

**CITY OF PANAMA CITY, FLORIDA  
CITY MANAGER EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT (hereafter "AGREEMENT"), made and entered into this 9<sup>th</sup> day of January, 2024, by and between the City of Panama City, Florida, a municipal corporation, hereinafter referred to as "CITY", and Jonathan H. Hayes, hereinafter referred to as "EMPLOYEE".

**SECTION 1. DUTIES.**

A. The EMPLOYEE shall be the Chief Administrative Officer of the City. He shall be responsible to the City Commission for the administration of all City affairs placed in his charge by and under the Charter of the City and Ordinances of the City. EMPLOYEE agrees to perform all duties professionally and to the best of his ability.

B. EMPLOYEE shall perform other legally permissible and proper duties and functions as the City Commission shall, from time to time, direct.

**SECTION 2. TERM.**

This Employment Agreement shall take effect on January 9, 2024 and shall remain in full force and effect until terminated by the CITY or EMPLOYEE as provided in Section 15 herein (the "Effective Date").

**SECTION 3. SALARY.**

CITY shall pay EMPLOYEE for his services an annual base salary of One Hundred Seventy-Five Thousand Dollars (\$175,000). The salary under this Section will be payable in such installments and at the same time as other employees. In addition to the previous, after Fiscal Year 2023-2024, EMPLOYEE shall receive and carry forward all cost of living and any other increases to his base salary from the commencement of employment in the same amount and manner as all other City employees without further CITY action. In addition, the CITY agrees to increase EMPLOYEE's salary and/or benefits in such amounts and to such extent as the City Commission may determine on the basis of an annual performance evaluation of EMPLOYEE as set forth in Section 4 of the Agreement.

**SECTION 4. PERFORMANCE EVALUATION.**

The City Commission shall review and evaluate the performance of the EMPLOYEE commencing in July 2024, and thereafter the performance evaluation shall occur annually each July in advance of a new fiscal year. The performance evaluation shall utilize evaluation instruments reasonably acceptable to both the CITY and the EMPLOYEE, and it shall be based on an objective and strategic plan and set of criteria as set by the City Commission and the EMPLOYEE. The CITY acknowledges that for each fiscal year the EMPLOYEE is employed, he will be considered for a merit pay increase based upon the performance evaluation above. On the other hand, EMPLOYEE acknowledges that the CITY, in its sole and unfettered discretion, reserves the right to grant or withhold any annual merit pay increase based upon economic conditions or any other factor.

## SECTION 5. HOURS OF WORK.

The defined work week for the EMPLOYEE shall be a minimum of forty (40) hours as the EMPLOYEE is a salaried employee who is exempt from minimum wage and overtime pay requirements. It is recognized that EMPLOYEE must devote a great deal of time outside the normal office hours to business of the CITY, and to that end and notwithstanding anything to the contrary except as otherwise provided in this Section, EMPLOYEE shall be allowed to take reasonable time off as he shall deem appropriate during the normal office hours.

## SECTION 6. AUTOMOBILE.

EMPLOYEE's duties require that he 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. In lieu of the CITY providing such a vehicle and being responsible for paying liability, property damage, and comprehensive insurance and for the purchase or lease, operation, maintenance, repair and regular replacement of said automobile and fuel costs, the CITY shall provide the EMPLOYEE a monthly automobile allowance of Five Hundred Dollars (\$500.00). Said monthly automobile allowance shall be considered full reimbursement for use of the EMPLOYEE's personal automobile within Bay County, Florida. Within the budget limitations set forth in Section 10 of this agreement, EMPLOYEE shall receive the standard mileage allowance provided by the CITY, or the cost of a rental car and fuel, for travel outside of Bay County, Florida. EMPLOYEE will provide proof of insurance as part of this Agreement. EMPLOYEE shall have a valid Florida Driver's License during the term of this Agreement.

## SECTION 7. ANNUAL LEAVE, SICK LEAVE, HOLIDAYS AND OTHER BENEFITS.

The EMPLOYEE was hired on May 18, 2021, and as a current and continuing employee all accrued benefits, such as unused annual leave, sick leave or other benefits, shall continue and be vested into this Agreement. Further, the EMPLOYEE shall receive employee benefits available to full-time employees in the Senior Management Classification, and shall receive credited service under Category III beginning on date of hire, May 18, 2021; provided, however, (i) the EMPLOYEE shall receive six (6) additional annual leave days in the pay period that includes October 1 of each year and (ii) annual leave days may be taken by the EMPLOYEE as they accrue. The EMPLOYEE shall be entitled to any unused annual leave or sick leave upon termination of his employment in the same manner as other full-time employees in the Senior Management Classification. In the event the CITY shall implement a new retirement system(s) for those in the Senior Management Classification, the EMPLOYEE may choose to remain in the existing retirement system(s), or a substantially similar retirement benefit plan, for the Senior Management Classification or opt into the new retirement system(s), at the EMPLOYEE's option. Should the EMPLOYEE opt out of the new retirement system(s), the CITY's contribution will equal the required contribution to the new retirement system(s) with no additional EMPLOYEE contribution required.

## SECTION 8. HEALTH, DENTAL AND LIFE INSURANCE.

The CITY shall provide health, dental, life, short/long term disability and life insurance/wellness benefits, and any other benefits available or becoming available as provided for all other City Employees.

## SECTION 9. HOLD HARMLESS INDEMNIFICATION.

The CITY shall defend, hold harmless and indemnify EMPLOYEE against and from any and all claims, legal or administrative actions or demands, including actions for equitable relief whether frivolous or otherwise, including attorney's fees and costs arising from any act or omission either alleged or real, which may occur within the scope of EMPLOYEE's employment and performance under the terms and conditions of this Contract; provided, however, that nothing contained herein shall obligate the CITY to defend, hold harmless or indemnify EMPLOYEE for intentional torts, criminal acts or acts which are beyond the scope of his employment. For any claim arising under this paragraph for which the CITY owes the EMPLOYEE a defense, the CITY, in its sole and absolute discretion, may compromise and settle any claim or suit and pay the amount of any settlement or judgment rendered thereon, together with attorney's fees associated therewith. This indemnification obligation shall survive the termination of the EMPLOYEE and the expiration of this Agreement.

## SECTION 10. GENERAL BUSINESS EXPENSES.

A. CITY agrees to budget for and to pay for professional dues of the International City and County Managers Association and the Florida City and County Managers Association.

B. CITY agrees to budget for and to pay for registration, travel, subsistence, and associated expenses of EMPLOYEE for the annual International City and County Managers Association and the Florida City and County Managers Association Conferences, and the National and Florida League of Cities Conferences.

C. Dues and Subscriptions. The CITY agrees to pay for the professional dues and subscriptions necessary for EMPLOYEE to participate in national, state and local associations which are necessary and desirable for his continuing professional participation, growth and advancement which are of a benefit to the EMPLOYEE and the CITY. Such dues and subscriptions shall not exceed the amounts approved in the CITY budget.

D. Professional Development and Official Travel. The CITY agrees to pay the reasonable expenses, including, but not limited to, air fare, hotel expenses, meals, rental car fees and fuel, or mileage reimbursement for his personal vehicle, as outlined in Section 6, associated with EMPLOYEE's travel for professional development.

E. The CITY acknowledges its responsibility to provide general operating and office equipment and supplies, including a cell phone and tablet, for the use of the EMPLOYEE in the performance of his duties to the CITY.

## SECTION 11. BONDING.

The CITY shall bear full cost of any fidelity or other bonds required of EMPLOYEE as a condition of employment as City Manager or as required by the State of Florida.

## SECTION 12. OTHER TERMS AND CONDITIONS OF EMPLOYMENT.

The City Commission and EMPLOYEE may mutually agree to modify, amend or fix such other terms and conditions of employment as may be determined, from time to time, to be necessary or appropriate, provided that such terms and conditions are not inconsistent with or in conflict with the provisions of the Agreement, Charter or any other law. Further, all provisions of the Code of Ordinances, Chapter 2, Article IV, Division 2 relating to the City Manager will be followed by the CITY and EMPLOYEE.

## SECTION 13. NO REDUCTION IN BENEFITS.

The CITY shall not at any time during this Agreement reduce the salary, compensation or other financial benefits of EMPLOYEE, except in the event the reduction is the result of an across-the-board reduction for all employees of the City.

## SECTION 14. CONSTRUCTION AND OPERATION OF AGREEMENT.

The text herein shall constitute the entire Agreement between the parties. This Agreement shall be binding upon and inures to the benefit of the heirs at law and personal representatives of EMPLOYEE. This Agreement shall become effective upon execution thereof by the CITY and EMPLOYEE and approval by the CITY's governing body. If any provisions, or any portion thereof, contained in this Agreement are held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement or portion thereof shall be deemed severable and shall not be affected and shall remain in full force and effect.

## SECTION 15. TERMINATION AND SEVERANCE

A. In the event the CITY terminates the EMPLOYEE the City agrees to pay the EMPLOYEE a lump sum equal to twenty (20) weeks of his current salary, and no annual, sick, compensatory or administrative leave or insurance benefits will accumulate after such termination date in accordance with the terms hereof and City policies.

B. In the event the EMPLOYEE voluntarily resigns, the EMPLOYEE shall give the CITY sixty (60) days prior written notice unless a shorter notice is accepted by the CITY. Should the EMPLOYEE resign, the CITY may, in its sole discretion, pay the EMPLOYEE a lump sum, if any, that shall not exceed twenty (20) weeks of his current salary, and no annual, sick, compensatory or administrative leave or insurance benefits will accumulate after such termination date in accordance with the terms hereof and City policies.

C. In the event that the EMPLOYEE is terminated for misconduct as defined in s.443.036(30), Florida Statutes, severance pay as outlined above shall not be payable.

## SECTION 16. OUTSIDE ACTIVITIES

The employment provided by this Agreement shall be the EMPLOYEE's sole employment. Recognizing that certain outside non-compensated opportunities with the EMPLOYEE's professional

associations, local government and other governmental organizations and civic organizations provide indirect benefits to the CITY and the community, the EMPLOYEE may elect to accept opportunities with the understanding that such arrangements shall not constitute interference with nor a conflict of interest with his responsibilities under this Agreement.

#### SECTION 17. MISCELLANEOUS


A. This Agreement shall be construed and regulated under and by the laws of the State of Florida. Venue for any legal action arising hereunder shall be exclusively in the State Courts in and for Bay County, Florida.

B. Any number of counterparts of this Agreement may be signed and delivered, each of which shall be considered an original and all of which, together, shall constitute one and the same instrument.

C. Any reimbursement, or payment of dues specified within this agreement shall be construed as the net post tax benefit to the EMPLOYEE but shall not receive cost of living increases, salary adjustments or a retirement contribution towards these amounts.

D. Pursuant to F.S. 215.425 any changes in the calculation, method, or the amount of compensation or benefits shall be applied following approval of the updated Agreement but shall not result in retroactive or additional compensation for services already rendered.

IN WITNESS WHEREOF, the City of Panama City, Florida has caused this Agreement to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and the EMPLOYEE has signed and executed this Agreement, this 9<sup>th</sup> day of January, 2024.

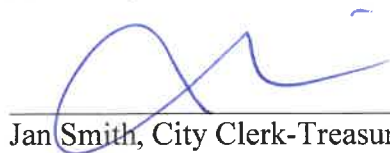


Michael X. Rohan, Mayor  
City of Panama City, Florida



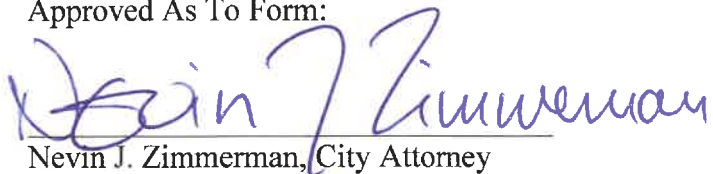
Jonathan H. Hayes  
EMPLOYEE

ATTEST:



Jan Smith, City Clerk-Treasurer

Approved As To Form:



Nevin J. Zimmerman, City Attorney