior approval of the City for this indemnification to be available.

### **13. OUTSIDE ACTIVITIES AND PRACTICE OF LAW**

Subject to the prior approval of the City Commission, Leal may accept other teaching, consulting, or business opportunities which are not either directly or indirectly in conflict with his position in the City. The compensation provided for under this Agreement shall not be offset by any income Leal may earn from any other source.

While this Agreement is in effect, Leal is prohibited from serving as legal counsel for compensation for any other individual organization, or public entity, except as approved by the city commission. This provision does not prohibit pro bono legal services.

### **14. TERMINATION**

For purposes of this Agreement, termination shall occur when either of the following take place:

- A. A majority of the membership of the City Commission votes to terminate this Agreement at a duly authorized public meeting.
- B. Leal submits a written letter of resignation to the City Commission, in care of the City Clerk. Leal shall provide a minimum of sixty (60) days advance written notice to the City. If Leal

fails to provide this notice, he shall not be entitled to payment of any accrued vacation, sick leave, or personal business time upon separation.

## **15. SEVERANCE**

A. If Leal's contract is terminated pursuant to Section 14(A) for any reason other than just cause in his first two (2) years of employment, he shall be entitled to severance pay for a period of up to six (6) months at his rate of pay on the effective date of termination. After two years of employment, the severance will be increased to nine (9) months. For purposes of this Agreement, just cause shall include, but not be limited to, acts of insubordination, acts of professional misconduct, loss or suspension of law license, conduct unbecoming a City Attorney, actions which would be criminal in nature, acts of moral turpitude, gross negligence, or acts of a similar nature. It will also include less serious offenses which have not been corrected through progressive steps. The City shall pay severance pay in biweekly installments until Leal has received the severance described herein, or until Leal secures and commences other employment, whichever occurs first. For the period that Leal is receiving severance pay, the City shall continue to pay its portion of the cost of health insurance for Leal and any eligible dependents, and for life insurance for Leal. Leal shall not accrue any additional service credit or receive any additional benefits for the period that he is receiving severance pay.

B. If Leal's employment is terminated pursuant to Section 15(A) for just cause, or if his employment is terminated pursuant to Section 15(B), he shall not be entitled to any severance pay.

C. Termination: Nothing shall prevent, limit or otherwise interfere with the City's ability to terminate the services of the Leal at any time, with or without cause, and for any reason or for no reason not withstanding any potential claim to the contrary.

#### **16. RETURN OF CITY PROPERTY**

Upon termination of this Agreement, Leal shall return all City property in his possession or under his control, including but not limited to any keys, computer or other office equipment, cell phone, credit card, and the originals and copies of all paper or electronic files, records, or other documents. This does not preclude Leal from retaining copies of any document he produced or that was produced under his direction.

#### **17. ENTIRE AGREEMENT**

This Agreement shall constitute the entire agreement between the parties, and supersede all other agreements, whether oral, written, or implied, regarding the subject matter hereof.

#### **18. AMENDMENT**

This Agreement can be modified or amended only in a subsequent written document signed by both the City and Leal.

#### **19. WAIVER OF BREACH**

A waiver of any breach of this Agreement shall not constitute a waiver of any future breach.

#### **20. BINDING EFFECT**

This Agreement shall be binding upon the City and Leal, as well as their heirs, assigns, executors, personal representatives and successors in interest.



**21. SEVERABILITY**

If any provision of this agreement is found to be invalid, all other provisions shall remain in full force and effect.

**22. COUNTERPARTS**

This Agreement may be executed in one or more counterparts, and the signature pages may be transmitted by facsimile, each of which shall be deemed an original and all of which together shall be considered one and the same Agreement.

**23. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

**24. ARBITRATION**

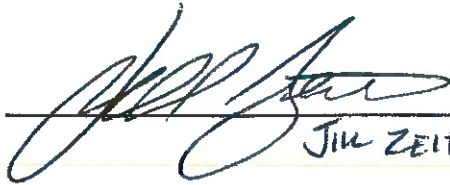
The exclusive remedy for any dispute, statutory or otherwise, arising out of Leal's employment or relating to this Agreement, shall be final and binding arbitration to be held in Oakland County, Michigan under the rules of the American Arbitration Association. The City and Leal understand that they are voluntarily waiving the right to trial by jury. Any claim that is not filed within ninety (90) days after it arises is waived.


**25. VOLUNTARY AGREEMENT**

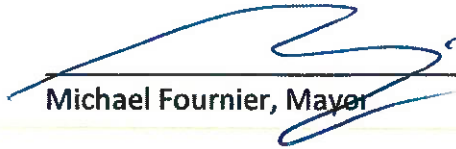
Leal has entered into this agreement freely and voluntarily, after having been advised to seek advice of legal counsel and having had adequate opportunity to do so.

Witnesses:

**CITY OF ROYAL OAK**

  
JIM ZEITER

  
Bonnie Holland

  
Michael Fournier, Mayor

  
Melanie Halas, City Clerk

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AARON LEAL  
  
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