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Memorandum

TO: Mayor & City Commissioners
FROM: Shawn D. Smith, City Attorney
RE: Termination of Employment of City Manager Bogdan Vitas
DATE: June 27, 2014

Dear Mayor & Commissioners

As you are aware Commissioners Lopez and Yaniz called for a special meeting in part to consider the continued employment of the City Manager. Between the call for that meeting and today, Larry Erskine has been discussing the termination of the Manager's contract with the Manager's private attorney.

At the Monday meeting the Commission would have three primary options: retain the Manager; fire the Manager with cause; fire the Manager without cause. Termination of the Manager without cause under his contract entitles him to 20 weeks severance to include all salary and prospective benefits to be earned during those 20 weeks. The Manager's current salary is \$3,565.38 per week. Firing the Manager without cause likely would result in extended and expensive litigation.

With this background, we are presenting you with a Separation Agreement signed by Bogdan Vitas. It specifies payment for 18 weeks of benefits rather than the 20 his contract provides if terminated without cause. Financially, the severance amounts to \$64,176.84 in salary and \$5,714.80 in prospective benefits he would earn during those 18 weeks. This would be the amount that is paid as a result of the termination. The breakdown of these figures is referenced in paragraph 2 of the attached.

Identical to any other employee who either retires, resigns or otherwise separates from the City, Mr. Vitas is entitled to accrued and unused leave time. He is also entitled to a return of money he paid into the pension. These figures are found in paragraph 4 of the agreement and would be paid at the normal expiration of his employment agreement.

It is this office's recommendation that you approve the attached agreement at your special meeting on Monday. The severance amount of \$69,891.64 could reasonably be anticipated to be incurred by the City in legal costs alone in litigation if you were to fire Mr. Vitas for cause. I believe it is in the City and community's best interest to bring the current turmoil to an end in this fashion and move forward in a much more positive and constructive effort.

Please let me know if you have any questions.


Shawn