

**Employment Agreement
Between Scott Butler
And
City of Mesa**

This Employment Agreement ("Agreement") is entered into as of _____, 2025 by and between the City of Mesa, an Arizona municipal corporation ("Employer") and Scott Butler ("Employee"). Employer and Employee may be referred to individually as a "Party" and collectively as the "Parties."

I. Term

This Agreement will become effective on June 1, 2025 ("Effective Date") and will remain in full force and effect until terminated as provided herein.

II. Duties and Authority

Employee will perform the functions and duties of the City Manager as specified in the Mesa City Charter, Mesa City Code, and as directed by the Mesa City Council. The City Manager is an at-will position that serves at the pleasure of the Mesa City Council.

III. Executive Employee Benefits

Except as specifically modified by this Agreement, Employee is entitled to the same benefits of employment as other full-time, executive-level employees of Employer ("Executive Employees") including, but not limited to, sick time, medical, dental, vision, life insurance, discretionary time off, mileage reimbursement, contributions to the Arizona State Retirement System, the use of accrued leave, and payment of dues and travel for professional development.

IV. Compensation and Benefits

- a. Base Salary: Employee will be paid an annual base salary of \$345,000 payable in installments in the same manner as other City of Mesa employees. Employee is eligible for future salary increases based upon merit and performance, at the discretion of the Mesa City Council and evidenced through an amendment to this Agreement. If any cost-of-living percentage increases are provided in the City of Mesa budget for Executive Employees, then Employee will receive an automatic increase to his base salary in an amount equal to the percentage equivalent provided to the Executive Employees without necessity of amendment to this Agreement.
- b. Deferred Compensation: Each fiscal year, Employer will contribute 9% of Employee's base salary to Employer's 401(a) plan on behalf of Employee; all payments will be made in equal proportionate amounts each pay period and in accordance with the Internal Revenue Code. If the Internal Revenue Code limits the amount Employer can contribute to the 401(a) plan to an amount less than specified under this Subsection (b), such excess amount will be contributed to the Employee's 457(b) plan, up to the Internal Revenue Code allowable limit, payable in equal proportionate amounts each pay period.

- c. Communication and Vehicle Allowance; Insurance: Employee will be provided with a monthly communication allowance and vehicle allowance in the same amount as provided to the Mayor of the City of Mesa. Employee is responsible for the payment of all expenses related to the acquisition, operation, and maintenance of their personal vehicle that may be used for City of Mesa business; Employee is also responsible for obtaining insurance coverage for such vehicle, including liability, property damage, and comprehensive insurance. The insurance coverage obtained by the Employee will provide primary coverage on all claims and lawsuits related to the vehicle. For claims and lawsuits related to the vehicle asserted by third parties against the Employer and/or Employee, and that arise out of Employee's conduct during the course and scope of their employment with Employer, the Employer's insurance coverage will be secondary. In all other circumstances, Employer's insurance will be noncontributory.

- d. Vacation Time: Employee will accrue 20 hours of vacation time per month. As an exception to City of Mesa Personnel Rule 422(C), Employee is not limited to a maximum accumulation of vacation time of 240 hours and does not need to use 80 hours of vacation time each year. Employer also agrees to allow Employee to use Employee's accrued vacation time to fund a contribution into Employee's 457(b) Deferred Compensation account in accordance with the Internal Revenue Code and/or receive a predetermined excess payout at Employee's option. Upon separation for any reason from City of Mesa employment, Employee will be paid for all unused vacation time as set forth in the Personnel Rules.

- e. Sick Time: Upon retirement from the City of Mesa or death while employed at the City of Mesa, Employee is entitled to compensation for accumulated sick time hours as follows:
 - 1. Consistent with the benefits offered to other Executive Employees, Employee is entitled to compensation, at Employee's effective hourly rate of pay, for fifty percent (50%) of Employee's accumulated sick time hours. Compensated sick time hours under this Subsection (1) will not exceed 520 hours.

 - 2. To incentivize Employee to remain in the position of City Manager, Employee is entitled to compensation at Employee's effective hourly rate of pay for a percentage of Employee's accumulated sick time hours not compensated for under Subsection (1) up to a maximum 520 hours. The percentage will be calculated by dividing the number of full months as the City Manager by 120 months; at 10 years as the City Manager, the full 520-hour maximum allotment will be reached by Employee.

- f. Discretionary Time Off: Employee will receive an additional 40 hours of discretionary time off to be added annually to Employee's discretionary time balance on July 1st of each year. Any discretionary time off not used by the end of the fiscal year in which it is granted will be forfeited.

- g. Retirement Health Benefits: Prior to becoming the City Manager, Employee worked consecutively for the City of Mesa for more than 20 years, entitling him, upon retirement from the City of Mesa and the ASRS Retirement System, to the health insurance benefits (medical, dental, vision) provided to a 20-year qualified City of Mesa retiree under the 2025 Mesa Plan Document, as amended ("Retiree Benefits"). As the Employee is already entitled to the Retiree Benefits, so long as Employee is not removed from City of Mesa employment for being charged with a felony offense or any criminal offense involving moral turpitude, or because of his willful breach or habitual neglect of his duties under the Agreement, Employee will be entitled to the

Retiree Benefits as of the later of his retirement date from the City of Mesa or as of his retirement date and pension activation from the Arizona State Retirement System and continuing thereafter. For the purpose of this Agreement, “willful breach” requires the intentional ignoring of duties, and “habitual neglect” requires the repeated failure to fulfill duties over time, whether intentional or not.

- h. Residence: As required by Mesa City Charter Section 301, within 60 days after the Effective Date of this Agreement and for the term of his employment, Employee will reside in the City of Mesa.
- i. Performance Evaluation: Employee will receive a performance evaluation after 180 days as the City Manager and then annually thereafter on the same schedule as Mesa City Council appointed officers or as determined at the discretion of the Mesa City Council.

V. Removal and Resignation

- a. Removal Procedure: Pursuant to Mesa City Charter Section 302, Employee may be removed from the position of City Manager by a 2/3 vote of the Mesa City Council at any regular or special Council meeting.
- b. Removal With Cause: If Employee is removed from the position of City Manager for being charged with a felony offense or any criminal offense involving moral turpitude or because of his willful breach or habitual neglect of his duties under the Agreement, Employer will have no obligation to pay any amounts set forth in Subsection (c).
- c. Removal Without Cause: If Employee is removed from the position of City Manager without cause and will no longer work for the City of Mesa, and Employee executes a general release of all claims, Employee will be compensated for all his accumulated sick time at the Employee’s effective hourly rate up to a maximum 1,040 hours. Additionally, Employer may, so long as the Employee is not alleged to have committed a criminal offense, at its option and through the Mayor, enter into an agreement with Employee to allow the Employee to resign from the position of City Manager in lieu of removal and may include provisions to allow Employee to retain benefits outlined in this Subsection (c) provided Employee executes a general release of all claims.
- d. Resignation or Death: In the event Employee resigns his position with Employer, Employee will provide the Mesa City Council a minimum of 30 days’ written notice unless the Parties agree otherwise. If Employee resigns or dies while employed as the City Manager, Employer will have no obligation to pay the amounts set forth in Subsection (c).
- e. Termination; Survivability: This Agreement automatically terminates on the removal or resignation of Employee as City Manager or upon Employee’s death while employed as the City Manager except that any terms that reasonably should survive will survive, including, as applicable, Subsection IV(g).

VI. Other Terms and Conditions of Employment

- a. Applicability of Mesa Personnel Rules: The terms and provisions of the Mesa Personnel Rules, as amended, are applicable to Employee unless inconsistent with the terms of this Agreement.
- b. Severability: The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. If any provision of this Agreement is held to be invalid, the remaining provisions will remain in full force and effect as if they were executed by the Parties subsequent to the expungement or judicial modification of the invalid provision.
- c. Governing Law: This Agreement is governed by and construed in accordance with the laws of the State of Arizona. The Parties agree the venue for any claim surrounding this Agreement will be Maricopa County, Arizona.
- d. Complete Agreement; Amendments: This Agreement represents the complete agreement between the Parties as to Employee's employment as the City Manager. Any amendments to this Agreement must be in writing and signed by the Parties.

EMPLOYEE

CITY OF MESA

Scott Butler

Mark Freeman
Mayor

Date

Date

Approved as to form:

City Attorney's Office

Date