

RESOLUTION NO. 23-2000

A RESOLUTION OF THE CITY COUNCIL OF LAGO VISTA, TEXAS, EXTENDING THE TERM OF AN AGREEMENT PROVIDING FOR THE EMPLOYMENT OF TRACIE HLAVINKA AS CITY MANAGER THROUGH OCTOBER 31, 2023.

WHEREAS, the City of Lago Vista, Texas (the “City”) is a home rule municipality located in Travis County, Texas, created under the provisions of Chapter 9 of the Texas Local Government Code and operating according to the enabling legislation of the State of Texas; and

WHEREAS, the City has retained Tracie Hlavinka as the City Manager (“Manager”), as provided by the original Employment Agreement (“Agreement”), effective July 14, 2021; and

WHEREAS the City and Manager desire to provide for certain procedures, benefits, and requirements regarding the employment of Manager by the City; and

WHEREAS, Manager wishes to accept continued employment as City Manager of said City under the terms and conditions recited in the Amended Employment Agreement; and

WHEREAS, it is the desire of the City Council to extend the term of the Manager’s employment under Section B of the Agreement through October 31, 2023; and

WHEREAS, the Parties agree that the terms and conditions as set forth in “Exhibit A”, that document entitled *“Amended Employment Agreement”* executed July 10, 2023 attached hereto and fully incorporated herein, shall remain in full force and effect.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, THAT:

SECTION 1. FINDINGS OF FACT. All the above and foregoing recitals are hereby found to be true and correct legislative findings of the City and are incorporated herein as findings of fact.

SECTION 2. AMENDMENT. The City Council of the City of Lago Vista, Texas, does hereby amend the Employment Agreement between the City and Manager as provided in the attached “Exhibit A”.

SECTION 3. The City Council authorizes the Mayor to execute the Amended Employment Agreement.

SECTION 4. REPEALER. All ordinances, orders or resolutions heretofore passed and adopted by the City Council of the City of Lago Vista, Texas, are hereby repealed to the extent said ordinances, orders or resolutions or parts thereof are in conflict herewith.

SECTION 5. SEVERABILITY CLAUSE. If any section, subsection, article, paragraph, sentence, clause, phrase or word in this Resolution is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution, and the City Council hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 6. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage and publication in accordance with the provisions of the *Texas Local Government Code*.

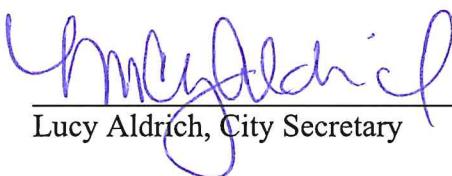
SECTION 7. OPEN MEETINGS. It is hereby officially found and determined that the meeting at which this resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the *Texas Government Code*.

AND, IT IS SO RESOLVED.

PASSED AND APPROVED this 6th day of July, 2023.


Ed Tidwell, Mayor

ATTEST:


Lucy Aldrich, City Secretary



On a motion by Councilor Durbin, seconded by Councilor Roberts, the above and foregoing instrument was passed and approved.

EXHIBIT “A”

AMENDED EMPLOYMENT AGREEMENT

This agreement is made and entered into this 6th day of July, 2023 (the "Agreement"), between the CITY OF LAGO VISTA, TEXAS, hereinafter called CITY, and Tracie Hlavinka, hereinafter called EMPLOYEE, pursuant to these terms and conditions:

WHEREAS, the CITY wishes to employ the services of EMPLOYEE as City Manager of the CITY; and

WHEREAS, the CITY and EMPLOYEE desire to provide for certain procedures, benefits and requirements regarding the employment of EMPLOYEE by the CITY; and

WHEREAS, EMPLOYEE wishes to accept employment as City Manager of said CITY under the terms and conditions recited herein.

NOW, THEREFORE, CITY and EMPLOYEE agree to the following:

A. Term

1. The term of this Agreement shall be for a period beginning on the Effective Date (as defined in Section M(4), below) and continuing through October 31, 2023. The Agreement may be renewed or extended by agreement of the parties. Any renewal or extension shall be negotiated a minimum of thirty (30) days prior to the expiration date.
2. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the City Council to terminate the services of EMPLOYEE at any time, subject only to the provisions set forth in Section H.

B. Responsibilities and Hours of Work

1. The responsibilities of EMPLOYEE as the City Manager shall be in accordance with Texas laws, the CITY's Charter, all ordinances and resolutions of the CITY and such policies as shall be adopted from time to time by the City Council.
2. The EMPLOYEE acknowledges the proper performance of the duties of the City Manager of the CITY will require the EMPLOYEE to generally observe normal business hours. The EMPLOYEE agrees to devote such additional time as is necessary for the full and proper performance of the Manager's duties and that the compensation herein provided includes compensation for the performance of all such services.

C. Compensation

CITY agrees to pay EMPLOYEE for services rendered pursuant hereto an annual base salary of one hundred and sixty-five thousand dollars (\$165,000.00) payable through the payroll system at the same time as other employees of the CITY are paid generally. The City Manager's performance and shall be evaluated at the end of the sixth (6th) month of employment, at which time the CITY may consider additional compensation up to the confines of the current budget. Thereafter, the EMPLOYEE may be considered for an annual pay increase in such amounts and to such extent as the City Council may determine that it is desirable to do on the basis of an annual salary review of said EMPLOYEE made at the same time as similar consideration is given other management employees generally.

D. Benefits

1. Insurance

CITY agrees to provide the EMPLOYEE with, and pay for, insurance policies for life, accident, health, medical, etc. on the same basis and in the same amounts as the CITY provides said health and welfare benefits to other employees.

2. Leave

Upon start of service and for first year of service, EMPLOYEE shall have 10 days (eighty (80) hours) of vacation time available for use. After one year of continuous service, EMPLOYEE shall accrue 20 days (one hundred and sixty (160) hours) of vacation time at a rate of 6.15 hours per pay period. If City Council approves an increase to the accrual rate, the highest rate shall be used. EMPLOYEE shall accrue sick leave as provided all other employees in accordance with the City's Personnel Policy.

3. Retirement

CITY agrees to pay the CITY's contribution for the Texas Municipal Retirement System.

4. Vehicle

EMPLOYEE shall be reimbursed the sum of six hundred dollars (\$600.00) per month for the use of EMPLOYEE's vehicle for official use. EMPLOYEE shall be responsible for the insurance, operation, maintenance and expense of said vehicle. Any business-related

travel outside of Travis County, Texas will be reimbursed by the CITY pursuant to the City's Personnel Policy.

5. Technology

- (a) Mobile Telephone. The CITY shall provide EMPLOYEE with a mobile telephone for professional use. All calls, text messages, and email constituting City business conducted by mobile phone should be conducted on the City issued phone and is subject to the Texas Public Information Act. Any identifiable charges, i.e., those outside of the calling plan, as reflected on the mobile telephone bill provided to EMPLOYEE each month, directly attributable to personal calls by the EMPLOYEE shall be promptly reimbursed by the EMPLOYEE.
- (b) Laptop Computer and Other Equipment. The City shall provide the EMPLOYEE with a Laptop/Tablet for remote access and computer and other office equipment necessary to perform the duties assigned. All work conducted on City owned equipment is subject to the Texas Public Information Act.

E. Residency and Relocation

- 1. EMPLOYEE agrees to obtain residency within the city limits of Lago Vista or request approval of outside residence in accordance with the City Charter. EMPLOYEE may request an extension of time to obtain such residency, approval of which shall not unreasonably be withheld by CITY.
- 2. Relocation expenses: CITY shall pay not more than ten thousand dollars (\$10,000.00) for relocation expenses. EMPLOYEE shall be entitled to draw from such amount as necessary and supported by receipts and documents provided to the CITY but in no event shall the CITY pay any amount over the above stated amount.

F. Professional Development & Memberships

- 1. CITY hereby agrees to budget for and to pay the reasonable travel and expenses of EMPLOYEE for professional and official travel, meetings and occasions adequate to continue the professional development of the EMPLOYEE to the annual conferences of the Texas City Management Association, the Texas Municipal League and the International City Management Association. The City Council shall be required to approve any attendance at conferences other than the annual conferences of the Texas City Management Association, the Texas Municipal League, and the International City Management Association.
- 2. CITY also agrees to budget and to pay for the reasonable travel and expenses of EMPLOYEE for short courses, institutes and seminar that are necessary and desirable for his professional development and for the good of the CITY.

3. CITY agrees to budget and to pay for the professional dues and subscriptions of EMPLOYEE necessary for his continuation and full participation in the International City Management Association and the Texas City Management Association.

G. Indemnification/Bonding/Confidentiality

1. CITY shall maintain liability insurance or risk pool coverage to the extent permitted by law. CITY shall defend, save harmless and indemnify EMPLOYEE against any tort, professional liability claims or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of EMPLOYEE's duties as City Manager. This section shall not be construed as creating any right, cause of action, or claim of waiver or modification of the availability of the defense of governmental immunity or any other legal defense available to either the CITY or the EMPLOYEE as to any third party; provided further that CITY shall not indemnify and hold harmless the EMPLOYEE from and with respect to any claim or liability for which the conduct of the EMPLOYEE is found by the courts to have been grossly negligent or intentional wrongful conduct. CITY will compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered hereon.
2. CITY shall bear the full cost of any fidelity or other bonds required of the EMPLOYEE under any law or ordinance.
3. All documents and materials prepared by EMPLOYEE while performing his duties as City Manager during the term of this Agreement shall be furnished to and become the property of the CITY without restriction or limitation on their use. All documents and information created by or provided to the EMPLOYEE in connection with the performance of this Agreement shall be held in confidence by the EMPLOYEE to the extent permitted by applicable law. Such materials or information shall not, without the prior written consent of the City Council, be used by EMPLOYEE for any purposes other than the performance of his duties nor shall such materials or information be disclosed to any person or entity not connected with the performance of services under this Agreement, except as required by law.

H. Termination/Termination Events/Severance

1. Termination Events
 - (a) Mutual agreement of the CITY and EMPLOYEE in writing and signed by the parties (severance and accrued leave possible by agreement);
 - (b) Retirement, resignation, death of the EMPLOYEE or conditions outlined in I (3) of this Agreement (no severance paid; accrued leave paid);
 - (c) Termination of EMPLOYEE for "cause" as defined herein (no severance paid; accrued leave paid).

accrued leave possible by agreement); or

(d) A Unilateral Severance (as defined and set forth below) (severance and accrued leave paid).

2. Cause: For purposes of this Agreement the term "cause" is defined as follows:

- (a) Any willful, knowing, grossly negligent, or negligent breach, disregard or habitual neglect of any provision, duty or obligation required to be performed or prohibited by the EMPLOYEE under this Agreement, under the Charter or ordinances of the CITY, the Personnel Policy of the CITY, or the laws of the United States or the State of Texas.
- (b) Any misconduct of the EMPLOYEE and charges are brought involving an act of moral turpitude, criminal illegality (excepting minor traffic violations), or habitual violations of the traffic laws, whether or not related to EMPLOYEE's official duties hereunder.
- (c) Any willful, knowing, grossly negligent or negligent misapplication or misuse, direct or indirect, by the EMPLOYEE of public or other funds, or other property, real, personal, or mixed, owned by or entrusted to the CITY, any agency or corporation thereof, of the EMPLOYEE.
- (d) Any material breach of this Agreement or failure to submit to or pass any required drug test or screening, whether or not related to EMPLOYEE's official duties.

3. Unilateral Severance: As one of the termination events specified above in Paragraph H.1, the CITY, by and through the City Council may end the employment relationship and terminate this Agreement, whether with or without cause, upon written notice to the EMPLOYEE as specified below and payment to the EMPLOYEE of the Severance Amount (as defined and set out below), the Severance Benefits (as defined and set out below) and the Current Obligations (the "Unilateral Severance"). If the CITY determines that it desires a Unilateral Severance, it shall provide written notice to the EMPLOYEE which specifies:

- (a) the Council has voted to pursue a Unilateral Severance pursuant to this Paragraph H of the Agreement,
- (b) the effective date of the Unilateral Severance ("Severance Effective Date"), and
- (c) the CITY's commitment to pay the Severance Amount (including a specific line-item breakdown of the items that constitute the total Severance Amount), the Severance Benefits and the Current Obligations. The total Severance Amount must be paid and payable on or before the first anniversary of the Severance

Effective Date and there shall be no limitations on the CITY making all deductions and withholdings required by law.

4. In the event EMPLOYEE is terminated by the Council and severance is required (Unilateral Severance), CITY agrees as to the Severance Amount and Severance Benefits as follows:
 - (a) In the event EMPLOYEE is terminated under a Unilateral Severance, EMPLOYEE receives Severance Amount according to the Severance Schedule below, together with the value of accrued vacation, holidays, compensatory time, and other accrued benefits up to a maximum of 480 hours as accrued by, or credited to, the EMPLOYEE prior to the termination, only.

Severance Schedule:

Completion of Years 1 and 2 = 6 months
Completion of Year 3 = 9 months
Completion of Year 4 = 10 months
Completion of Year 5 = 11 months
Completion of Year 6 and beyond = 12 months
 - (b) Severance Amounts shall be paid out in a lump sum.
 - (c) Under subsections (a) above, EMPLOYEE shall also be entitled to receive up to six (6) months of insurance (life, accident, health and/or medical) that other EMPLOYEES would have been entitled to have covered under the CITY's policies as Severance Benefits. Any additional coverages requested and paid for by EMPLOYEE shall not be covered upon termination.
 - (d) No other benefits or allowances shall be paid to EMPLOYEE upon termination. Should EMPLOYEE not have exhausted the relocation expense allotment, EMPLOYEE shall not be entitled to receive any further draws on such amounts after the date of termination.
 - (e) EMPLOYEE agrees to execute a full release of CITY and its officers, employees and representatives from any and all claims arising from EMPLOYEE's employment as a condition to receipt of any severance hereunder and acknowledges that any severance pay is construed as additional consideration for such full release. The parties agree that they will not make any disparaging comments or statements about each other.
 - (f) In the event EMPLOYEE is terminated under a Mutual Agreement, the CITY and the EMPLOYEE may consider some form of Severance and payment of accrued leave as set out in subsections (a)-(e) above.

I. Reductions and Resignation

1. In the event Council, at any time during the term of this Agreement, reduces the authority of the EMPLOYEE as City Manager or the salary or other financial benefits of EMPLOYEE in a greater percentage than an applicable across-the-board reduction for all employees of CITY, or in the event CITY refuses, following written notice, to comply with any other provision benefitting EMPLOYEE herein, or the EMPLOYEE resigns following a suggestion, whether formal or informal, by the Council that he resign, then, in that event, EMPLOYEE may, at his option, be deemed to the "terminated" at the date of such reduction or such refusal to comply within the meaning and context of the herein severance pay provision and shall be considered for the Unilateral Severance set forth above.
2. In the event EMPLOYEE voluntarily resigns his position, then EMPLOYEE shall give not less than thirty (30) days' notice in advance, unless the parties otherwise agree.
3. Except for FMLA qualifying events, if EMPLOYEE is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four (4) successive weeks beyond any accrued sick leave, or for twenty (20) working days over a thirty (30) working day period, CITY shall have the option to terminate this Agreement. EMPLOYEE shall be compensated for any accrued sick leave, vacation, holidays, compensatory time and other accrued benefits.

J. Performance Evaluations

1. The City Council shall review and evaluate the performance of the EMPLOYEE twice the first year: once prior to the end of the first six months of employment and second prior to the end the first year.
2. Thereafter, City Council shall review and evaluate the performance of the EMPLOYEE at least once annually before 1 October. Said review and evaluation shall be in accordance with criteria developed jointly by the City Council and the EMPLOYEE. Said criteria may be added to or deleted from as the Council may from time to time determine, in consultation with the EMPLOYEE. Further, the Mayor shall provide the EMPLOYEE with a summary written statement of the findings of the City Council and provide an adequate opportunity for the EMPLOYEE to discuss the evaluation with the Council.
3. Annually, the City Council and EMPLOYEE shall define such goals and performance objectives which they determine necessary for the proper operation of the CITY and in the attainment of the City Council's goals and shall further establish a relative priority among them. The goals so established for the City Manager shall generally be attainable

within the time limitations as specified and the annual operating and capital budgets and appropriations provided.

4. In effecting the provisions of this section, the City Council and EMPLOYEE mutually agree to abide by the provisions of applicable statutes, the City's Charter, ordinances, resolutions and adopted policies.

K. Outside Activities/ Additional Employment/Conflict of Interest

1. The City Council, in consultation 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 EMPLOYEE, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Lago Vista City Charter or any other law.
2. All provisions of the Charter, ordinances, policies, codes and rules and regulations of the CITY relating to vacation and sick leave, retirement and pension system contributions, holiday 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 CITY, in addition to said benefits enumerated specifically for the benefit of EMPLOYEE except as herein provided.
3. The EMPLOYEE shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the CITY, except for stock ownership in a company whose capital stock is publicly held and regularly traded on any stock exchange, without the prior written approval of the Council. For and during the Term of this Agreement, and except for properties which may be currently under negotiations, the EMPLOYEE shall, except for a personal residence or residential property acquired or held for future use as the EMPLOYEE's personal residence, not invest in any other real estate or property improvements within the CITY, without the prior written consent of the City Council.

L. Notices

1. Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

CITY: City of Lago Vista
 Attn: Mayor
 P.O. Box 4727
 Lago Vista, Texas 78645

EMPLOYEE: Tracie Hlavinka

2. EMPLOYEE shall be required to provide updated contact information after relocation.
3. Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

M. General Provisions

1. The text herein shall constitute the entire agreement between the parties.
2. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of EMPLOYEE.
3. If any provision, or any portion thereof, contained in this Agreement is held unlawful, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect. The parties agree to immediately renegotiate any part or provision in this Agreement rendered or declared invalid.
4. This Agreement shall be effective retroactively as of July 14, 2021 ("Effective Date").
5. In the event of any conflict between the terms, conditions and provisions of this Agreement and the Applicable Laws and Authorities, then, unless otherwise prohibited by law, the terms of this Agreement shall take precedence over the contrary provisions of the Applicable Laws and Authorities during the term of this Agreement.
6. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas and shall be performable in Travis County, Texas, unless otherwise provided by law.

Signature Page to follow

IN WITNESS WHEREOF, the City Council of the City of Lago Vista has caused this Agreement to be signed and executed in its behalf by its mayor, and duly attested by its City Secretary, and the EMPLOYEE has signed and executed this Agreement the day and year above written.

CITY:
City of Lago Vista

EMPLOYEE:

Ed Tidwell, Mayor

Tracie Hlavinka

ATTEST:

Lucy Aldrich, City Secretary