

## **Employment Agreement**

This Employment Agreement (the "Agreement") is made and entered into as of the 10th day of March, 2026 (the "Effective Date"), by and between the Town of Erie, a Colorado home rule municipal corporation with an address of 645 Holbrook Street, P.O. Box 750, Erie, CO 80516 (the "Town"), and Meredyth Muth ("Muth") (each a "Party" and collectively, the "Parties").

Whereas, the Town wishes to employ Muth as the Acting Town Manager pursuant to Section 8.01 of the Erie Home Rule Charter (the "Charter") and Section 1-6-2 of the Erie Municipal Code (the "Code"); and

Whereas, Muth wishes to accept employment as the Acting Town Manager under the terms set forth in this Agreement.

Now therefore, for the consideration hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Employment.**

a. Pursuant to the terms of this Agreement, the Town agrees to employ Muth as Town Manager, and Muth accepts such employment. As the Acting Town Manager, Muth shall be responsible for the organization and efficient administration of all administrative departments of the Town, in accordance with applicable law and the job description attached hereto and incorporated herein by this reference. During the term of this Agreement, Muth agrees to remain in the exclusive employ of the Town and neither to accept nor to become employed by any other employer. The term "employed" shall not be construed to include occasional teaching, writing, or consulting, as approved by the Town Council, performed on Muth's time off with prior written approval of the Town Council.

b. Muth is permitted to exercise a flexible work schedule. However, consistent with this flexibility and Muth's participation in activities out of the office, Muth will generally be expected to keep office hours at Town Hall during normal business hours at least 3 days per week.

c. Muth's appointment is that of an employee at-will.

2. **Term.**

This Agreement shall begin on February 25, 2026, and continue until December 31, 2026; provided that nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Town Council to terminate this Agreement at any time for any reason, and nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Muth to resign at any time, for any reason. Nothing contained in this

Agreement shall be deemed or construed as creating any property or other right to a continuation of Muth's employment.

Muth agrees the Town Council may extend this Agreement for not more than two (2) thirty-day (30-day) periods under the same terms and conditions by providing written notice of the same to the Acting Town Manager ("Extended Expiration Date"). Under no circumstances shall this Agreement be effective after the Extended Expiration Date unless the parties agree in writing to extend this Agreement under terms and conditions mutually satisfactory to the parties

3. Compensation.

a. For her employment as Acting Town Manager, Muth shall be compensated at an annual base salary of \$230,000, which shall be payable in installments at the same time as other management employees of the Town are paid.

b. Muth shall devote her full professional energies, interest, abilities, and productive time to the performance of this Agreement. Muth shall be considered an exempt employee for purposes of the Fair Labor Standards Act, because Muth's duties may involve expenditures of time in excess of the regularly established workday or in excess of a 40-hour workweek and will regularly include time outside normal office hours (including attendance at Town Council meetings, board and commission meetings, and various community meetings, forums, and workshops). The compensation herein provided includes compensation for the performance of all such services and all hours worked.

4. Benefits. In addition to the Compensation set forth in Section 3, Muth shall receive the following benefits during her employment as Acting Town Manager:

a. *Insurance.* Health, life, vision and dental insurance shall be paid by the Town for Muth and her dependents in the same manner as for all other full-time employees of the Town.

b. *Disability.* The Town shall pay for short-term and long-term disability benefits for Muth in the same manner as for all other full-time employees of the Town.

c. *Holidays, Vacation and Sick Leave.* Muth shall receive paid holidays, vacation leave and sick leave in the same manner as for a full-time employee with at least 5 years of service to the Town.

d. *Retirement.* The Town agrees to pay, in installments at the same time as other management employees of the Town are paid an amount equal to Muth's personal contribution into Muth's Town of Erie 401a Plan, not to exceed 10% of Muth's base salary. All of the Town's contributions shall vest immediately on Muth's first day of employment. If the cumulative amount of the Plan contributions exceeds the then-current annual limit under the Internal Revenue Code for contributions to a deferred compensation plan, the

remainder of the Town's contributions shall be paid to Muth as taxable compensation in the applicable pay periods.

e. *Other Benefits.* Muth shall receive workers' compensation and other benefits paid by the Town in the same manner as for all other full-time employees of the Town.

f. *Mileage.* In exchange for Muth's use of her personal vehicle for travel for Town business, the Town shall reimburse Muth for mileage at the current federal rate. Mileage for commuting to and from work shall not be eligible for reimbursement.

5. Severance.

a. *Position Restoration.* Muth's employment as Acting Town Manager may be terminated by the Town Council at any time, with or without cause. In the event of her termination as Acting Town Manager by the Town Council for any reason, except as expressly provided below, Muth shall be restored to her former position as Director of Administrative Services and Operations, at which point she will become subject to the provisions contained in the Town's Personnel Guidelines, and with all benefits existing thereunder as of the date of termination of this Agreement, including any accrued retirement and leave.

Town Council may select a candidate to fill the position of Town Manager at any time during the course of Muth's employment, at which time she shall be restored to her former position as Director of Administrative Services and Operations, and will become subject to the provisions of the Town's Personnel Guidelines and with all benefits existing thereunder as of the date of termination of this Agreement, including any accrued retirement and leave. In the case of restoration to her former position under either of the foregoing sentences, Muth's compensation shall be adjusted to her Director of Administrative Services and Operations salary as of the date of this contract plus a 3% increase and benefits, including any accrued retirement and leave, as in effect at the date of termination of this agreement, and with retirement and leave balances adjusted to reflect time accrued and used while serving as Acting Town Manager.

b. *Amount and Payment.* If Muth is terminated from the Acting Town Manager position prior to a Town Manager being hired, is terminated rather than being restored to the Director of Administrative Services and Operations position, or is terminated within six months of being restored to the Director of Administrative Services and Operations position, the Town shall pay Muth six months' salary at the rate of Muth's Director of Administrative Services and Operations salary then in effect. The Severance Payment shall be paid once as a lump sum amount, provided that the retirement contributions set forth in Section 4.d shall be paid pre-tax into Muth's Town of Erie 401a Savings Plan, subject to all required withholding. The Severance Payment shall not be considered an extension of employment. If the amount of the contribution to the Town of Erie 401a Savings Plan included in the Severance Payment exceeds the then-current limit under the

IRS Code for a contribution to a deferred compensation plan, the remainder shall be paid to Muth in a lump sum as taxable compensation.

c. *Termination for Cause.* If the Town Council terminates Muth's employment for cause, Muth shall not be entitled to the Severance Payment or restoration to her former position as Director of Administrative Services and Operations. For purposes of this Agreement, "for cause" means any of the following: (i) conviction of any criminal act involving personal gain to Muth; (ii) conviction of a felony or any crime of moral turpitude; (iii) violation of the Town's Code of Ethics; and (iii) failure to perform any material term of this Agreement. Termination of Muth 's employment by the Town Council for any reason other than for cause as defined above, shall be deemed termination without cause and shall entitle Muth to receive the Severance Payment.

d. *Resignation.* If Muth resigns from her position as Acting Town Manager, she shall not be entitled to the Severance Payment.

7. Indemnification. The Town shall defend, hold harmless and indemnify Muth against claims and causes of action that may arise in the performance of Muth's duties for the Town in accordance with the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended. Muth shall not, however, be indemnified for any act or omission that is willful and wanton as those terms are defined in the Colorado Governmental Immunity Act.

8. Miscellaneous.

a. *Governing Law and Venue.* This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in Boulder County, Colorado.

b. *No Waiver.* Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by the Town shall not constitute a waiver of any of the other terms or obligation of this Agreement.

c. *Integration.* This Agreement constitutes the entire agreement between the Parties, superseding all prior oral or written communications.

d. *Third Parties.* There are no intended third-party beneficiaries to this Agreement.

e. *Notice.* Any notice under this Agreement shall be in writing and shall be deemed sufficient when directly presented or sent pre-paid, first class United States Mail to the party at the address set forth on the first page of this Agreement.

f. *Severability.* If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

g. *Modification.* This Agreement may only be modified upon written agreement of the Parties.

h. *Assignment.* Neither this Agreement nor any of the rights or obligations of the Parties shall be assigned by either Party without the written consent of the other; provided that Muth's heirs shall be entitled to enforce this Agreement should Muth become legally incapacitated or deceased, as applicable and provided by law.

i. *Governmental Immunity.* The Town and its officers, attorneys and employees are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities or protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended (the "Act"), or otherwise available to the Town and its officers, attorneys or employees. In addition, while engaged in the performance of services under this Agreement and within the scope of her authority, Muth shall be entitled to assert immunity under the Act.

j. *Subject to Annual Appropriation.* Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the Town not performed during the current fiscal year is subject to annual appropriation, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year.

k. *Ownership.* All work product created by Muth in the course of her employment with the Town shall be owned by the Town.

In Witness Whereof, the Parties have executed this Agreement as of the Effective Date.

**Town of Erie, Colorado**

\_\_\_\_\_  
Andrew J. Moore, Mayor

**Attest:**

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Debbie Stamp, Town Clerk

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Meredyth Muth