

**AN EMPLOYMENT AGREEMENT BETWEEN THE CITY COUNCIL
OF THE CITY OF CAMBRIDGE AND ROBERT W. HEALY**

Whereas, the Massachusetts General Court has adopted Chapter 279 of the Acts of 1982, which permits an Employment Agreement between the Appointing Authority and the City Manager; and

Whereas, the City desires to have such an Employment Agreement in order to spell out the remuneration and benefits of the City Manager; and

Whereas, the City Manager is the Chief Executive Officer, Chief Administrative Officer, and Chief Conservator of the Peace of the City of Cambridge, in accordance with Chapter 43, Section 93 through 108 of the Massachusetts General Laws, (Plan E Charter); and

Whereas, Robert W. Healy Jr. has served, honorably and with distinction in the position of City Manager since 1981, in a manner which has brought high quality, comprehensive municipal service to residents, businesses, institutions and visitors of the City, while maintaining unprecedented fiscal stability

Now, therefore, be it agreed by Robert W. Healy, Jr., City Manager, hereinafter referred to as the "Manager" and the City of Cambridge, hereinafter referred to as the "City", that the employment relationship between the City and the Manager shall be governed by the following provisions:

This agreement, made and entered this 12th day of January, 2009, by and between the City of Cambridge, a municipal corporation, and Robert W. Healy, Jr., City Manager, and expires on September 30, 2012.

Whereas, the City, acting through the City Council, desired to employ the services of Robert W. Healy, Jr. as City Manager of the City of Cambridge in accordance with Chapter 43, Section 108 of the Massachusetts General Law; and,

Whereas, it is the desire of the Cambridge City Council to provide certain benefits, establish certain conditions of employment, and to set the working conditions of said Manager; and

Whereas, it is the desire of the Cambridge City Council to (1) secure and retain the service of Robert W. Healy, Jr. and to provide inducement to him to remain in such employment, (2) to make possible full work productivity by assuring the Manager's morale and peace of mind with respect to future security, (3) promote and foster trust between the City Council and the Manager, and (4) to provide a just means for terminating the Manager's services at such time as he may be unable to fully discharge his duties due to age or disability;

Now, therefore, in consideration of the mutual covenant herein contained, the parties agree as follows:

Section 1. Duties

The City hereby agrees to employ said Robert W. Healy, Jr. as City Manager of the City of Cambridge to perform the functions and duties specified in Chapter 43, Section 93 through 108, and the Ordinances of the City of Cambridge, and to perform other legally permissible and proper duties and functions as the City Council may from time to time assign.

Section 2. Terms

A. Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of the City Council to terminate the services of the said Manager at any time subject only to the provisions set forth in Section 3, of this Agreement

B. In the event written notice is not given, by either party to this agreement to the other six months prior to the termination date as hereinabove provided, this agreement shall extend on the terms and conditions as herein provided for a period of one year. Said agreement shall continue thereafter for one-year periods unless either party hereto gives six months written notice to the other party that the party does not wish to extend this agreement for an additional one-year term.

Section 3. Termination

The City Council upon a vote of a majority of its membership in accordance with Chapter 43, Section 103, of the Massachusetts General Laws, may terminate this agreement, provided further that the City Council shall pay the City Manager fifty per cent (50%) of the financial obligation, or six months salary, whichever is greater, in no event shall this amount exceed \$130,000, and one hundred per cent (100%) of any accrued sick leave, vacation, holidays, and compensatory time accrued during the term of this contract, retirement benefits and other accrued benefits as are due to the employee under the terms of this Agreement. The payment provisions provided in this paragraph are voided in the event the Manager is convicted of a felony or malfeasance in office, except for those earned benefits such as provided in this agreement. In the event that termination is elected by the City at the expiration of this contract, the Manager shall be entitled to six months severance pay at his then salary rate, as well as those earned benefits such as accrued sick leave, vacation, compensatory time, and retirement benefits as provided in this Agreement. In the event that the City Manager terminates his position with the City prior to the expiration of this Agreement, the Manager shall give the City 90 days written notice. The above benefits, other than severance pay, shall apply to this circumstance.

Section 4. Disability

A. If the Manager 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 successive weeks beyond any accrued sick leave, City and Manager shall have the option to terminate this Agreement subject to the conditions of Section 3. Manager shall be compensated for any accrued sick leave, vacation, holiday, compensatory time or other accrued benefits.

B. The City agrees to put into force for the Manager insurance policies for accident, sickness and disability benefits. As a "Reasonable Accommodation" the City agrees to the repair or replacement costs of the hearing devices necessary for the Manager to perform essential duties of the position.

Section 5. Compensation

A. The Manager shall be paid an annual salary in accordance with Chapter 2.62 of the Cambridge Municipal Code as amended by the Terms and Conditions of the Employment Agreement between the City Council of Cambridge and the City Manager dated February 27, 2006. Additionally the Manager shall receive an \$8,000 payment effective January 23, 2009. This payment shall constitute a base salary adjustment retroactive to January 23, 2008 and shall be deemed pensionable for all purposes. Going forward, regular weekly pay shall be adjusted according. In addition to any other general adjustments to management pay, the Manager shall receive a three percent salary adjustment on June 1, 2009, January 1, 2010, 2011, and 2012.

B. The Manager shall be covered by an insurance policy in the amount of \$120,000, payable to the beneficiary named by the employee. This insurance may include "whole life, paid up, or cash value" insurance at the discretion of the Manager. The premium cost of this insurance, if any, shall continue to be paid after and throughout the Manager's retirement as part of his supplemental retirement and insurance benefits, pursuant to this agreement.

C. The City shall purchase on behalf the Manager long term care insurance, as selected by him. This insurance shall provide coverage for both the Manager and his wife during their natural lives. The premium cost of this insurance, if any, shall continue to be paid by the City after and throughout the Manager's retirement and during the life of his spouse, should he predecease her, as part of the supplemental retirement and insurance benefits pursuant to this agreement.

D. The Manager shall be entitled to all medical, dental, hospital, life insurance and other benefits available to non-union management personnel employed by the City.

E. The Manager shall be entitled to twenty-five working days of vacation, exclusive of legal holidays, It is the intention of the parties that these vacation days be taken annually, but in no event may the Manager carry forward more than five days' additional vacation in any year during the term of this Agreement.

Section 6. Evaluation of Goals

A. The Council shall review and evaluate the performance of the Manager at meetings scheduled by the Government Operations Committee of the City Council. Said review and evaluation shall be in accordance with specific criteria developed jointly by the City Manager.

B. Biannually, the City and the Manager shall define such goals and performance objectives, which they determine necessary for the proper operation of the City, and in the attainment of the Council's policy objectives, and shall further establish a relative priority among

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those various goals and objectives. They shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations provided.

Section 7. Hours of Work

It is recognized that the Manager must devote a great deal of time outside the normal office hours of the City, and to that the Manager will be allowed to take compensatory time off. One week of earned but unused compensatory time may be carried over.

Section 8. Automobile

Manager's duties require that he have the unrestricted use of an automobile provided by the City, which shall be replaced on the schedule previously established for the Mayor's automobile.

Section 9. Retirement

As a result of the Manager's long service with the City, the value of prior supplemental retirement benefits has dramatically reduced over time. In recognition of this, the City agrees to provide further supplemental retirement benefits, pursuant to MGL c. 41, Section 108 N by supplementing the Manager's retirement benefits by paying to him a monthly payment equal to the difference between his actual monthly retirement allowance, and the allowance he would have received had he selected Option A as specified in MGL c.32, Section 12. These monthly payments shall begin with the date of his retirement and shall terminate with his death. These supplemental benefit payments shall be payable from the non-contributory retirement account.

* Section 10 Indemnification, :

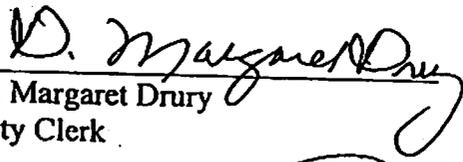
The City shall defend, save harmless, and indemnify the Manager against any tort, professional liability claim or demand or other legal action whether groundless or otherwise, arising out of an alleged act or omission in the Manager's performance of his duties as City Manager. Such provisions shall continue to be in effect after the expiration of employee's contract. Manager shall be paid the hourly rate in existence at the end of his service for testimony or consultation by or on behalf of the City for such claims or actions;

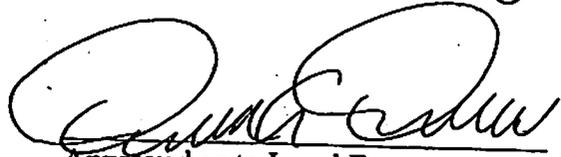
Section 11 Provisions, *

- A. The text herein contained shall constitute the entire agreement between the parties.
- B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of the Manager.
- C. This agreement shall become effective January 12, 2009.
- D. If any provisions, or any portion thereof, contained in this Agreement is held unconstitutional or otherwise in violation of law, the remainder of the Agreement shall be deemed severable, and shall not be affected and shall remain in full force and effect.

In witness whereof, the City Council of the City of Cambridge has voted that this agreement be entered into as duly attested by its City Clerk and the employee has signed and executed this agreement this 12th day of January, 2009.


Robert W. Healy, Jr.


D. Margaret Drury
City Clerk


Approved as to Legal Form
Donald A. Drisdell, City Solicitor

