

## AGREEMENT

THIS IS AN “AT WILL” EMPLOYMENT AGREEMENT (“Agreement”), made and entered into this 9<sup>th</sup> day of April, 2024, by and between **The City of Rehoboth Beach**, a municipal corporation of the State of Delaware, with offices at 229 Rehoboth Avenue, Rehoboth Beach, DE 19971 (hereinafter “City”), as party of the first part, and **Taylor R. B. Tedder** (hereinafter “City Manager”) as party of the second part.

## WITNESSETH

WHEREAS, the City wishes to employ Taylor R. B. Tedder as City Manager of The City of Rehoboth Beach; and

WHEREAS, it is the desire of the City to: (1) retain the services of City Manager and; (2) make possible full work productivity by assuring City Manager’s morale and peace of mind with respect to his job satisfaction; (3) act as a deterrent against misfeasance, malfeasance, or dishonesty for personal gain on the part of City Manager; and (4) provide a just means for terminating City Manager’s services at such times as he may be unable to fully discharge his duties or should the City otherwise desire to terminate his employment;

NOW THEREFORE, in consideration of their mutual promises, forbearances, covenants, and undertakings, the parties hereto, intending to be legally bound, agree as follows:

### Section 1. - Duties; Confidentiality

- 1.1 The City agrees to employ Taylor R. B. Tedder as City Manager of The City of Rehoboth Beach, and he agrees to accept such employment, to perform the functions and duties specified in the Charter of the City of Rehoboth Beach and the Municipal Code of the City of Rehoboth Beach as they may from time to time be amended, and to perform such other legally permissible and proper duties and functions as the City shall from time to time assign to City Manager, including those contained in the official job description for the position of City Manager as adopted by the Commissioners of the City of Rehoboth Beach (Commissioners) and as may be amended from time to time.
- 1.2 Unless otherwise provided in this Agreement, City Manager’s employment is subject to the provisions of Chapter 46 of the Municipal Code governing personnel policies. As provided in Chapter 46, as a condition of employment, City Manager shall provide a physician’s certification that City Manager is physically capable of performing job-related functions (with or without reasonable accommodation) and shall complete and pass a drug and alcohol test.

- 1.3 City Manager is expected to attend to his duties and responsibilities during the regular work week of the City and to be available during the normal business hours of the City as well as hours outside of normal business hours. City Manager will be expected to attend monthly meetings of the Commissioners. Where appropriate, he may designate a representative to attend other meetings on his behalf that take place outside of normal business hours, subject to the authority of the Commissioners, in their sole discretion, to direct that City Manager attend a meeting in person. City Manager is expected to make reasonable efforts, consistent with his normal work responsibilities and duties, to appear in public and at public events, including outside of City Hall, and interact with the citizens of the City.
- 1.4 City Manager acknowledges that in the course of his employment as City Manager of the City of Rehoboth Beach he will acquire confidential information, including information concerning the City's technical, business, municipal, or financial operations, and/or information received from third parties under conditions of confidentiality. City Manager further acknowledges that the disclosure of such information, except as permitted under the Delaware Freedom of Information Act or required by Court Order or as otherwise authorized or permitted by the Commissioners or by law, is contrary to the best interests of the City and/or constitute an invasion of privacy of private citizens. City Manager therefore acknowledges and agrees that, except as otherwise permitted or authorized by the Commissioners, by law, or by Court Order, he will exercise reasonable care to protect the confidentiality of such information at all times during his employment with the City, that he will not improperly disclose or communicate such information to any third party, and that he will not improperly use such information for his own personal benefit or gain or for the personal benefit or gain of any third party. City Manager further agrees and covenants to maintain this confidentiality paragraph for a period of ten (10) years after leaving the employment of the City for any reason, unless ordered not to do so by a court of competent jurisdiction. City Manager shall give notice to the City of any such court order within forty-eight (48) hours of receipt of demand or request for such disclosure. This paragraph shall survive the term of this Agreement.
- 1.5 Intellectual Property Ownership. The City of Rehoboth Beach retains all rights, title and interest in and to all City publications, releases, and related information content, data, exams, materials, software and all copyrights, patent rights, trademark rights and other propriety rights therein. All rights not expressly granted by the City or Rehoboth Beach to the City Manager are expressly reserved to the City.

- 1.6 City Manager acknowledges the City’s commitment to equal employment opportunity and will manage the City in a nondiscriminatory manner, in accordance with federal and state law and the City’s personnel policies.

Section 2. - Term

- 2.1 This Agreement shall become effective upon signature of both parties, and shall continue as afforded in Section 17(c) of the City Charter, as may be amended from time to time.
- 2.2 Start Date. The anticipated start date of employment is May 15, 2024.

Section 3. - Compensation

3.1 Base Salary

- (a) The City agrees to pay City Manager, for his services rendered pursuant hereto, an annual salary of two hundred-fifty thousand dollars (\$250,000) minus withholdings as required by law or other deductions authorized by him, payable in installments at the same time as other employees of the City are paid. City Manager acknowledges that the position of City Manager of the City of Rehoboth Beach is an “exempt” position.
- (b) After evaluation of the City Manager annually, the Commission may choose to increase the City Manager’s base pay. The City Manager will also receive any increase to pay and benefits afforded to all other regular full-time employees.
- (c) If the City is implementing an across-the-board decrease in all employees’ salaries, the City Manager’s salary may also be decreased by the same percentage.

3.2 Deferred Compensation

- (a) The City shall, in addition to the base salary in Section 3.1, on an annual basis contribute 5% of salary in the first twelve months of employment to the City’s 457 (b) defined contribution plan. Thereafter, each year effective on the anniversary of Employee’s start of employment, the amount contributed shall increase by 1% of salary, and will cease increasing once the contribution reaches 10% of salary.

Section 4. - Other Benefits –

During the Term of this Agreement, City Manager shall be entitled to the benefits contained in this section. If a benefit is provided to other City employees but not stated here, the City Manager shall be afforded the same benefit as the other City employees enjoy.

4.1 Vacation

- (a) City Manager shall accrue 160 hours of vacation annually, accruing at 13.33 hours per month. Unused vacation may be carried over to the next calendar year to a maximum of an aggregate of 80 hours. By execution and delivery of this Agreement, City Manager agrees that permitting City Manager to use unaccrued leave is a benefit to which he is not otherwise entitled. Thus, any used but unaccrued leave may be withheld from his final paycheck. City Manager may not schedule more than 40 total hours of vacation between May 15 and September 15 of any year, without approval of the Mayor.
- (b) City Manager shall be credited with 80 hours of vacation upon starting employment with the City.

4.2 Sick Leave

- (a) City Manager shall accrue and may use sick leave consistent with City Code Section 46-18 as may be amended from time to time.
- (b) City Manager shall be paid for accumulated sick leave as afforded by City Code Section 46-18(F) as may be amended from time to time.

4.3 Holidays - City Manager shall receive paid holidays as established by ordinance for all employees, currently 14 ½ days in years when there is a national general election and 13 days in years when there is no national general election. As do all City employees, the City Manager receives two personal days per year, which do not carry from year to year and have no cash value.

4.4 Health, Dental and Disability Insurance – Except as otherwise identified herein, City Manager shall be entitled to health, dental and disability insurance under the same terms as provided to the City’s full-time employees, as may change from time to time. The City shall pay 90% of the cost of health insurance for the City Manager and his spouse.

- 4.5 Insurance – Notwithstanding the provisions in City Code, the City shall provide City Manager with life insurance equal to three (3) times the annual base salary and death and dismemberment insurance equal up to \$100,000.
- 4.6 Pension – The City will contribute on behalf of the City Manager to the thrift plan made available by the City to its employees, under the same terms as provided to City’s other full-time employees.
- 4.7 Vehicle Allowance - The City agrees to provide City Manager a \$750 monthly allowance for the use of his private vehicle for transportation within the City and for any meeting he is required to attend within 60 miles of the City. The City Manager shall, in addition, be reimbursed for use of such vehicle for official travel to and from destinations over 60 miles outside the City at the same rate that is paid to other City employees for similar travel.
- 4.8 Cell Phone - The City shall provide the City Manager with a monthly allowance of sixty dollars (\$60) per month for the use of his personal cell phone for official business.
- 4.9 Technology - The City shall provide the City Manager with a laptop computer and iPad.

#### Section 5. - Performance Evaluation

- 5.1 The City shall review and evaluate the performance of City Manager at six months after the effective date of this Agreement and at one year after the effective date of this Agreement. Thereafter, the City shall review and evaluate the performance of City Manager at least once annually in advance of the adoption of the City’s annual operating budget. At the 12-month review and annually, compensation will be considered by the Commissioners. Said review and evaluation shall be in accordance with specific criteria developed by the City. Criteria for review may be added to or deleted from as the City may from time to time determine after consultation with City Manager. Further, the City shall provide City Manager with a summary written statement of the evaluation and provide an adequate opportunity to discuss his evaluation with the Commissioners.
- 5.2 Annually the Commissioners may define goals and performance objectives which they determine necessary for the proper operation of the City and to achieve the City’s policy objectives; and may further establish a relative priority among those various goals and objectives and reduce the said goals and objectives to writing. The goals and objectives shall generally be attainable within the time limitations specified and within the annual operating and capital budgets and appropriations provided.

Section 6. - Outside Activities - City Manager shall devote his full time and attention to the City's business and shall not be engaged in any other business activity, whether or not such activity is pursued for profit, without the prior written consent of the City. City Manager is allowed to continue his part-time employment with Wichita State University that he currently has, provided, however, that such employment shall be (a) performed remotely; (b) on City Manager's own time; (c) be secondary to job duties as City Manager; and (d) shall not interfere with said job duties. The City Commission may, by majority vote, withdraw this permission for City Manager to continue with the part-time employment described in this Section 6. Notwithstanding the foregoing, City Manager may invest his assets in such form or manner as will not require any services on City Manager's part.

Section 7. - Residence - While employed as City Manager, City Manager shall reside within 15 miles from the City of Rehoboth Beach City Hall, 229 Rehoboth Avenue, Rehoboth Beach, DE 19971, unless otherwise authorized by the Mayor and Commissioners.

Section 8. - Moving and Relocation/Housing Expenses - City shall pay up to \$50,000 toward moving and relocation expense for the City Manager and his family. This shall be paid upon presentation of receipts for expenses incurred during the first twelve months following the effective date of this Agreement, for travel and lodging, moving expenses, returning to his prior area of residence for addressing personal affairs, and seeking housing in Delaware. The City Manager shall relocate permanently to housing as specified in Section 7 of this Agreement no later than one year from the date of hire.

A one-time conditional no-interest loan of \$750,000 ("Loan") shall be provided to the City Manager. The Loan shall be provided to facilitate the purchase of a home and shall be provided to the City Manager approximately contemporaneously with such a home purchase. The loan shall be available following the effective date of this Agreement. Processing for the Loan will not commence until the City Manager presents evidence of:

- a) a duly and mutually executed real estate contract to purchase a residence in an area consistent with this Agreement,
- b) the City Manager having offered, and the seller or builder having received, earnest money to purchase such a residence,
- c) sufficient funds to close on such a residential real estate transaction (inclusive of the Loan), and
- d) the following documents-the City Manager and spouse shall execute and deliver upon presentment a promissory note, amortization schedule, mortgage, lien, confession of judgment and such other reasonable and customary documents to secure an interest in the Loan proceeds.

The Loan shall be forgiven as follows,

- 1) On the fourth anniversary of the provision of the Loan, 15% of the Loan shall be deemed forgiven.
- 2) On the fifth anniversary of the provision of the Loan, 15% of the Loan shall be deemed forgiven.
- 3) On the sixth anniversary of the provision of the Loan, 30% of the Loan shall be deemed forgiven.
- 4) On the seventh anniversary of the provision of the Loan, 40% of the Loan shall be deemed forgiven.

City Manager must be actively employed by and attending to his duties on each of the above-referenced anniversary dates in order to obtain forgiveness of a portion of the Loan. The Loan requires no payment to principal while City Manager is actively employed by the City and attending to his duties.

Any amounts forgiven will be deemed income for purposes of taxation. The City makes no other representations as to the tax implications of the loan.

Notwithstanding the foregoing, amounts deemed forgivable shall not be forgiven in the event City Manager dies, becomes disabled, or separates from employment, for any or no reason, or City Manager is terminated, for any or no reason, on or before the fourth anniversary of the commencement of his employment.

Upon such an event, the entire amount of the Loan (\$750,000) shall become due and payable within: a) voluntary resignation: 60 days; b) disability, termination for any or no reason: 180 days; c) in the event of death, the City's life insurance policy proceeds will be directed to satisfy the current loan balance payable as soon as practicable.

If the City Manager dies, becomes disabled, or separates from employment, for any or no reason, or City Manager is terminated, for any or no reason, after the fourth anniversary of the commencement of his employment, amounts deemed forgiven shall reduce the amount of the Loan. Upon such an event, the then outstanding balance of the Loan (\$750,000 less amounts forgiven previously) shall become due and payable within: a) voluntary resignation: 60 days; b) disability, termination for any or no reason: 180 days; c) in the event of death, the City's life insurance policy proceeds will be directed to satisfy the current loan balance payable as soon as practicable.

Section 9. – Business Expense Reimbursement – Within the amount budgeted annually the City shall reimburse City Manager for the travel, entertainment and all other business-related expenses reasonably incurred by him, and approved by the Commissioners, in the performance of his duties hereunder in accordance with the City’s policies as in effect and modified from time to time for the City Manager. Claims for reimbursement shall be presented to the Mayor of the City of Rehoboth Beach within 30 days of the date the cost was incurred. These include professional dues, including dues in the International City/County Management Association (ICMA), Delaware League of Local Governments (DLLG), International Economic Development Council (IEDC) and subscriptions necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for City Manager’s continued professional participation, growth, and advancement, and for the good of the City. These also include travel and subsistence expenses for professional and official travel, professional conferences and meetings, travel fees and occasions to adequately continue the professional development of City Manager and to pursue necessary official functions for the City. Receipts or other documentation shall accompany all reimbursement requests.

Section 10. – Professional Development – The City Manager will maintain a membership in the International City/Council Management Association (ICMA) and will abide by the ICMA Code of Ethics.

Section 11. – Indemnification – The City shall defend, save harmless, and indemnify City Manager against any tort, professional liability claims or demand or other legal action, whether groundless or otherwise, brought by any third party, arising out of any alleged act or omission occurring in the performance of City Manager’s duties as City Manager. The City may compromise and settle any such claim or suit and pay the amount of any such settlement, or the City may litigate and defend against any such claim or suit.

Section 12. – Bonding – The City shall bear the full cost of any fidelity or other bonds required of City Manager under the law, or any governing ordinances, or as required by the Commissioners.

Section 13. – Termination and Severance Pay – City Manager agrees that *he is an at will employee* and subject to termination at any time. Anything in this Agreement to the contrary notwithstanding, nothing herein shall prevent, limit, or otherwise interfere with the right of the City to terminate the services of City Manager at any time subject only to the provisions set forth in Section 17 of the City Charter. However, during the period of time 90 days prior to an annual municipal election and 90 days after an annual municipal election, a super majority vote (at least six Commissioners) of the Commissioners is required to terminate the services of the City Manager.



13.1 In the event City Manager is terminated by the Commission for convenience, and without cause, and during such a time the City Manager is willing and able to perform his duties under this Agreement, then in that event, City agrees to pay City Manager a severance payment equal to six (6) months' base salary to be paid in a continuation on the existing bi-weekly basis along with existing elected health benefits; provided, however, that in the event City Manager is terminated for cause (as set forth below), City shall have no obligation to pay the base severance sum or continued benefits designated in this Section 13. For purposes of this Agreement, termination "for cause" shall include, but not be limited to, any one or more of the following:

a) City Manager's commission of any act of fraud, misrepresentation or conviction of a felony or a crime involving moral turpitude or commission of another criminal act other than minor traffic offenses which do not reflect adversely on the City, and which do not interfere with the performance of employment duties hereunder;

b) City Manager's embezzlement, misappropriation, or commission of any other fraudulent act against the City;

c) City Manager's violation of the International City/County Management Association's (ICMA) code of ethics.

13.2 Notice Provision. The City Manager must provide a minimum of 60 days notice of intention to terminate employment.


Termination and severance pay shall be subject to the applicable provisions of the City Charter section 17, the Municipal Code, and this Agreement.

Section 14. - Surrender of City Property - Upon the cessation of his employment as City Manager (through resignation, termination, or expiration of his term of employment) or, if the Commissioners so request in writing upon his suspension, City Manager shall promptly turn over, surrender, and deliver to the City all personal property, tangible or intangible, of whatever kind or nature, and wherever located belonging to the City or to which the City has superior possessory rights, including by way of example and not in limitation, all, keys, magnetic key cards & fobs, motor vehicles, office equipment, cell phones, computers, computer drives and/or disks, books, records, cash, credit cards, checkbooks, supplies, and uniforms.

Section 15. - Disability - This Agreement shall be immediately null and void and without further effect (other than as it regards the Loan as outlined in Section 8, or applicable life insurance benefit) upon the death or permanent and total disability of City Manager. For purposes of this Agreement, City Manager shall be deemed to be permanently and totally

disabled if (a) a guardian is appointed for his person or property, or both, or he becomes permanently and totally disabled, based on medical certification and is thereby prevented from performing the principal duties of his regular occupation with the City; and/or (b) he has been unable to perform the principal duties of such regular occupation with the City for a period of three (3) consecutive months. Upon termination of this Agreement under this section, City Manager shall be paid all unused vacation and sick leave in accordance with City Code.

Section 16. - Notices - Notices pursuant to this Agreement shall be given in writing by personal delivery or by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- (1) The City: Mayor, City of Rehoboth Beach  
229 Rehoboth Avenue  
Rehoboth Beach, DE 19971
- (2) City Manager: Taylour R. B. Tedder  


Subsequent to relocation, City Manager shall inform the Mayor and the Chair of the Personnel Committee, in writing, of an address in Sussex County, Delaware, that shall serve in lieu of the foregoing for purposes of this Section 16.

Notice shall be deemed as given as of the date of the 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 17. - Governing Law - This Agreement shall be governed by the laws of the State of Delaware (without regard to its conflict of laws provisions) notwithstanding the fact that one or more parties may now or later become a resident of another state. The parties irrevocably consent to the exclusive jurisdiction of the federal or state courts of the State of Delaware for any dispute arising from this Agreement or City Manager's employment.

Section 18. - Fair Labor Standards Act - City Manager understands, acknowledges, and agrees that the position of City Manager is exempt from the Fair Labor Standards Act based upon the salary and duties provided in this Agreement.

Section 19. - Severability - If any section, paragraph, sentence, or clause of this Agreement is determined or declared to be invalid or unenforceable by any court of competent jurisdiction, the remainder hereof shall remain in full force and effect.

Section 20. - Entire Agreement - This Agreement constitutes the entire understanding of the parties, except that the Personnel chapter of the City Code governs the employment

relationship unless otherwise provided in this Agreement. This Agreement supersedes any and all prior agreements between them. There are not representations or warranties other than those herein contained.

Section 21. - Amendments - This Agreement shall not be amended except in writing executed by all parties hereto.

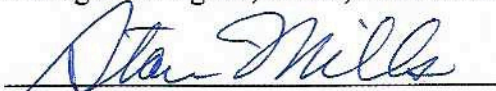
Section 22. - Binding Effect - This Agreement shall be binding upon the parties hereto, their administrators, successors, and assigns.

Section 23. - Consultation with Counsel; No Representations - City Manager agrees and acknowledges that he has had a full and complete opportunity to consult with counsel of his own choosing concerning the terms, enforceability, and implications of this Agreement. City Manager and the City both acknowledge that neither party has made any representations or warranties to the other party concerning the terms, enforceability, or implications of this Agreement other than as are reflected in this Agreement.

Section 24. - Headings - Headings and captions used hereunder are solely for the convenience of the parties and shall have no legal significance in construing the terms of this Agreement.

Section 25. - Non-Waiver - The failure of either party to exercise any of its rights under this Agreement for a breach thereof shall not be deemed to be a waiver of such rights or a waiver of any subsequent breach.

**IN WITNESS WHEREOF**, The City of Rehoboth Beach has caused this Agreement to be signed and executed in its behalf by its Mayor, and duly attested by its Secretary, and City Manager has signed, sealed, and executed this Agreement the day and year first written above.



Mayor, City of Rehoboth Beach



Secretary, City of Rehoboth Beach  
VICE PRESIDENT



Taylor R. B. Tedder



Witness

Kristol Bias



