

**EMPLOYMENT AGREEMENT
(FIXED TERM)**

BETWEEN:

THE CORPORATION OF THE TOWN OF GRIMSBY

(the "Employer")

and

HARRY SCHLANGE

("Mr. Schlange")

WHEREAS the Employer, pursuant to Section 229 of the Municipal Act, seeks to hire and appoint a Chief Administrative Officer (CAO) who shall be responsible for exercising general control and management of the affairs of the Town of Grimsby for the purpose of ensuring its efficient and effective operations.

AND WHEREAS the Employer has made an offer to employ Mr. Schlange in such capacity for a fixed term.

AND WHEREAS by signing below, Mr. Schlange has agreed to accept that offer of employment subject to and on the terms and conditions set forth in this Agreement.

NOW THEREFORE in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree that the terms and conditions of their employment relationship shall be set forth as follows:

1. POSITION AND DUTIES

- 1.1. The Employer agrees to employ Mr. Schlange in the position of Chief Administrative Officer (CAO), to perform the duties inherent in the position, as attached hereto as Appendix "A" (forming part of this Agreement). Mr. Schlange acknowledges and agrees that his duties and responsibilities may be reasonably modified or amended by the Employer based upon its needs and interests.
- 1.2. In the performance of his duties, Mr. Schlange will report, and be accountable, to the Town Council.
- 1.3. The parties acknowledge that in accordance with Section 225 of the Municipal Act, the Mayor, as Head of Council is the Chief Executive Officer of the municipality.

2. FULL TIME AND ATTENTION

- 2.1 Mr. Schlange agrees that he shall devote his full time and attention to the affairs and operations of the Employer. In doing so, he shall commit such time and effort to his work as is required to fully and properly perform his duties.

Initials: Mr. Schlange



/ J.A. Jordan



- 2.2 Mr. Schlange's hours of work shall include but are not limited to the Employer's regular business hours. It is understood and agreed that, given the nature of his senior management position, Mr. Schlange's hours of work will exceed the Town's regular business hours/week from time to time.
- 2.3 Mr. Schlange agrees that he shall not undertake or accept any other employment, engagement, business activity or office that may interfere with the performance of his duties as CAO during the term of this Agreement. Prior to undertaking or accepting any other employment, engagement, business activity or office, Mr. Schlange shall obtain prior written authorization of the Employer and such authorization shall not be unreasonably withheld.

3. DUTY OF LOYALTY AND INTEGRITY

- 3.1 Mr. Schlange shall, at all times, perform his duties to the best of his ability. He shall act with the highest level of loyalty and integrity consistent with the Employer's public status. In addition, he shall conduct himself in an honest and professional manner free from any conflict of interest so as to maintain the complete confidence of the Employer.
- 3.2 Mr. Schlange shall, at all times, strictly comply with the Employer's policies, practices and rules in place.

4. TERM



- 4.1 The Employer agrees to employ Mr. Schlange for a fixed term of approximately four (4) years commencing on September 3, 2019 through to its completion on September 29, 2023 (the "fixed term") unless Mr. Schlange's employment is terminated earlier pursuant to the provisions of this Agreement (Section 13).
- 4.2 The parties may enter into a new employment agreement following the completion of the initial four (4) year term for a further fixed term of up to four (4) years (the "renewal term") on terms and conditions agreeable between the parties. The parties will endeavour to engage in discussion regarding extension or renewal no later than six (6) months prior to the end of the fixed term.

5. SALARY

- 5.1 The Employer shall provide Mr. Schlange with an annual base salary of \$185,000 less required deductions.
- 5.2 Any annual cost of living/salary adjustments shall be in line with the annual adjustments provided to all staff on January 1 of each calendar year.
- 5.3 Mr. Schlange shall be eligible for a discretionary increase of up to 4% annually on the anniversary date of his employment subject to and conditional upon an exceptional performance evaluation by Council.

6. BENEFITS AND PENSION

- 6.1 Mr. Schlange will be entitled to participate in all of the Employer's medical/dental benefit plans generally available to its Management Employee group in accordance with the terms thereof and as may be amended from time to time by the Employer. Currently, the benefits coverage

Initials: Mr. Schlange  / J.A. Jordan 

includes Compassionate Leave, Life and Accidental Death, Supplementary Hospital, Long Term Disability (LTD), Extended Health Care Plan, Dental Care Plan, Survivor Benefits, Employer Health Tax or Successor Health Plan.

- 6.2 Mr. Schlange will receive payment in lieu of the Employer's Ontario Municipal Employees Retirement System (OMERS) contributions from his start date of September 3, 2019 until December 12, 2021. This amount is calculated based on contributory earnings per pay period in bi-weekly payroll. Mr. Schlange agrees that effective on December 13, 2021, he will opt-in to OMERS. At that time, payment in lieu of OMERS contributions will stop and the Employer will be making regular OMERS contributions on behalf the Employee.
- 6.3 Mr. Schlange shall participate under the Employer's Short Term Disability Income Insurance Plan. Subject to the terms and conditions of that Plan, should Mr. Schlange be absent from the workplace as a result of an illness or injury (excluding compensable accidents) he is eligible for salary disability benefits for up to 85 days (17 weeks) provided by the Employer.
- 6.4 Should Mr. Schlange officially retire while an employee of the Employer (with an entitlement to receive OMERS pension benefits upon retirement) he shall participate under the Retiree's Benefits Plan until age 65 subject to the terms of the policies and the rules and requirements of the carriers of the various parts of the Plan. Currently, that Plan includes the following coverage: Extended Health Care Plan and Dental Care Plan.
- 6.5 It is understood and agreed that the Employer may amend, modify or discontinue any of the group benefit plans now in place or in place from time to time at its own discretion.

* In the amount payable see attached email
July 8
from
K. Bohan
HS

7. VACATION

- 7.1 Vacation entitlement shall be based on anniversary year. Mr. Schlange will be entitled to six (6) weeks of paid vacation per year for the first two (2) years and seven (7) weeks of paid vacation per year for the last two (2) years of the term of this Agreement. Such vacation shall be taken at a time or times acceptable to the Employer having regard to its operations.
- 7.2 Vacation may only be carried over from year to year with written authorization from the Employer. Any vacation accrued but not taken will be paid out at the completion of the term.

8. PAID PUBLIC HOLIDAYS

- 8.1 During the term of this Agreement, Mr. Schlange shall be entitled to the following public paid holidays:

New Year's Day	Family Day
Good Friday	Victoria Day
Canada Day	Civic Holiday
Labour Day	Thanksgiving Day
One half-day on both Christmas Eve and New Year's Eve	
Two floater days	

9. PROFESSIONAL DEVELOPMENT AND EXPENSES

- 9.1 The Employer believes it to be beneficial to Mr. Schlange's professional development that he participate in professional development activities (including attendance at conferences and

Initials: Mr. Schlange  / J.A. Jordan 

** See attached
email July 6th for K Boku
on other designations
(CPA)
HJ*

training) on an annual basis. The Employer will reasonably support that participation in accordance with past practice and policy. In addition, as part of the Employer's commitment, it shall pay or reimburse Mr. Schlange for annual membership dues for membership in CAMA and/or OMAA.

- 9.2 During the term of this Agreement, Mr. Schlange shall be reimbursed by the Employer for approved expenses, including travel, parking and other necessary business expenses incurred as a result of his work on behalf of the Employer.
- 9.3 The Employer shall reimburse Mr. Schlange for such expenses upon presentation of supporting documentation satisfactory to the Employer in accordance with the tax principles applicable in Canada for such reimbursement and the Employer's established expense reimbursement practices and policies, as those policies may be modified at the Employer's discretion.

10. CONFIDENTIALITY

- 10.1 Mr. Schlange acknowledges that he will be employed in a fiduciary position and, in the course of his employment, he will have access to and be entrusted with confidential information of the Employer and any related entities.
- 10.2 The term "confidential information" when used herein shall include all information of a confidential or proprietary nature that is related to the business of the Employer and any other information not normally disclosed to the public.
- 10.3 Mr. Schlange acknowledges that all of the Employer's confidential information is its exclusive property and that all such property is held by Mr. Schlange in trust. Except as his duties during his employment with the Employer may require, Mr. Schlange shall keep secret and confidential and shall not make any copies of, and shall never disclose or use, either during or after his employment with the Employer, any confidential information of the Employer, except as required to fulfill his obligations to the Employer or as explicitly directed by law.

11. NON-SOLITICATION

- 11.1 Mr. Schlange agrees that he shall not, during the term of this Agreement or within one (1) year after the date of the expiry of this Agreement or the termination or cessation of Mr. Schlange's employment pursuant to this Agreement, either directly or indirectly, in partnership or jointly in conjunction with any other person or persons, firm, association, syndicate, company or corporation, whether as principal, agent, shareholder, director, officer, employee, consultant or in any other manner whatsoever, at any time solicit for employment any person, who is an employee of the Employer or who was an employee of the Employer during the Term of this agreement.
- 11.2 Mr. Schlange confirms that the restriction in Paragraph 11.1 above is reasonable and valid and all defenses, if any, to the strict enforcement thereof by the Employer are waived by Mr. Schlange. Mr. Schlange further agrees that any breach of paragraph 11.1 will entitle the Employer to injunctive relief, as monetary damages would not be an adequate remedy.

Initials: Mr. Schlange AS / J.A. Jordan JJ

12. RETURN OF PROPERTY

- 12.1 Upon the termination of Mr. Schlange's employment under this Agreement or the expiry of this Agreement, Mr. Schlange shall at once deliver or cause to be delivered to the Employer all books, documents, records, effects, money or other property belonging to the Employer or for which the Employer is liable to others, which are in the possession, charge, control or custody of Mr. Schlange.



13. TERMINATION

- 13.1 This Agreement and Mr. Schlange's employment shall terminate immediately upon the end of the fixed term as outlined in Section 4.1 above absent any agreement to extend or renew. In that case, Mr. Schlange has no further right to notice, termination pay, severance or employee benefits pursuant to this Agreement, statute (including the *Employment Standards Act, 2000*) or the common law.
- 13.2 Prior to the end of the fixed term, Mr. Schlange may terminate this Agreement and his employment by his resignation upon providing the Employer with six (6) weeks' notice. The Employer, in its sole discretion, may waive that notice, in whole or in part with pay.
- 13.3 Prior to the end of the fixed term, the Employer may terminate this Agreement and Mr. Schlange's employment summarily, without notice or payment in lieu thereof, for "just cause". For purposes of this Agreement, "just cause" shall mean willful misconduct, neglect of duty and/or willful disobedience.
- 13.4 Prior to the end of the fixed term, the Employer may terminate this Agreement and Mr. Schlange's employment for any reason and without "just cause" provided he receive notice and/or payment in lieu thereof (severance) equal to the lesser of:
- (a) twelve (12) months; or
 - (b) the balance of the fixed term then outstanding.

Should the Employer elect payment in lieu of notice, Mr. Schlange shall be entitled to receive, as payment in lieu, his base salary, OMERS pension plan participation (or payment in lieu thereof) and continued participation under the Employer's healthcare benefits plan. Should the continued participation under the healthcare benefits plan be denied by the Employer's group insurer for any reason, Mr. Schlange shall receive payment in lieu of that participation equal to the Employer's premium cost to have otherwise provided the benefits coverage.

- 13.5 It is understood and agreed to by the parties, that should Mr. Schlange's sole authority to hire, promote, discipline and terminate the Town's staff or his ability to lead or be accountable for the Employer's business and operations (i.e. employee/labour relations, procurements etc.) be fettered by the Town Council in any material way during the term of this Agreement:
- (a) Mr. Schlange shall immediately notify the Mayor in writing on behalf of the Employer; and
 - (b) the Employer shall correct or rectify the matter within a reasonable period of time failing which Mr. Schlange's employment shall be deemed terminated without "just cause". Upon deemed termination, Mr. Schlange shall then be entitled to payment in lieu of notice (severance) as described in Section 13.4 above.

Initials: Mr. Schlange

 / J.A. Jordan 

- 13.6 Mr. Schlange understands and agrees that, in the event of a without cause termination or constructive dismissal of his employment with the Employer, the entitlements set out in this Section 13.3 will constitute his full and final entitlements to notice or pay in lieu of notice, and severance pay (if applicable), including any entitlements to common law notice. If a greater entitlement is provided under the ESA, that greater entitlement shall prevail and Mr. Schlange's entitlements shall be increased only to the extent necessary to satisfy such greater entitlement. In no event will the Mr. Schlange be provided with less than his minimum entitlements under the ESA.
- 13.7 It is agreed and understood that the notice, termination pay and/or severance provided for in this section are fair and reasonable without further or other obligation by the Employer or entitlement by Mr. Schlange (except as may be required by the Employment Standards Act, 2000). Accordingly, upon termination in accordance with those provisions, Mr. Schlange shall have no claim, demand against the Employer as a consequence of the termination of his employment. For greater clarity, the payment in lieu shall be by way of salary continuance.

14. SEVERABILITY

- 14.1 In the event any one or more of the sections, provisions or clauses contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other section, provision or clause of this Agreement. This Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

15. MODIFICATION OF AGREEMENT

- 15.1 Any waiver or modification of cancellation to this Agreement must be in writing and signed by the parties to have any force or effect, or it shall have no effect and shall be void.

16. GOVERNING LAW

- 16.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

17. ASSIGNMENT

- 17.1 This Agreement shall be binding upon the Employer and any successor government into which the Employer may hereafter be merged, unified or consolidated.

18. INDEPENDENT LEGAL ADVICE

- 18.1 The Employer and Mr. Schlange each agree that they have had the opportunity to seek independent legal advice prior to signing this Agreement and each agrees that the terms are fair, reasonable and understood.

Initials: Mr. Schlange



/ J.A. Jordan

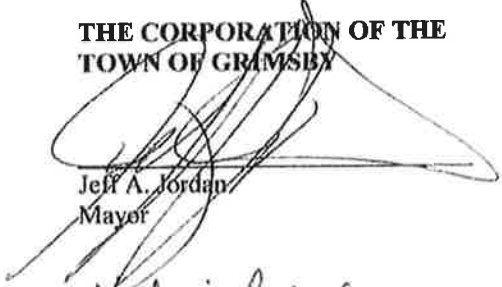


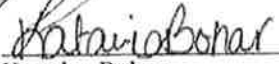
19. GENERAL PROVISIONS

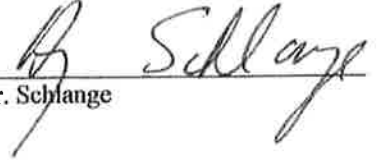
- 19.1 The text herein shall constitute the entire agreement between the parties.
- 19.2 All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.
- 19.3 This Agreement shall be binding and ensure to the benefit of the heirs, executors, administrators, and legal personal representatives of Mr. Schlange.
- 19.4 Any notice required to be given under this Agreement shall be delivered personally to the opposite party, or shall be deemed delivered personally four (4) days after depositing in the mail postage prepaid addressed as follows:
- 19.4.1 To the Employer: Corporation of the Town of Grimsby, 160 Livingston Avenue, P.O. Box 159, Grimsby, Ontario, Attention Mayor Jeff Jordan.
- 19.4.2 To the Employee: Mr. Schlange at his last known address.


IN WITNESS WHEREOF, the parties have executed this Agreement and affixed their corporate seal this 8th day of July, 2019

THE CORPORATION OF THE
TOWN OF GRIMSBY


Jeff A. Jordan
Mayor


Katarina Bohar
Manager of Human Resources
We have authority to bind the Corporation.


Mr. Schlange

THE CORPORATION OF THE TOWN
OF GRIMSBY
CERTIFIED TO BE A TRUE COPY
 CLERK

Initials: Mr. Schlange  / J.A. Jordan 

Schlange Contract Further Information

1 message

Katarina Bohar <kbohar@grimsby.ca>

Mon, Jul 8, 2019 at 1:24 PM

To: [REDACTED]

Hello Harry,

Further to your Letter of Offer sent earlier this afternoon, I wanted to clarify two items:

1. OMERS pay in lieu amount is \$915.22 on bi-weekly pay or \$23,795.72 per annum based on an annual salary of \$185,000 and subject to change as contributory earnings change (e.g. annual salary adjustment)
2. It is agreed that in addition to CAMA and OMAA annual membership dues, the Employer will also pay or reimburse membership dues for CPA Professional Designation.

This email will be attached to the contract for further information/clarification of the Town's commitments.

Thank you,

Kat

Katarina Bohar, CHRL

Manager of Human Resources

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