

## EMPLOYMENT SEPARATION AGREEMENT

THIS AGREEMENT made this \_\_\_\_\_ day of June 2016, between the City of Craig, a Colorado municipal corporation, 300 W. 4<sup>th</sup> Street, Craig, CO 81625, acting through its authorized representatives (“the City”) and Jim Ferree, 1060 Lecuyer Drive, Craig, CO 81625 (“the Employee”).

### RECITALS:

1. The City has employed Jim Ferree since January 15, 1998, and he is currently employed in the capacity of the City Manager.
2. The Employee is a contract employee of the City pursuant to a series of Employment Agreements, the latest of which is dated January 13, 2004 (“the Employment Agreement”). The Employee may also have employee rights that may exist under the employer-employee relationship as set forth in the Personnel Manual and pursuant to state and federal law.
3. The City is willing to provide a severance payment to Jim Ferree in accordance with the terms of the Employment Agreement, and otherwise, in exchange for the mutual termination of the employment relationship according to the terms and conditions of this Employment Separation Agreement.
4. The City and the Employee have mutually agreed and determined to a termination of the employment relationship between the Employee and the City effective July 1, 2016. This termination is not based upon any lack of performance by Jim Ferree, who has served in the capacity of City Manager for the City for over eighteen years. Rather, this termination of employment is due to a mutually agreeable change in the direction of management of the City.

NOW THEREFORE, the parties jointly agree as follows:

- A. The Employee shall cease to be employed by the City of Craig effective July 1, 2016. Upon signing this Employment Separation Agreement, the City will pay Jim Ferree according to the paragraph entitled “Severance” in the Employment Agreement. The terms of the actual severance pay shall be as set forth in this Employment Separation Agreement, and in the event of any conflict between the terms of the Employment Agreement and this Employment Separation Agreement, the terms of this Employment Separation Agreement shall prevail. The City shall pay Jim Ferree six (6) months aggregate salary including the payment of all City Employee benefits over the said six (6) month period. The payment of severance pay shall occur during the six (6) months in regular payroll disbursements of his salary after withholding all required amounts as required by law for taxes, FICA, and other mandatory withholdings. Additionally, the City will pay Jim Ferree the total amount of his accrued paid vacation, all unused compensatory time and two-weeks of paid sick leave

as he is entitled to under the City personnel policies. The City will also make contributions to his City 401(a) retirement plan, and any requested deductions for 457 and any Roth IRA from the severance pay. These payments will constitute the total amount due and owing to him by the City. Jim Ferree will continue such health insurance coverage for himself and his family as currently exists during the six (6) month period during which he receives severance pay under the current terms of the City health plan healthcare coverage. After the expiration of his coverage under the City health insurance on January 1, 2017, he may continue health insurance coverage through his COBRA rights under the existing City healthcare insurance. Effective July 1, 2016, the City will no longer pay the vehicle allowance for the Employee.

- B. By signing this Employment Separation Agreement and accepting the severance pay from the City, the Employee waives all rights to any pre-termination hearing as may or may not apply in this particular situation. The Employee further waives and releases the City from any and all liability for any past, present or future claims by the Employee in the nature of unlawful termination, or any other employment related claims under state or federal law, including but not limited to claims under the equal rights discrimination laws, Americans With Disabilities Act, Section 1983 claims or any other claims made by an employee against an employer of any kind.
- C. Jim Ferree agrees to cooperate in the orderly completion of his job and leave all files and information as presently constituted in an orderly condition in his office. He will cooperate with the interim City Manager and any other City employee to accomplish the orderly transition of his workload. While there will be an interim City Manager in place, he will continue to work for the City until such time as he leaves his position. He will continue to act in the best interest of the City and the community he has served. The City will give him a letter of recommendation at any time upon his request. Additionally, in the event that a future employer seeks a recommendation, the City Clerk and other City officials will give a positive recommendation of Jim Ferree.
- D. This Agreement shall be enforced using the laws of the State of Colorado. It is binding upon and shall inure to the benefit of the parties, and their legal heirs, and successors in interest. If any part of this Agreement is found to be unenforceable, such finding shall not affect the legality or validity of the remainder of the Agreement.
- E. Jim Ferree has had ample opportunity to review this agreement and understands the legal and binding nature of this Employment Separation Agreement. He has had the opportunity to seek independent legal representation to review and advise him of the legal consequences of signing this Agreement.

SIGNATURES:

EMPLOYEE:

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Jim Ferree

THE CITY OF CRAIG

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Ray Beck, Mayor

This Separation Agreement was approved by motion at the regular City Council meeting the City Council for the City of Craig held on the \_\_\_\_\_ day of June, 2016.

ATTEST:

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Kathy Larson, City Clerk