



Takoma Park City Council Meeting – March 18, 2020 Agenda Item 5

Voting Session

Resolution Authorizing Execution of An Amended and Restated Employment Agreement with Suzanne R. Ludlow for the Position of City Manager

Recommended Council Action

Approve the resolution.

Context with Key Issues

Suzanne R. Ludlow's current employment agreement ends on March 31, 2020. Key provisions of the amended agreement include:

- Continuation of Suzanne R. Ludlow's employment through July 1, 2021;
- Requirement of sixty (60) days notice if Suzanne R. Ludlow resigns prior to July 1, 2021;
- Annual salary of \$199,763.81, which may be adjusted prior to July 1, 2021;
- A bonus of \$10,000 upon fulfillment of the complete employment term; and
- Other benefits in accordance with City policy.

Council Priority

Engaged, Responsive & Service-oriented Government

Environmental Considerations

N/A

Fiscal Considerations

The fiscal impact is in line with that which was budgeted, and it is consistent with wage increases of other City employees.

Racial Equity Considerations

This action does not have an immediate racial impact, but will allow for current focuses and racial equity work to continue throughout the City.

Attachments and Links

- Draft Resolution
- Employment Agreement

CITY OF TAKOMA PARK, MARYLAND

RESOLUTION 2020-

**APPROVING AN EMPLOYMENT AGREEMENT BETWEEN
THE CITY OF TAKOMA PARK AND
SUZANNE R. LUDLOW, AS CITY MANAGER**

WHEREAS, the current employment agreement with Suzanne R. Ludlow ends on March 31, 2020; and

WHEREAS, the City desires to continue the employment of Suzanne R. Ludlow as City Manager; and

WHEREAS, The City Council of the City desires to restate the terms and conditions for such employment; and

WHEREAS, Suzanne R. Ludlow desires to continue employment as the City Manager; and

WHEREAS, the Council now wishes to approve an Amended and Restated Employment Agreement for Suzanne R. Ludlow to serve as the City Manager of the City of Takoma Park through July 1, 2021.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council hereby approves and ratifies the attached Amended and Restated Employment Agreement.

Adopted by the Council of the City of Takoma Park this ____ day of _____, 2020.

Attest:

Jessie Carpenter, CMC
City Clerk

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS AGREEMENT (“Agreement”) is made this ____ day of _____, 2020, by and between the City of Takoma Park, Maryland, a political subdivision of the State of Maryland (the “City”), and Suzanne R. Ludlow, an individual (“Employee”).

WHEREAS, the City desires to continue the employment of Suzanne R. Ludlow as City Manager; and

WHEREAS, the City Council of the City (the “Council”) desires to restate the terms and conditions for such employment; and

WHEREAS, Employee desires to continue employment as the City Manager;

NOW, THEREFORE, intending legally to be bound, and in exchange for the mutual promises contained herein, the parties agree as follows:

1. **EMPLOYMENT.** The City agrees to continue the employment of Employee to serve as City Manager, and Employee accepts that continued employment, upon the terms and conditions herein set forth.

2. **TERM.**

2.1 **Employment Term.** Employee’s employment shall continue from the date that this Agreement is signed by all parties until July 1, 2021, subject to the terms in this Agreement. This Agreement replaces and supersedes any prior Agreement about employment between the parties.

2.2 **Termination.** Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Council to terminate the employment of Employee at any time, subject only to any applicable provisions of the City Charter and Section 7 of this Agreement. Likewise, nothing in this Agreement shall prevent Employee from resigning at any time; provided that if Employee voluntarily resigns her position with the City, she shall give the Council sixty (60) days advance written notice. In the event of such a resignation, the Council may, in its sole discretion: (a) immediately relieve Employee of any further duties required pursuant to this Agreement; and (b) pay Employee the salary and benefits to which she may be entitled until the date which is sixty (60) days after the date of notice of termination.

3. **EMPLOYEE’S REPRESENTATION.** Employee represents and warrants to the City that: (i) Employee will be available to work for the City during the period covered by this Agreement; (ii) the execution, delivery and performance of this Agreement is neither prohibited by, nor constitutes a default under, any statute, law, judgment, order, decree, writ, injunction, deed, instrument, agreement, contract, lease, license or permit to which Employee is a party or by which Employee is bound; and (iii) to the best of Employee’s knowledge, there is no litigation, proceeding or investigation by any governmental agency or professional organization,

including, but not limited to, any bankruptcy proceeding, pending or threatened against Employee.

4. DUTIES. As City Manager, Employee shall continue to perform the functions and duties specified in the City Charter, and such other legally permissible duties and functions as the Council shall from time to time assign. The Council shall direct, control and supervise Employee's work. Employee shall fully and faithfully perform all duties assigned to Employee, and shall devote her best efforts on behalf of the City. Employee shall work exclusively and actively on a full-time basis for the City. Employee shall be permitted to engage in such activities as teaching, writing, and such other activities that do not conflict with the performance of her duties hereunder and that do not conflict with the interests of the City. The Council shall be the sole judge of any conflict.

5. COMPENSATION.

5.1 Base Salary. For all of the services rendered by Employee pursuant to this Agreement, the City shall pay Employee an annual salary of \$199,763.81, which may be reviewed and adjusted by the Council from time to time.

5.2 Bonuses. The City shall pay Employee a stay bonus of \$10,000 upon her fulfillment of the complete term of this Agreement and her retirement on July 1, 2021.

5.3 Amounts Withheld. The City may withhold from Employee's compensation, and from any other amounts paid to or for the benefit of Employee, all sums authorized by Employee or required to be withheld by law, court decree, and executive order, including (but not limited to) such things as income taxes, employment taxes, and employee contributions to fringe benefit plans sponsored by the City and/or State.

6. FRINGE BENEFITS.

6.1 Health and Welfare Benefits. The City will pay one hundred percent (100%) of the cost for Employee and her eligible dependents to obtain Employee's choice of group medical, dental, and vision insurance through the health and welfare plans sponsored by the City.

6.2 Retirement. The City is a participating governmental unit in the State Retirement System. Employee will participate in that system on the terms established by the State Retirement Agency.

6.3 Matching Contribution to 457 Plan. The City will match Employee's elective deferrals to the City's 457 plan up to two percent (2%) of eligible compensation and the maximum amount permitted by law. Each matching contribution will be subject to a five (5) year vesting schedule. Twenty percent (20%) of each matching contribution will vest for each year of service completed after the date of the contribution.

6.4 Disability and Life Insurance. Employee will participate in the City's group Long Term Disability (LTD) plan. The City will pay one hundred percent (100%) of the cost of the

LTD benefits. Employee is eligible to participate in the City's group Short Term Disability (STD) plan. If Employee elects STD benefits, she will be responsible for paying the associated cost on the same terms as other management employees of the City. The City will also provide life and accidental death and dismemberment insurance on the same basis it provides these benefits to other management employees of the City.

6.5 Reimbursement of Expenses. The City shall reimburse Employee for Employee's reasonable expenses incurred in connection with the City's business. Employee shall comply with City policy and procedures regarding expense reimbursements and provide the City with substantiation of expenses upon request.

6.6 Professional Development. The City agrees to budget and pay the professional membership dues and professional development costs of Employee necessary for Employee to fully participate in the International City and County Management Association and attend one national and one state-wide conference of municipal management professionals per year.

6.7 Paid Leave.

6.7.1 Vacation. Employee will continue to accrue vacation at the accrual rate applicable to management employees with Employee's length of service; provided, however, that notwithstanding and City policy or procedure to the contrary, Employee shall be permitted to carry over her available annual leave balance on December 31, 2020 into the 2021 calendar year.

6.7.2 Sick. Sick leave will be provided and administered in accordance with City policy.

6.7.3 Personal. Employee shall have five (5) personal days each calendar year, which will be credited each January and must be used by the end of the calendar year. They may not be carried over from year to year.

6.7.4 Holiday. Employee shall be paid for the holidays recognized by the City.

6.8 Other Benefits. Except as specifically provided for herein, Employee shall be provided at least the same benefits provided to executive management staff of the City.

7. TERMINATION AND SEVERANCE PAY.

7.1 Termination Without Cause. Employee serves at the pleasure of the Council, and this Agreement may be terminated at any time by the Council with or without cause. If Employee is terminated by the Council without cause before July 1, 2021, it will provide pay in lieu of service providing Employee all pay and benefits to which Employee would otherwise be entitled through July 1, 2021. This includes the \$10,000 stay bonus described in Section 5.2. If the Council provides pay in lieu of service, Employee shall immediately stop providing services to the City and shall not report to work unless requested to do so by the City.

7.2 Termination for Cause. If Employee is terminated for cause, including but not limited to her conviction of any illegal act or a determination by the Council that she has engaged in behavior clearly detrimental to the City, Employee shall be paid salary and accrued benefits through the date of termination, and she shall not be entitled to any other pay or benefits. Prior to any Council decision to terminate Employee for cause, Employee will receive notice and an opportunity to be heard.

7.3 Termination Upon Death. Employee's employment by the City will terminate automatically and immediately upon Employee's death.

7.4 Termination Upon Disability. The Council may terminate this Agreement if Employee is unable to perform the duties hereunder for sixty (60) consecutive days. In such event, Employee will be paid salary and accrued benefits through the date of termination and Employee shall not be entitled to any additional notice, severance pay or the continuation of benefits. Notwithstanding anything herein contained to the contrary, the City will at all times comply, to the extent it is required to do so, with the Americans with Disabilities Act, the Family and Medical Leave Act and any other applicable state, county, or federal employment law.

7.5 Suspension. If Employee has been criminally charged or it is alleged that Employee has engaged in misconduct clearly detrimental to the City, the Council may, by majority vote, suspend Employee with full pay and benefits, pending prompt investigation and resolution, if it finds that continuation in office pending the determination of these charges would compromise the public trust.

7.6 Offset. In the event of any termination, the City may offset, against any amount it owes Employee, any amount which Employee owes the City. Employee expressly authorizes the City to withhold any such amounts from her final paycheck.

8. PERFORMANCE EVALUATIONS. The Council will review and evaluate Employee's performance annually before the end of the fiscal year. The Council may also exercise its discretion to conduct a review and evaluation between July and November 2020. The review and evaluation shall follow criteria established by the Council. The primary purpose of such review and evaluation is to facilitate open and frank discussion, define roles and expectations, identify performance strengths and weaknesses, and to provide Employee an opportunity to take affirmative action to address weaknesses and areas needing improvement.

9. INDEMNIFICATION. The City shall defend, save harmless and indemnify Employee up to the limits and pursuant to the scope of its Primary Liability Insurance Policy with The Local Government Insurance Trust 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 during the scope of Employee's duties as City Manager. Pursuant to the insurance parameters above, the City will compromise and settle any such claim or pay the amount of any settlement or judgment rendered thereon.

10. BONDING. The City shall bear the cost of any fidelity bond or other bonds required of Employee by law.

11. OTHER TERMS AND CONDITIONS. The Council may fix such other terms and conditions of employment as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with provisions of this Agreement, the City Charter, or any other law. However, all provisions of the City Charter, and regulations, rules, and policies of the City relating to any paid leave, retirement and pension system contributions, holidays, and other fringe benefits and working conditions as they now exist or hereafter may be amended, also shall apply to Employee as they would to any other management level employees of the City. Nothing in this Agreement shall be used as or considered as a precedent for other employment actions with or by the City.

12. ARBITRATION. Any differences, claims, or matters in dispute arising between the parties out of this Agreement or connected herewith shall be submitted by them to arbitration by the American Arbitration Association or its successor and the determination of the arbitrator shall be final. The arbitrator shall be governed by the rules and regulations of the American Arbitration Association or its successor, and the pertinent provisions of the laws of Maryland, relating to arbitration. The expense of the arbitration shall be borne by the City, except each party shall be responsible for its own attorneys' fees.

13. MISCELLANEOUS. The laws of the State of Maryland applicable to contracts made to be performed in the State of Maryland will govern the validity and construction of this Agreement. The parties submit to the jurisdiction and venue of the courts of the State of Maryland. Whenever used herein, the singular includes the plural and the plural includes the singular. The use of any gender, tense or conjugation includes all genders, tenses and conjugations. The Section headings have been included for convenience only, are not part of this Agreement, and are not be taken as an interpretation of any provision thereof. This Agreement may be amended, waived, changed, modified or discharged only by a writing signed by the parties. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any party.

IN WITNESS WHEREOF, the City of Takoma Park, Maryland has caused this Agreement to be signed and executed on its behalf by its City Council and duly attested by the City Clerk, and Employee has signed and executed the Agreement, both in duplicate, this date.

Suzanne R. Ludlow

Kate Stewart

City Manager

Mayor

ATTEST:

Witness

Witness