

EMPLOYMENT CONTRACT

THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

The City Commission of the City of San Juan, Texas (hereinafter "City") hereby employs Benjamin Arjona, as City Manager (hereinafter "City Manager"), and the City Manager hereby accepts the employment with the following terms and conditions:

I. TERM

The term of City Manager's employment shall be for one year commencing on February 14, 2024 and ending February 13, 2025;

Upon completion of the one (1) year period, this agreement will be terminated and the City's Commission will decide whether to renew and enter into a new agreement with the City Manager.

II. DUTIES

The City Manager shall be required to work as may be reasonably required to adequately discharge his responsibilities as City Manager. The duties and responsibilities of the City Manager shall be those detailed in the job description for said position attached hereto as **Exhibit A**.

III. NO CREATION OF TENURE OR PROPERTY INTERESTS

The City has not adopted any policy, rule regulation, law charter provision or practice providing for tenure as it relates to the City Manager's position. Additionally, no right of tenure is created by this Contract as it relates to the City Manager position. This Contract also does not create any property interest, express or implied, in continued employment as it relates to the City Manager beyond the term of this Contract.

IV. COMPENSATION

Salary: During the term of this Contract, the City shall pay the City Manager the equivalent of an annual salary of \$175,000.00. The salary shall be paid in twenty-six (26) equal bi-weekly installments. The City may not renew this contract for a period greater than one (1) year.

Other Benefits: During the term of this agreement;

- (a) The City shall provide the City Manager with an annual car allowance in the amount of \$5000.00 Dollars to be paid in twelve (12) monthly installments for the use of his personal vehicle while conducting City business;
- (b) Except as to the issues of hiring, terminating, renewing, not to renew, suspending, and the contract of City Manager, the City Manager shall be subject to the City's adopted personnel policies and procedures to the extent not in conflict herewith;

- (c) City Manager will be granted 10 day secured vacation upon approval of this contract to be used at his discretion. Such days will be in addition to any other vacation leave earned under the City's personnel policy;
- (d) City Manager will be entitled to insurance and benefits offered and/or provided to other city employees. Such employee's benefits shall be governed by the applicable plan documents, insurance policies, and/or employment policies, and may be modified, suspended, or revoked in accordance with the terms and provisions of such applicable documents or policies; and
- (e) City Manager will be provided cellphone and cellphone service at City's expense, for official City business.

V. EVALUATION

The City's governing body may evaluate and assess in writing the performance of the City Manager before the expiration of the probationary period and/or the agreement. Upon completion of this evaluation, the City Commission may use the results of the evaluation to determine whether to terminate, not renew, suspend or renew his employment contract.

VI. TERMINATION, NOT RENEW OR RENEWAL OF EMPLOYMENT CONTRACT

This employment contract may be terminated with or without cause at any time during the term of this agreement at the sole discretion of the City Commission. If the City Manager's employment contract expires on its own terms, the City Commission may decide not to renew the City Manager's employment contract and not enter into a new employment contract with same. Furthermore, the City Commission may decide to re-new an employment contract with the City Manager and enter into a new employment contract with the City Manager. As indicated, the City Commission may terminate or not renew Benjamin Arjona; however, he may be entitled to severance benefits as described below.

A. TERMINATION DURING THE CONTRACT PERIOD

A1. Termination "With Cause." The City may terminate this employment agreement and Benjamin Arjona "with cause", the grounds for which are defined below (VI. A. (A2.)). In the case of termination "with cause," the City shall have no obligation to Benjamin Arjona for salary, severance benefits, other compensation or any other form of benefits under this agreement except for compensation earned prior to the effective date of termination.

This paragraph concerning "with cause" termination, if triggered through commission of the acts described below by the City Manager, allows the City Commission to terminate Benjamin Arjona and nullify the requirement that it provide him with severance benefits.

A2. Grounds for Termination "With Cause." The City and Benjamin Arjona agree and approve a list of acts that constitute grounds for termination "with cause." The acts that constitute "with cause" are as follows:

1. Benjamin Arjona is arrested and convicted of a crime that is considered a felony;
2. Benjamin Arjona is arrested and convicted of a crime of moral turpitude such as any act of fraud or other crime involving dishonesty;
3. Benjamin Arjona is arrested and convicted for use of possession of illegal drugs or drugs/medication not prescribed to him;
4. Benjamin Arjona fails to comply with lawful directives from the City Commission;
5. Benjamin Arjona has a loss of mental capacity for more than six consecutive months as determined by a court of competent jurisdiction;
6. Benjamin Arjona commits habitual or willful neglect of his duties;
7. Benjamin Arjona is intoxicated on duty, whether by alcohol or non-prescription drugs;
8. Benjamin Arjona has inexcusable absences without leave;
9. Benjamin Arjona commits willful violation of the Federal, State, or City's discrimination laws concerning race, religious creed, color, national origin, ancestry, physical handicap, marital status, sex, age, concerning either members of the general public, City employee(s) while acting in the course and scope of employment and while acting without prior approval or direction of the City Commission as determined by a court of competent jurisdiction; and
10. Benjamin Arjona commits willful and unlawful retaliation against any other City employee or member of the general public who in good faith reports, discloses, divulges or otherwise brings to the attention of any appropriate authority any facts or information relative to actual or suspected violations of any law occurring on the job or directly related thereto as determined by a court of competent jurisdiction.

A3. Termination "Without Cause." The City may terminate this employment contract during the term of this agreement at any time "without cause." "Without Cause" will be defined as any act that is not listed within VI. A. (A2.). In the case of termination without cause, the City shall have an obligation to Benjamin Arjona for salary and severance benefits as described below:

The City and Benjamin Arjona agree that in the event Benjamin Arjona's contract is terminated during the contract period WITHOUT CAUSE, Benjamin Arjona shall be entitled to severance benefits equivalent to six (6) months of his salary. The severance benefits mentioned within this section of the contract will be paid monthly over six (6) months.

B. RENEWAL/NOT TO RENEW

B1. Renewal. If Benjamin Arjona's contract expires on its own terms and the City Commission decides to renew and employ him beyond the terms of this contract, the City Commission may negotiate the terms of the new contract.

B2. Not to Renew. If Benjamin Arjona's contract expires on its own terms and the City Commission decides not to renew and not employ him beyond the terms of this contract, the city shall pay the City Manager six (6) month's salary as severance benefits, in addition to all other benefits allowed under the City's personnel policy. The severance benefits in this case will be the equivalent of six (6) month's salary and will be paid monthly over six (6) months.

VII. REMOVAL PROCEDURES

Upon terminating, suspending or not renewing the City Manager, the City Commission will remove the City Manager from office in accordance with the procedure outlined within Section 3.02 of the City's Charter.

VIII. RESIGNATION

Benjamin Arjona may resign his employment under this Contract at any time by submitting his written resignation to the City's governing body in care of the Director of Human Resources. The aforementioned written resignation must provide the City Commission with a minimum of two (2) weeks' notice prior to his last day of employment with the City. The two (2) week notice period will begin upon receipt of the resignation by the Director of Human Resources. The resignation shall be irrevocable upon receipt by the Director of Human Resources.

IX. MISCELLANEOUS

Controlling Law: This contract shall be governed by the laws of the State of Texas and shall be performed in Hidalgo County, Texas.

Complete Agreement: All agreements, both verbal and written, between City Manager and the City regarding the employment of the City Manager have been merged into this Contract. This Contract constitutes the entire agreement between the parties, and all other prior agreements, if any, are hereby superseded and declared unenforceable. This Contract cannot be varied except by written agreement of the undersigned parties, except as expressly provided herein.

Conflict: In the event of any conflict between the terms, condition, and provision of this Contract and the provisions of the City charter, policies and ordinances, or any permissive state or federal law, then unless otherwise prohibited by law, the terms of the City's Charter shall take precedence over the conflicting provisions.

Saving Clause: In the Event any one or more of the provisions contained in this Contract shall for any reason, be held to be invalid, illegal or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained therein.

Modification: This Contract may only be modified as approved by the parties in writing.

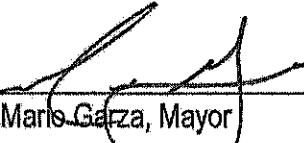
CITY MANAGER



Benjamin Arjona, City Manager

2/15/2024
Date

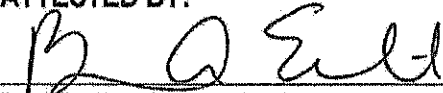
CITY OF SAN JUAN, TEXAS



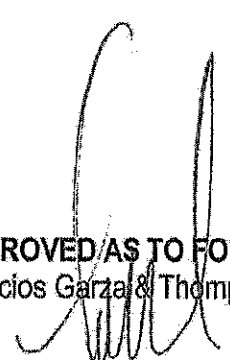
Mario Garza, Mayor

02/27/24
Date

ATTESTED BY:



Brenda Escalante, City Secretary


APPROVED AS TO FORM:
Palacios Garza & Thompson, P.C.

City Attorney

2-27-24
Date