

EMPLOYMENT AGREEMENT

This Agreement made and entered into this 11th day of December, 2006, by and between the City of Mason, Ohio, a municipal corporation, hereinafter referred to as "Employer," and Eric Hansen, hereinafter referred to as "Employee," both of whom understand as follows:

WHEREAS, Employer desires to enter into an employment agreement for the services of Eric Hansen as 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 Council of the City of Mason, hereinafter referred to as "Council," to provide certain benefits, establish certain conditions of employment and to set working conditions of said Employee.

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

SECTION 1. DUTIES:

Employer hereby agrees to employ Eric Hansen as City Manager of the City of Mason to perform the function and duties specified in said Section 5.04 of the City Charter and by ordinances adopted pursuant thereto, and to perform other legally permissible duties and functions as the Council shall from time to time assign.

SECTION 2. TERM:

- a. Employee shall serve an indefinite term subject to Council's pleasure.
- b. 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 5.01 of the Charter and Section 3 of this Agreement.
- c. 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 to notice to the City Council of a minimum of 60 days.
- d. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the employment provided for by this Agreement shall not be construed to include limited teaching, consulting, writing, military reserve service or other business opportunities with the understanding that such arrangements shall not constitute interference with nor a conflict of interest with his responsibilities under this Agreement.

SECTION 3. TERMINATION AND SEVERANCE PAY:

- a. The procedure for removal of the City Manager shall be as outlined in Section 5.01 of the City Charter.

- b. In the event Employee is terminated by the Council during such time that Employee is willing and able to perform his duties under this agreement, then in that event Employer agrees to continue the compensation and benefits of Employee for a period of 12 months following the date of termination.
- c. In the event the 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 the Employer, or in the event Employer refuses, following written notice, to comply with any other provisions benefiting Employee herein, or the Employee resigns following an offer to accept resignation, whether formal or informal, by the Employer as representative of the majority of the governing body that the Employee resign, then the Employee may declare a termination as of the date of such reduction, refusal to comply or offer to accept resignation.

SECTION 4. 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, Employer shall have the option to terminate this agreement subject to the severance pay requirements of Section 3.

SECTION 5. SALARY:

- a. Employer agrees to pay Employee for his services rendered pursuant hereto an annual base salary of \$105,000, less applicable legal deductions, effective December 11, payable in installments in the same manner and same time as other employees of the Employer are paid.
- b. At the end of March, 2007 the Employee's performance will be reviewed by the Employer and, based on a favorable review, the Employee's base salary will be increased by 3 %.
- c. Employer agrees to increase said base salary and/or other benefits or bonuses of Employee in such amounts and to such extent as the Council may determine that it is desirable to do so, on the basis of an annual review of said Employee made on or about March 31st of each year. Said increases are hereby incorporated as part of this agreement without specific amendment to the Agreement.
- d. Employer agrees to annually adjust said base salary of Employee in such amounts and at the same time as similar consideration is given other employees generally to account for inflationary increases. Said periodic adjustments are hereby incorporated as part of this agreement without specific amendment to the Agreement.
- e. Additionally Employer shall pay Employee the gross sum of \$7,500, less applicable legal deductions, representing bonus pay for the time period between July 1, 2006 and the effective date of this agreement during which time Employee

served as Acting City Manager and in fulfillment of the Memorandum of Agreement concerning Employee's said service as Acting City Manager dated June 26, 2006.

SECTION 6. PERFORMANCE EVALUATION:

Employer shall annually review the performance of the Employee on or about March 31, subject to a process, form, criteria, and format for the evaluation which shall be mutually agreed upon by the Employer and Employee. The process at a minimum shall include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, (3) present a written summary of the evaluation results and (4) define such goals and performance objectives determined necessary for the proper operation of the City of Mason and attainment of Council's policy objectives. Such goals and objectives should generally be attainable within the time limitations and annual budgets provided. The final written evaluation should be completed and delivered to the Employee within 30 days of the evaluation meeting.

SECTION 7. CAR ALLOWANCE:

Employee's duties are such that he shall have the need for use of an automobile for City business. The Employer will pay a monthly car allowance of \$450 plus Internal Revenue Service standard reimbursement rates for mileage for business trips further than 90 miles from City of Mason offices.

SECTION 8. VACATION AND SICK LEAVE:

- a. Employee shall accrue, and have credited to his account, vacation and sick leave at the same rate as other general employees of Employer. Employee shall be entitled to use and redemption of vacation and sick leave pursuant to the policy in effect for Mason employees; however, notwithstanding current ceilings on balances, 560 hours shall represent the ceiling on the number of vacation hours which Employee may accrue or maintain or for which he may be reimbursed. Employee shall be permitted to take vacation with pay immediately upon the effective date of this Agreement.
- b. Annually, Employee may elect to convert to cash, less applicable legal deductions, up to two weeks of accrued vacation balances.

SECTION 9. HEALTH AND LIFE INSURANCE:

- a. Employer agrees to make available such health care insurance plan as is generally available to other employees of Employer. This plan to include policies for life, accident, sickness, major medical, hospitalization, and dependents coverage. Employer agrees to make required premium payments for Employee and his dependents for insurance polices at the same rate as other general employees of Employer.

- b. Employer agrees to purchase and to pay the premiums on a term life insurance policy equal to \$100,000. The Employee shall have the right to designate the beneficiary of said policy.

SECTION 10. RETIREMENT AND DEFERRED COMPENSATION:

- a. The retirement plan provided for the Employee will be that of the Public Employees Retirement System of Ohio (PERS.) Employer agrees to pay the Employee's share of PERS on behalf of Employee as currently outlined in Section 165.19 of the City of Mason Codified Ordinances.
- b. Employer hereby agrees to contribute to an Internal Revenue Code Section 457 deferred compensation plan of Employee's choice an amount not to exceed \$15,000 annually.

SECTION 11. PROFESSIONAL DEVELOPMENT:

- a. Employer agrees to budget and pay the customary 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 continuing professional participation, growth and advancement including the International City/County Management Association.
- b. Employer hereby agrees to budget for and to pay 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 functions of Employee, including but not limited to the Annual Conference of the International City/County 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.
- c. The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer shall pay for the reasonable membership fees and/or dues to enable the Employee to become an active member in local civic clubs or organizations.

SECTION 12. GENERAL EXPENSES:

- a. The Employer recognizes that reasonable expenses of a non-personal and job-related nature are incurred by the Employee. The Employer hereby agrees to reimburse said reasonable expenses of the Employee upon the presentation to the Director of Finance of a receipt, voucher, statement or personal affidavit.
- b. The Employer shall provide Employee's home with a computer, software, and internet access for the Employee in order to enhance performance of duties and to maintain communication.

SECTION 13. HOURS OF WORK:

It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

SECTION 14. INDEMNIFICATION:

As required under Ohio Revised Code Section 2744.07, 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 any alleged acts or omissions occurring in the performance of Employee's duties as City Manager. Employer will compromise and settle or litigate any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

SECTION 15. OTHER TERMS AND CONDITIONS OF EMPLOYMENT:

- a. The Employer, upon agreement with Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the 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.

SECTION 16. NOTICES:

All notices, requests, demands, or other communications under this Agreement shall be in writing and shall only be deemed to have been duly given when reduced to writing and sent by First Class Mail to:

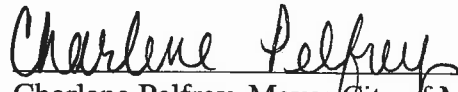
1) Employer: City of Mason
 c/o City Law Director
 6000 Mason-Montgomery Road
 Mason, Ohio 45040

2) Employee: Eric Hansen
 117 Castanea Ave.
 Mason, Ohio 45040

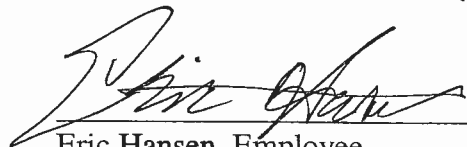
SECTION 17. GENERAL PROVISIONS:

- a. The text herein shall constitute the entire agreement between the parties. The parties by mutual written agreement may amend any provision of this agreement during the life of the agreement. Such amendments shall be incorporated and made a part of this agreement.
- 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 December 11, 2006 and continuing until terminated by either party as provided for herein.
- d. If any provision of the Agreement is found to be unlawful or invalid, the remainder of this agreement, or portions thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the City of Mason has caused this Agreement to be signed and executed by its Mayor, and duly attested by its City Clerk, and the Employee has signed and executed this agreement, in duplicate, the day and year first above written.

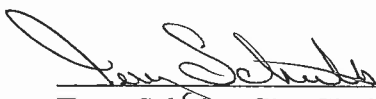


Charlene Pelfrey, Mayor City of Mason



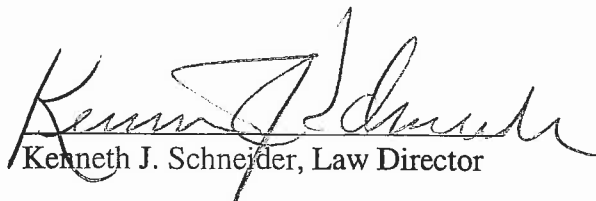
Eric Hansen, Employee

ATTEST:



Terry Schulte, City Clerk

APPROVED AS TO FORM:



Kenneth J. Schneider, Law Director

CERTIFICATE OF DIRECTOR OF FINANCE

AND CERTIFICATE OF LEGALITY

DIRECTOR OF FINANCE: It is hereby certified that the amount of money required to meet the foregoing Contract with Mr. Eric Hansen, City Manager, has been lawfully appropriated, authorized or directed for such purposes and is in the Treasury or in process of collection to the credit of the appropriate fund, free from any obligation or certification now outstanding.

Dated: APRIL 23, 2007 _____
Jennifer Heft
DIRECTOR OF FINANCE

LEGALITY: I hereby approve the form and correctness of the foregoing Contract.

Dated: APRIL 23, 2007 _____
Kenneth Schneider
LAW DIRECTOR