

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into this 17th day of June, 2013, between the TOWN OF ROCKPORT, Maine, with a mailing address of P.O. Box 10, Rockport, ME 04856-0010, (hereinafter called the TOWN) and Richard C. Bates, whose address is 156 Chestnut St., P.O. Box 367, Camden, ME 04843, (hereinafter sometimes called the EMPLOYEE) pursuant to these terms and conditions:

- A. WHEREAS, the TOWN wishes to employ the services of Richard C. Bates as Town Manager of the Town of Rockport commencing the 18th day of June, 2013; and
- B. WHEREAS, the TOWN and the EMPLOYEE desire to provide for certain procedures, benefits and requirements regarding the employment of the EMPLOYEE by the TOWN; and
- C. WHEREAS, the EMPLOYEE wishes to accept employment as Town Manager of said Town under the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, the TOWN and the EMPLOYEE agree to the following:

- 1. DUTIES – The TOWN agrees to employ Richard C. Bates as the Town Manager of the Town of Rockport to perform all duties as specified by law, Town Charter and ordinance, and to perform such other proper duties as assigned by the Select Board.
- 2. COMPENSATION – The TOWN agrees to pay the EMPLOYEE a starting annual salary of eighty thousand dollars (\$80,000.00), payable in such installments as the TOWN may from time to time determine for all management employees. If the EMPLOYEE'S performance is determined by the Select Board to be satisfactory, the EMPLOYEE'S salary shall be raised at the same rate as that of the majority of non-union employees of the TOWN. The EMPLOYEE'S salary may be subject to additional adjustments as the Select Board shall determine based upon an annual performance evaluation of the EMPLOYEE.
- 3. TERMS OF EMPLOYMENT:
 - a. The first six (6) months of employment shall serve as a probationary period. The EMPLOYEE or the TOWN may decide to terminate this Agreement at their discretion, upon reasonable notice to the other party. The termination provisions of Section 4 shall not apply during the probationary period.

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- b. The term of this Agreement shall be for three (3) years and thirteen (13) days, commencing on June 18, 2013, and concluding on June 30, 2016, subject to the conditions contained herein.
- c. The Select Board will on an annual basis conduct an evaluation of the EMPLOYEE'S performance. This evaluation will help define goals and performance objectives for the proper operation of the TOWN government, and help to set in place objectives for the future. Any funds for the attainment of these goals shall be provided for in the TOWN budget.
- d. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Select Board to terminate the services of the EMPLOYEE at any time and for any reason, i.e., without cause, subject only to the provisions set forth in Section 4, paragraph (a) of this Agreement
- e. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Select Board to terminate the services of the EMPLOYEE at any time for cause, following the procedures in Article III, Section 4 of the Rockport Town Charter
- f. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the EMPLOYEE to resign at any time from his/her position with the TOWN, subject only to the provisions set forth in Section 4, paragraph (b) of this Agreement.
- g. EMPLOYEE'S employment shall be subject to the Personnel Policy of the Town of Rockport except where the Personnel Policy differs with this agreement, in which case the specific provisions of this Agreement shall apply.
- h. The EMPLOYEE shall not, during the term of this Agreement, directly or indirectly engage in any business, either as an employee, corporation, principal, corporate officer, or in any other capacity, whether or not compensated without the prior consent of the Select Board.
- i. Notwithstanding anything to the contrary contained in Section 3, paragraph (h) above, the EMPLOYEE may engage in teaching in an adjunct position, writing or consulting during his normal time off provided that he first inform the Select Board of his activities and provided, further, that those activities do not interfere with his duties and responsibilities to the TOWN.
- j. It is recognized that, as Town Manager, the EMPLOYEE must devote a great deal of time outside of the normal office hours of the TOWN, and, to that end, he shall be allowed to establish an appropriate work schedule.

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4. TERMINATION CONDITIONS AND PAY

- a. In the event the EMPLOYEE is terminated by the Select Board without cause while the EMPLOYEE is willing and able to perform the duties of Town Manager, the TOWN shall continue to pay the EMPLOYEE'S salary and benefits for a period of sixty (60) days following the specified date of termination, subject to the following condition:
 - i. If the EMPLOYEE shall obtain employment elsewhere prior to the expiration of said sixty (60) day period, the salary and benefits payable to the EMPLOYEE shall cease as of the date of such other employment.
- b. In the event the EMPLOYEE is terminated by the Select Board for cause, the EMPLOYEE shall not be entitled to receive the termination pay and benefits provided for in paragraph (a) of this Section.
- c. The EMPLOYEE may voluntarily resign his/her position at any time upon thirty (30) days written notice to the TOWN. In the event of such termination, the EMPLOYEE shall not be entitled to receive the termination pay and benefits provided for in paragraph (a) of this Section.

5. RETIREMENT PLAN – The EMPLOYEE and the TOWN will make contributions to the EMPLOYEE requested retirement plan at the rates prescribed by the retirement plan and in keeping with the TOWN Personnel Policy, rules or guidelines.

6. AUTOMOBILE ALLOWANCE – The EMPLOYEE will provide his/her own automobile for use on TOWN business and the TOWN agrees to reimburse the EMPLOYEE the sum of two hundred dollars (\$200.00) per month. Reimbursement for automobile use for out of state travel shall be at the rate paid to all TOWN employees for business travel.

7. CELLULAR TELEPHONE ALLOWANCE – The EMPLOYEE will provide his/her own cell phone for use on TOWN business and the TOWN agrees to pay the EMPLOYEE the sum of fifty dollars (\$50.00) per month as reimbursement for such use. Reimbursement shall be non-taxable.

8. INSURANCE COVERAGE

- a. The EMPLOYEE agrees to provide his own health insurance. The TOWN shall reimburse the EMPLOYEE up to the amount that the TOWN would normally contribute as the TOWN'S match if the EMPLOYEE were to use the TOWN'S health insurance as a single person. Should the EMPLOYEE'S spouse need to be added to the EMPLOYEE'S health

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insurance, the TOWN shall provide up to an additional amount equivalent to the TOWN'S contribution for an employee and spouse.

- b. The TOWN shall provide the EMPLOYEE with life insurance in the amount of one times the EMPLOYEE'S annual salary.
- c. The TOWN shall defend, hold harmless and indemnify the 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 the EMPLOYEE'S duties as Town Manager. The TOWN will defend, compromise or settle as appropriate any such claim or suit and pay the amount of any settlement or judgment. This section does not apply to any claims resulting from the EMPLOYEE'S willful misconduct or for claims arising outside of the EMPLOYEE'S duties as Town Manager.

9. VACATION AND SICK LEAVE

- a. The EMPLOYEE shall receive four (4) weeks of paid vacation and shall accumulate vacation time at the rate prescribed by the existing personnel rules and regulations. During the first year of this contract, said vacation may be taken before it is otherwise accumulated, but will be reimbursed should the EMPLOYEE terminate employment before June 30, 2014.
- b. The EMPLOYEE shall earn and accumulate sick leave at the rate prescribed by the existing personnel rules and regulations.
- c. Upon termination, whether voluntary or involuntary, the TOWN shall compensate the EMPLOYEE for all accrued vacation leave as outlined in the personnel rules and regulations. Said compensation shall be based upon the EMPLOYEE'S salary as of the date of employment termination.

10. RESIDENCY. The TOWN acknowledges that the EMPLOYEE is not a resident of the TOWN and the TOWN agrees that the EMPLOYEE will not be required to become a resident of the TOWN during the term of this Agreement.

11 BUSINESS EXPENSES – The TOWN shall reimburse the EMPLOYEE for all business-related expenses.

12. CONFERENCES, TRAINING AND EDUCATION

- a The TOWN shall budget and pay for membership dues and attendance at the Annual ICMA Conference, the Maine Town and City Managers Annual Meeting, the Maine Municipal Association Annual Convention, the local Chamber of Commerce and the Midcoast Municipal Association (MCMA). Reimbursement for any dues, attendance at meetings and expenses for other

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professional development activities of the EMPLOYEE are subject to Select Board approval.

- b. Travel, housing and meal reimbursement for attendance at the Annual ICMA Conference shall be determined in conjunction and with the approval of the Select Board prior to making any reservations. The EMPLOYEE shall develop a policy for approval by the Select Board detailing how these expenses will be programmed and approved.

13. GENERAL BENEFITS - In addition to the benefits cited herein, the TOWN shall provide the EMPLOYEE with any and all benefits that apply to other Administrative employees.

14. GENERAL PROVISIONS

- a. This Agreement shall become effective as of the date above written.
- b. If any provision, or portion thereof, contained in this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement shall not be affected and shall remain in full force and effect.
- c. No term or provision of this Agreement shall be deemed to have been waived by either party unless such waiver is in writing and signed by the party making the waiver.
- d. This Agreement may be amended at any time only by a writing duly executed by both parties.
- e. The subject headings of the Sections of this Agreement are included for the purpose of convenience only and shall in no way affect the meaning, construction or interpretation of any provision of this Agreement.

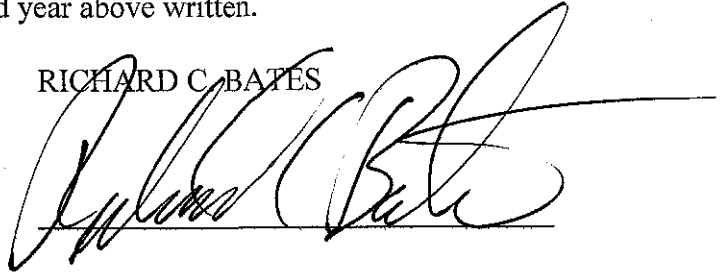
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IN WITNESS WHEREOF, and intending to be legally bound, the parties have, in good faith, executed this Agreement the day and year above written.

WITNESS:

Linda M Greenlaw

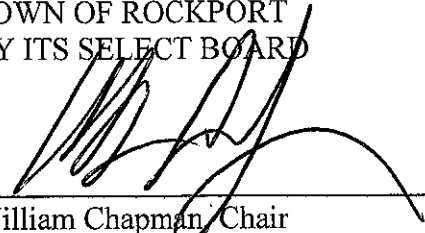
RICHARD C. BATES

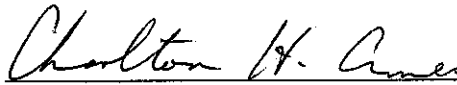


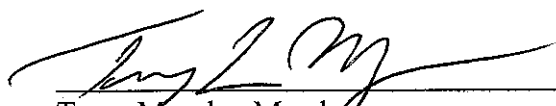
WITNESS:

Linda M Greenlaw

TOWN OF ROCKPORT
BY ITS SELECT BOARD


William Chapman, Chair


Charlton Ames, Vice-Chair


Tracy Murphy, Member


Geoffrey Parker, Member


Kenneth McKinley, Member