

**AGREEMENT BETWEEN THE MAYOR AND COUNCIL OF ROCKVILLE  
AND  
ROBERT DISPIRITO**

This agreement, entered into on November 23, 2016, sets forth the terms and conditions of employment ("Agreement") between the Mayor and Council of Rockville ("Mayor and Council" or "City") and Robert DiSpirito ("City Manager"). Under this Agreement, the City Manager will perform as detailed in Article VI of the City Charter and Chapter 2, Division 3 of the Rockville City Code as well as any other duties as the City may assign from time to time. Under this Agreement, the Mayor and Council agree to honor its limitations with respect to the supervision and duties of the City Staff under the City Manager as expressed in Chapter 2, Article II, Division 3 of the Rockville City Code. Under the provisions of the Rockville Charter and City Code mentioned above, both parties explicitly acknowledge that:

1. The City Manager shall be the executive officer and head of the administrative branch of the City and shall exercise personnel authority over all employees of the City, except as otherwise provided by law (Rockville City Code, Chapter 2, Article II, Division 3, Section 2-32).
2. No member of the Mayor and Council shall give orders to any subordinate of the City Manager either publicly or privately (Rockville City Code, Chapter 2, Article II, Division 3, Section 2-33).

**Section 1: Effective Date of Agreement**

Except as otherwise provided for in Section 1 of this Agreement, this Agreement will become effective on January 3, 2017, and will constitute the terms and conditions of employment for the City Manager, and will remain in effect until modified or terminated as provided herein.

For the time period between the date on which this Agreement is fully executed to January 3, 2017, the City will reimburse the City Manager up to a maximum of five thousand dollars (\$5,000) for up to two (2) trips to Rockville, Maryland, from Palm Harbor, Florida, for the purpose of seeking temporary or permanent housing and/or meeting with the Mayor and Council and employees of the City in preparation for joining the City on January 3, 2017. Reimbursement will be in accordance with the provisions of the City's travel policy.

**Section 2: No Outside Employment**

The City Manager will remain in the exclusive employment of the City of Rockville and not to become self-employed or employed by any other employer during the term of this Agreement unless the City Manager first obtains the written consent of the Mayor and Council.

### Section 3: Compensation and Performance Evaluations

The City Manager will be paid an annual salary of \$220,000 as of the effective date of this Agreement, which is payable on a prorated basis in biweekly installments at the same time and in the same manner as other administrative employees of the City are paid. The City Manager will receive any cost of living adjustments provided for in the City's annual budget in the same manner as other administrative employees of the City.

During the first year, the City Manager will receive two (2) performance evaluations, one at six (6) months and one at twelve (12) months. Thereafter, the City Manager will receive a performance evaluation every twelve (12) months. At the time of each twelve (12) month performance evaluation, the City Manager will be eligible to receive any salary adjustments or bonuses which may be approved by the Mayor and Council.

### Section 4: Social Security and Taxes

The City will withhold social security (FICA) contributions as well as federal and state income taxes, and any other withholdings as may be authorized by the City Manager, from the City Manager's paycheck as well as any and all payments to the City Manager deemed to be income.

### Section 5: Retirement

The City Manager will participate in the City's Pension Plan subject to the terms of the plan and requirements of federal law. The City will contribute on behalf of the City Manager to the City's Pension Plan under the same terms and conditions as other administrative employees of the City. In addition, the City will contribute an amount equal to ten percent (10%) of the City Manager's salary as set forth in Section 3, and as may be adjusted by the Mayor and Council as set forth in Section 3, directly to the City's 457 deferred compensation plan. Notwithstanding the foregoing, the City's contribution to the City Manager's deferred compensation will not exceed the limit, including the "Age 50 Catch Up" limit, set by the Internal Revenue Service. Such contribution will be made on a bi-weekly basis in the same manner as other administrative employees contribute to the deferred compensation plan. Upon the City Manager's resignation or termination, the City Manager may transfer ownership of his 457 deferred compensation account to succeeding employers' 457 deferred compensation plans in accordance with the City's deferred compensation plan provisions and the Internal Revenue Service's regulations.

### Section 6: Benefits

Except as otherwise specifically provided for in this Agreement, the City Manager shall be entitled to receive the same benefits available to other administrative employees of the City relating to holidays, insurance, leave, and other fringe benefits as they now exist or may hereafter be amended. The benefits shall be

available to the City Manager under the same terms and conditions as they are available to other administrative employees of the City.

In addition, for as long as this Agreement is in effect, the City will pay the premiums for two hundred fifty thousand (\$250,000) of life insurance coverage as well as for fifty thousand (\$50,000) of supplemental life insurance on the City Manager for a total guaranteed coverage of three hundred thousand dollars (\$300,000).

#### Section 7: Wireless Phone Allowance

The City Manager will receive a wireless phone allowance of \$65/month in accordance with the City's Wireless Communications Policy.

#### Section 8: Car Allowance

The City Manager will receive an annual car allowance in the amount of five thousand four hundred dollars (\$5,400) to be paid in equal bi-weekly installments. Based on the car allowance, the City Manager will not be eligible to receive mileage reimbursement in accordance with the City's travel policy.

#### Section 9: Residency

Beginning the effective date of this Agreement, the City Manager agrees to establish residence within the corporate boundaries of the City of Rockville, Maryland, and thereafter to maintain residence within the corporate boundaries of the City of Rockville during City Manager's employment with the City of Rockville.

#### Section 10: Moving Expenses

The City Manager will be reimbursed, or the City may pay directly, the reasonable and necessary expenses incurred by the City Manager in moving from Palm Harbor, Florida, to Rockville, Maryland, in an amount not to exceed twenty thousand dollars (\$20,000). Eligible expenses will include the cost of packing, relocation, and unpacking of household; insurance of household goods; payment of real estate fees related to the sale and/or purchase of a home; temporary storage of household goods; travel for the City Manager and his family to locate housing, etc. Any travel expenses will be paid in accordance with the City's travel policy.

#### Section 11: Temporary Housing Assistance

The City Manager will receive two thousand five hundred dollars (\$2,500) per month for up to six consecutive months as temporary housing assistance from the City. The temporary housing must be located within the corporate boundaries of the City of Rockville. The beginning date for the temporary

housing assistance will be at the discretion of the City Manager but in no event will it begin later than six (6) months from the effective date of this Agreement.

#### Section 12: Professional Activities and Training

It is anticipated that the City Manager will participate in various professional associations, civic organizations and activities, including training, on a local, regional, state, and national level. The City will pay for necessary dues, fees, subscriptions, travel, and related costs in connection with the City Manager's participation in these various organizations and activities, as annually appropriated by the Mayor and Council. Any travel reimbursements will be paid in accordance with the City's travel policy.

#### Section 13: Leave

As of the effective date of this Agreement, the City Manager shall be credited with twenty (20) days of vacation leave and fifteen (15) days of sick leave. Thereafter, the City Manager shall accrue and have credited vacation and sick leave at the same rate as other administrative employees of the City.

In addition, the City Manager will receive up to 5 days of administrative leave to deal with issues associated with relocating from Palm Harbor, Florida, to Rockville, Maryland.

#### Section 14: Termination

The City may terminate the City Manager at any time for any reason including, but not limited to, a conflict in management style or philosophy. In the event the City Manager is terminated by the Mayor and Council, and the City Manager is still willing and able to perform the duties under this agreement, then, in that event, the City agrees to pay the City Manager a one-time lump sum cash payment equal to nine (9) months' aggregate salary. In addition, the one-time lump sum cash payment will include the City's portion of the City Manager's health and dental insurance benefits through COBRA for nine (9) months. The health and dental coverage the City will contribute to through COBRA will be the health and dental coverage the City Manager had at the time of termination. The City will also include in the one-time lump sum cash payment the 2% administrative cost for COBRA for the nine (9) months coverage. Upon termination, the City Manager is entitled to payout of any accrued annual leave but is not entitled to payout of any accrued sick leave.

In the event the City Manager is terminated because of his commission of any act which involves moral turpitude, then, in that event, the City shall have no obligation to pay the one-time lump sum cash payment and shall have the right to immediately terminate this Agreement without payment of any further compensation to the City Manager.

Section 15: City Manager Resignation

In the event that the City Manager desires to voluntarily resign his position from the City, the City Manager shall give the City at least sixty (60) days' notice prior to the effective date of resignation and, upon such resignation, the City shall have no further obligations to the City Manager under this Agreement.

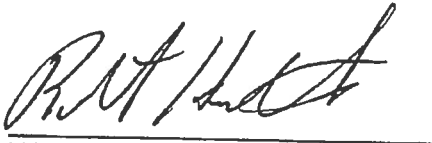
Section 16: Defense and Indemnification

The City Manager is entitled to immunity from liability, and defense and indemnification, as prescribed under Section 5-507 of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland and the provisions of Section 2-46, et seq., of the Rockville City Code.

Section 17: General Provisions

This Agreement shall constitute the entire Agreement between the City Manager and the City and shall supersede all prior contracts, agreements, and understanding between the parties. Any modification to this Agreement must be in writing signed by both parties and this Agreement may not be assigned by either party to any other party.

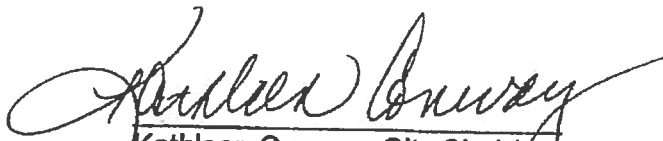
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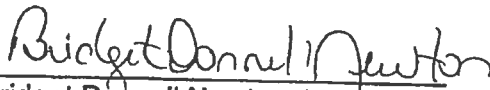
  
\_\_\_\_\_  
Witness  
Robert Hackworth

  
\_\_\_\_\_  
Robert DiSpirito

Attest:

The Mayor and Council of Rockville

  
\_\_\_\_\_  
Kathleen Conway, City Clerk/  
Director of Council Operations

By:   
\_\_\_\_\_  
Bridget Donnell Newton, Mayor