

STATE OF SOUTH CAROLINA)
)
COUNTY OF YORK)

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made effective and entered into this ___ day of October, 2011, between the City of Rock Hill, South Carolina, a municipal corporation, hereinafter called the "City", and David B. Vehaun, hereinafter called "Employee."

WITNESSETH

WHEREAS, the City agrees to employ Employee as City Manager of the City of Rock Hill and Employee agrees to be the City Manager of the City of Rock Hill; and

WHEREAS, the parties desire to reduce the employment arrangements to written form for the benefit of both parties; and

WHEREAS, it is in the public interest and serves the health, safety and welfare of the citizens of the City to employ Employee as City Manager upon such terms and conditions as will promote his continuous productivity and efficiency, provide him with reasonable employment security and set forth a fair, equitable and orderly means for termination of such employment;

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

Section 1. Duties. Employee's duties as City Manager of the City of Rock Hill shall be to fully and adequately perform the functions and duties specified in Chapter 2, Article III, Division 2, of the City Code and by Chapter 13 of Title 5 of the Code of Laws of South Carolina, 1976, and any such other legally permissible and proper duties and functions as may be required by City Council from time to time.

In addition, Employee shall be responsible for insuring representation of the City of Rock Hill on the Piedmont Municipal Power Agency and providing overall management to the City's utility operations.

Section 2. Term.

(a) Employee shall be employed as City Manager of the City of Rock Hill for a two-year term commencing October 18, 2011 and ending on October 17, 2013. At least six months prior to the termination date of this Agreement, the City and Employee shall discuss re-negotiating the terms of this Agreement. In the event that mutually agreeable terms

cannot be reached by the City and Employee, then this Agreement shall terminate as provided above.

(b) Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the City Council to terminate the services of Employee at any time subject only to the provisions set forth in Section 3(a) of this Agreement and the laws of South Carolina.

Section 3. Termination of Employment

(a) Termination by the City. The City may terminate the employment of Employee by directing written notice of termination to Employee by either hand delivery or certified mail, return receipt requested. In the event of such termination while Employee is ready, willing and able to perform the duties of City Manager, the City shall pay Employee a lump sum severance payment of six (6) months base salary as set forth in Section 4 of this Agreement, including earned unused vacation, less any deductions as are required by law to be withheld therefrom. In the alternative to a lump sum severance payment, Employee has the option of receiving the severance pay over a period not to exceed six (6) months along with the continuation of health insurance and deferred compensation benefits during this period. Subject to any other provisions of this Employment Agreement including, but not limited to Section 8, the policies concerning unused vacation and sick leave applicable to all City employees shall apply to the City Manager's payment for such earned but unused vacation.

Employment shall be at-will after expiration the term of this Agreement, and the City may terminate Employee with or without cause and no compensation shall be due after the effective date of such termination.

In the event Employee is terminated for cause, no such compensation shall be due after the effective date of such termination. Termination for cause shall be limited to (a) fraudulent conduct, misappropriation, embezzlement, or other dishonest conduct; or (b) breach of this Agreement by the Employee.

(b) Termination by Employee. Employee may terminate his employment with the City by directing written notice to the City Mayor sixty (60) days prior to the effective date of termination by either hand delivery or certified mail, return receipt requested. In the event of such termination, Employee shall not be entitled to receive the termination pay provided in Section 3(a) of this Agreement but shall receive payment for any earned, unused vacation and sick leave subject to the limitation set forth in subparagraph (a) above.

Section 4. Compensation. The City agrees to pay Employee a base salary as follows: \$158,000 per year payable in installments at the

same time as other employees of the City are paid and commencing on October 18, 2011.

In addition, the City agrees to review the base salary, bonuses, and/or other benefits of Employee and may increase same in such amounts and to such an extent as the City Council may determine from time to time in accordance with the annual evaluation. The Employee's base salary shall not be decreased during the term of this Agreement and employee may receive merit increases as deemed appropriate by Council.

Section 5. Hours of Work. The minimum work of Employee shall be forty (40) hours plus any additional work time reasonably required to discharge the duties and responsibilities of the Office of City Manager.

It is recognized that Employee must devote a great deal of his time outside normal office hours to business of the City and to that end, Employee will be allowed to take compensatory time off as he shall deem appropriate during said normal office hours.

Section 6. Automobile. Employee shall have the exclusive and unrestricted use, at all times during his employment with the City, of an automobile provided to him by the City. The City shall be responsible for paying for the purchase, operation, maintenance, repair, insurance, and regular replacement of said automobile. The vehicle shall be of similar type and cost of the vehicle provided to the City Manager at the time of entry of this Agreement.

Section 7. Residence. Employee shall reside within the City limits during his employment.

Section 8. Employee Benefits. The City shall provide Employee with any and all fringe benefits that apply to other employees. The City also agrees to a contribution of 7% of Employee's base salary to a qualified retirement fund of Employee's choice.

Section 9. Professional Development. The City agrees to budget and pay for the 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.

Section 10. Professional Activities. Employee shall be permitted to engage in such activities as teaching, writing and professional consultation during Employee's time off from his City Manager job so long as such activities are not in conflict with the interests of the City or Employee's job duties with the City. City Council shall be the sole judge of any conflict.

Section 11. Liability. The City shall defend and insure said Employee against claims, demands, suits, actions or other civil proceedings of any kind or nature arising out of the performance by Employee of his duties and responsibilities as City Manager if the performance consisted of conduct which Employee, in good faith, reasonably believed was lawful.

Section 12. Annual Performance and Objectives Review. During the month of October of each year, the Mayor and City Council agree to provide time for and to participate in an annual review of the operating goals and objectives of the City and the performance of the Employee. Employee shall perform those reasonable duties, goals and objectives as outlined by the City Council resulting from such performance evaluation.

Section 13. Insurance.

(a) In addition to the employer contribution, City will pay the employee contribution for the employee health insurance premiums for coverage of Employee and his family with the standard plan offered by the City.

(b) The City will pay the premiums or contributions for personal whole life insurance, disability plan, and/or any other insurance product or tax advantaged qualified flexible spending account at the designation of Employee with the total of such amount to equal \$2,000.00 per calendar year with any rights in such policies or accounts remaining with Employee upon termination.

Section 14. General Provisions.

(a) This agreement constitutes the entire agreement between parties. However, all provisions of the City Code and regulations and rules of the City relating to employment as they now exist or hereafter may be amended, also shall apply to Employee as they would to any other employee of the City provided that in the event of a conflict between this Agreement and any City Code, regulation or rule of the City relating to employment, the provisions of this Agreement shall control.

(b) If any provision or any portion thereof contained in this agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this agreement or portion thereof shall be deemed severable, shall not be affected and shall remain in full force and effect.

© The validity, construction and effect of this Agreement shall be governed by the laws of the state of South Carolina, and the City and Employee hereby consent to the exclusive jurisdiction of the courts

of York County, South Carolina for resolution of any dispute arising hereunder.

(d) The parties to this Agreement hereby acknowledge that they have reviewed this Agreement and concur that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of any provision of this Agreement.

(e) Any applicable taxes on any benefits or amounts provided for the benefit of Employee shall be the sole responsibility of Employee.

SIGNED, SEALED AND DELIVERED by David B. Vehaun, Employee, and City Council of the City of Rock Hill, Employer, pursuant to authorization of City Council in meeting duly assembled.

EMPLOYEE

David B. Vehaun

Employer

CITY OF ROCK HILL, S.C.

By: _____
A. Douglas Echols, Jr., Mayor

Susie B. Hinton, Mayor Pro Tempore

John A. Black, III, Councilmember

Kathy S. Pender, Councilmember

James C. Reno, Jr., Councilmember

Osbey Roddey, Councilmember

Kevin H. Sutton, Councilmember

ATTEST:

Gerald E. Schapiro,
Deputy City Manager