

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into this 9th day of MAY, 2005, by and between the City of Mason, State of Ohio, a municipal corporation, hereinafter called "Employer", as party of the first part, and Scot F. Lahrmer hereinafter called "Employee", as party of the second part, both of whom understand as follows:

WITNESSETH:

WHEREAS, Employer employs the services of said Scot F. Lahrmer as City Manager of the City of Mason, as provided by Section 5.02 of the Charter of the Municipality of Mason, Ohio; and

WHEREAS, it is the desire of the City Council, hereinafter called "Council", to provide certain benefits, establish certain conditions of employment and to set working conditions of said Employee; and

WHEREAS, it is the desire of the Council to (1) secure and retain the services of Employee and to provide inducement for him to remain in such employment, and (2) provide a just means for terminating Employee's services at such time as he may be unable fully to discharge his duties due to age or disability or when Employer may otherwise desire to terminate his employment; and

WHEREAS, Employee desires to accept employment as City Manager of said Mason, and perform his duties consistent with the Charter, the Code of the City of Mason and this Agreement.

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

Section 1. Duties

Employer hereby agrees to employ said Scot F. Lahrmer as City Manager of said Employer to perform the function and duties specified in said Section 5.04 of the City Charter and by said Codified Ordinances of said Mason Code, and to perform other legally permissible and proper duties and functions as the Council shall from time to time assign.

Section 2. Term

A. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Council to terminate the services of Employee at any time, subject only to the provisions set forth in Section 4, paragraphs A and B, of this agreement.

B. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with Employer, subject only to the provision set forth in Section 4, paragraph C, of this agreement.

C. Employee agrees to remain in the exclusive employ of Employer until June 30, 2006 and neither to accept other employment that would cause him to be employed by any other employer prior to said termination date, unless said termination date is affected as herein after provided.

The term "employed" shall not be construed to include occasional teaching, writing, consulting or military reserve service performed on employee's time off or other services, whether compensated or not, approved by Council.

D. Employer is to advise the Employee 90 days prior to the end of the contract whether the contract will be renewed. The parties will in good faith seek to establish a contract at least 60 days prior to expiration. Failure to agree to a contract for any period after the termination date will result in the present contract continuing from month to month at the option of either party.

Section 3. Suspension

Employer may suspend the Employee with full pay and benefits at any time during the term of this agreement, but only if:

- (1) a majority of Council and Employee agree, or
- (2) after a public hearing, a majority of Council votes to suspend Employee for just cause provided, however, that Employee shall have been given written notice setting forth any charges at least ten days prior to such hearing by the Council members bringing such charges.

Section 4. Termination and Severance Pay

A. In the event Employee is terminated by the Council before expiration of the aforesaid term of employment and during such time that Employee is willing and able to perform his duties under this agreement, then in that event Employer agrees to pay Employee a lump sum cash payment equal to six (6) months' aggregate salary and benefits; provided, however, that in the event Employee is terminated because of his conviction of any illegal act involving personal gain to him or involving moral turpitude, or as a result of malfeasance, misfeasance or non-feasance in office, chronic absenteeism, or failure to perform the duties specified per the Charter of the City of Mason, then, in that event, Employer shall have no obligation to pay the aggregate severance sum designated in this paragraph.

B. In the event Employer at any time during the term of this agreement reduces the salary or other financial benefits of Employee in a greater percentage than an applicable across-the-board reduction for all employees of Employer; or in the event Employer refuses, following written notice, to comply with any other provision benefiting Employee herein, Employee, may, at his option, be deemed to be "terminated" at the date of such reduction or 30 days after Mayor and Council receive written notice and fail to remedy such refusal to comply within the meaning and context of the herein severance provision.

C. In the event Employee voluntarily resigns his position with Employer before expiration of the aforesaid term of his employment, then Employee shall give Employer two (2) months notice in advance, unless the parties otherwise agree. Failure to give said 60 days notice will result in a penalty in an amount equal to 60 days compensation to be paid by the Employee to the City.

Section 5. Disability

If Employee is permanently disabled or is otherwise unable to perform his duties because of accident, sickness, injury, mental incapacity or health for a period of four successive weeks beyond any accrued sick leave, or for twenty working days over a thirty working day period, Employer shall have the option to terminate this agreement, subject to the severance pay requirements of Section 4, paragraph A. However, Employee shall be compensated for any accrued sick leave, vacation, holidays, compensatory time and other accrued benefits.

Section 6. Compensation

Employer agrees to pay Employee for his services rendered pursuant hereto an annual base salary of \$107,203, payable in installments at the same time as other employees of the Employer are paid commencing July 1, 2005.

In addition, Employer agrees to increase said base salary and/or other benefits of Employee in such amounts and to such extent as the Council may determine that is desirable to do so on no less frequent basis than an annual salary review of said Employee made at the same time as similar consideration is given other employees generally. Said periodic adjustments are hereby incorporated as part of this agreement without specific amendment to the Agreement.

Section 7. Performance Evaluation

A. The Council shall review and evaluate the performance of the Employee at least once annually on or before February 28, 2006 Said review and evaluation shall be in accordance with specific criteria developed jointly by Employer and Employee. Said criteria may be added to or deleted from as the Council may from time to time determine, in consultation with the Employee. Further, the Mayor, Vice Mayor and Chairman of the Employee Relations Committee of Council shall provide the Employee with a written or oral (at Council's option) statement of the findings of the Council and provide an adequate opportunity for the Employee to discuss his evaluation with the Council.

B. Annually, the Council and Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the City of Mason and in the attainment of the Council's policy objectives and shall further establish a relative priority among those various goals and objectives, said goals and objectives to be reduced to writing. They shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations provided.

C. In effecting the provisions of this Section, the Council and Employee mutually agree to abide by the provisions of applicable law.

Section 8. Outside Activities

Employee shall not spend more than 10 hours per week in teaching, counseling or other non-Employer connected business without the prior approval of the Council.

Section 9. Car Allowance

Employee's duties require that he shall have the need for use of an automobile and be shall receive a monthly car allowance of \$450.00 or be provided with a vehicle for his use.

Section 10. Vacation, Sick, and Military Leave

A. Employee shall accrue, and have credited to his personal account, vacation and sick leave at the same rate as other general employees of employer.

B. Employee shall be entitled to military reserve leave time pursuant to state law and City policy.

Section 11. Disability, Health and Life Insurance

A. Employer agrees to put into force and to make required premium payments for Employee for insurance policies for life, major medical and dependent's coverage group insurance covering Employee and his dependents, at the same rate as other general employees of the employer.

B. Employer agrees to provide hospitalization, surgical and comprehensive medical insurance for Employee and his dependents and to pay the premiums thereon equal to that which is provided all other employees of Employer or, in the event no such plan exists, to provide same for Employees.

C. If requested by Employer, Employee agrees to submit once per calendar year to a complete physical examination by a qualified physician selected by the Employer, the cost of which shall be paid by the Employer. Employer shall receive a copy of all medical reports related to said examination.

Section 12. Retirement

In addition to the normal Employer contribution required by law, Employer agrees to contribute to the Public Employees Retirement System of Ohio (PERS) the employee contribution established by PERS.

Section 13. Deferred Compensation Plan

Employer hereby agrees to contribute to the Aetna Life and Annuity Company Deferred Compensation Plan. Said 100% contribution shall not exceed \$13,000 nor shall it exceed the amount permitted for Internal Revenue Code Section 457 deferred compensation plans.

Section 14. Dues and Subscriptions

Employer agrees to budget and to pay for the professional dues and subscriptions of Employee necessary for his continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of the Employer.

Section 15. Professional Development

A. Employer hereby agrees to budget for and to pay 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 Employer, including but not limited to the Annual Conference of the International City Management Association, the state league of municipalities and such other national, regional, state and local governmental groups and committees thereof which Employee serves as a member.

B. Employer also agrees to budget and to pay for the travel and subsistence expenses of Employee for short courses, institutes and seminars that are necessary for this professional development and for the good of the Employer,

Section 16. Indemnification

Employer shall defend, save harmless and indemnify Employee 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 in the performance of Employee's duties as City Manager. Employer will make every effort to compromise and settle any such claim or suit before litigation and will pay the amount of any settlement or judgment rendered thereon.

Section 17. Other Terms and Conditions of Employment

A. The Council, in consultation with the manager, shall fix any 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 the provisions of this agreement, the City charter or any other law.

B. All provisions of the City Charter and Code, and regulations and rules of the Employer relating to vacation and sick 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 other employees of Employer, in addition to said benefits enumerated specifically for the benefit of Employee except as herein provided.

C. Employee shall be entitled to receive the same vacation and sick leave benefits as are accorded department heads, including provisions governing accrual and payment therefor on termination of employment.

Section 18. Notices

Notices pursuant to this agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

(1) EMPLOYER: Peter Beck, Mayor
City of Mason
6000 Mason-Montgomery Road
Mason, Ohio 45040

(2) EMPLOYEE: Scot F. Lahrmer
5672 Cox Smith Road
Mason, Ohio 45040

Alternatively, notices required pursuant to this agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 19. General Provisions

A. The text herein shall constitute the entire agreement between the parties.

B. This agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.


C. This agreement shall become effective commencing July 1, 2005.

D. If any provision, or any portion thereof, contained in this agreement is held 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.

IN WITNESS THEREOF, the City of Mason 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, both in duplicate, the day and year first above written.

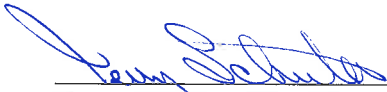


Peter Beck, Mayor
City of Mason



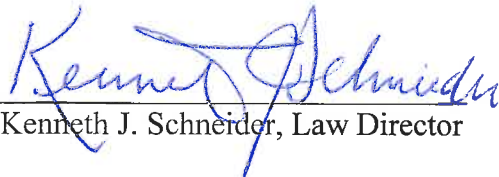
Scot F. Lahrmer, Employee

ATTEST:



Terry Schulte, City Clerk

APPROVED AS TO FORM:



Kenneth J. Schneider, Law Director