

CITY OF MONTPELIER, VERMONT
City Manager Employment Agreement

This Employment Agreement ("Agreement") is made and entered into this ____ day of _____, 2026, by and between the City of Montpelier, Vermont, a municipal corporation ("City"), and Kelly McNicholas Kury ("Manager") (together referred to as "Parties"). In consideration of the mutual promises and covenants contained herein, the sufficiency, adequacy, and receipt of which is acknowledged by the Parties, it is agreed:

ARTICLE I. APPOINTMENT, TERM, AND DUTIES

1.01 Appointment

The City hereby appoints Kelly McNicholas Kury as City Manager of the City of Montpelier, effective February 17, 2026, pursuant to the City Charter and applicable Vermont law.

1.02 Term and Renewal

(a) The term of this Agreement shall be three (3) years, commencing on February 17, 2026, and ending on February 16, 2029, unless earlier terminated.

(b) The Agreement shall automatically renew for one-year periods unless either Party provides written notice to the other of their intent to terminate the Agreement at least ninety (90) days prior to the expiration of the term.

1.03 Duties and Authority

The Manager agrees to serve as the chief administrative officer of the City and shall faithfully, diligently, and conscientiously perform all duties assigned by the City, its Charter, and any applicable law.

Notwithstanding Section 3.03 of this Agreement, the Manager agrees to devote their full working time, energy, skill, and attention to the performance of duties under this Agreement.

ARTICLE II. COMPENSATION AND BENEFITS

2.01 Salary

The Manager shall receive an initial annual base salary of \$160,000, payable in accordance with the City's payroll practices.

2.02 Initial Salary Adjustment

No salary adjustment shall be made until the Manager has completed one year of employment. If, upon completion of the Initial Performance Evaluation described in Section 4.02, the Manager's performance is determined to meet expectations, a 5% salary increase shall be provided, effective as of the date of the one-year anniversary of employment, February 17, 2027. If it is determined that the Manager's performance has exceeded expectations at the Initial Performance Evaluation, a 7.5% salary increase shall be provided, effective as of the date of the one-year anniversary of employment, February 17, 2027. No increase shall be awarded if the Manager's performance review does not meet expectations.

No further salary adjustment shall be made in 2027.

2.03 Subsequent Annual Salary Adjustments

Beginning in 2028, annual salary adjustments to the Manager's salary shall be made at the same time and at the same level as those provided to all other non-unionized employees of the City.

2.04 Insurance Benefits

The City agrees to provide and pay the premiums for health, hospitalization, surgical, vision, dental, and comprehensive medical insurance for the Manager, at a minimum, equal to that which is provided to all other employees of the City. Coverage will commence the first day of the month following the start date of employment.

2.05 Retirement

The Manager shall participate in the City's retirement system (VMERS) on the same basis as the majority of the City's non-union employees.

2.06 Paid Time Off

Upon commencing employment, the Manager shall be credited with forty [40] accrued sick leave hours and eighty [80] accrued vacation/personal leave hours. In addition, beginning the first day of employment, Manager shall be eligible to accrue and use sick leave and vacation leave on an annual basis, at a minimum, at the highest rate provided or available to any other City employees, and under the same rules and provisions applicable to other employees, including any leave buy-back programs. The Manager shall give reasonable notice to the City of any planned vacation time which is expected to exceed three (3) consecutive days.

2.07 Relocation Allowance

The City shall pay the Manager a one-time flat payment of up to \$20,000, subject to any applicable taxes and withholdings, as reimbursement for expenses related to relocation for purposes of becoming employed by the City.

2.08 General Business Expenses

The City shall pay or reimburse the Manager for reasonable and approved business expenses incurred in the performance of duties, in accordance with City's policies.

2.09 Professional Development Expenses

The City agrees to budget and pay for reasonable professional dues and subscriptions, including but not limited to ICMA and VCTMA dues, necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary for the Manager's continued professional participation, growth, and advancement, and for the benefit of the City.

Recognizing the value of executive and leadership coaching in supporting effective municipal management, the City agrees to pay the reasonable costs of professional coaching services for the Manager, subject to an annual appropriation for this cost. Such services may include individual coaching, leadership development, or organizational effectiveness coaching and shall not require use of the Manager's personal leave time.

ARTICLE III. WORK CONDITIONS

3.01 Hours

This position is classified as exempt from overtime under applicable wage and hour laws, generally requiring a minimum of forty (40) hours per week. Additional time may be reasonably necessary to fulfill the responsibilities of the role.

The Parties shall agree to a regular schedule of "working hours," which may be altered by written agreement, from time to time, as needed.

It is recognized that the Manager must devote a great deal of time outside the normal office hours on business for the City, and to that end the City intends that reasonable flexibility in adjusting their working hours be permitted to Manager, such as is customary for exempt employees so long as absence from the workplace during the City's normal business hours does not interfere with the normal business and operation of the office of the City Manager.

3.02 Other Terms and Conditions

The City has adopted and from time-to-time amends rules and policies related to personnel and employment with the City. All rules and policies not addressed in this Agreement shall extend and apply to the Manager. The City retains its full right and authority to make such rules and regulations of general applicability and to amend or revoke at any time it deems it to be in the City's interest.

3.03 Wind-Down of Prior Employment

The City acknowledges that, as of the commencement of this Agreement, the Manager may have continuing obligations related to prior employment. Accordingly, the City authorizes the Manager to devote a limited period of time, not to exceed four (4) months from the commencement date of employment, to wind down such prior professional responsibilities, subject to the following conditions:

- (a) All wind-down activities shall be conducted exclusively on the Manager's personal time and shall not occur during the Manager's scheduled working hours for the City;
- (b) No City funds, facilities, equipment, electronic systems, staff time, confidential information, or other City resources shall be used in connection with such activities;
- (c) The wind-down activities shall not create or appear to create a conflict of interest with the Manager's duties to the City and shall comply with all applicable ethics laws and City policies;
- (d) The Manager shall ensure that such activities do not materially interfere with the full and faithful performance of the Manager's duties and responsibilities under this Agreement; and
- (e) The Manager shall not receive compensation from the City for any time devoted to such wind-down activities.

At the conclusion of the four-month period, or earlier if completed, the Manager shall cease all prior employment-related activities and shall devote full professional efforts to the City.

3.04 Residency

The Manager shall reside in the City during their tenure of office unless other conditions are approved by the Council.

ARTICLE IV. EVALUATION

4.01 Initial Performance Evaluation

The City shall conduct an initial evaluation of the Manager's performance within thirty (30) days of the one-year anniversary of their start date, February 17, 2027, using a mutually agreed upon process that addresses goals, performance expectations, and recommendations for professional development. The outcome of said evaluation shall be written and result in a determination of whether Manager's performance fails to meet, meets, or exceeds the City's expectations.

4.02 Annual Performance Evaluation

Beginning in 2028, the City shall annually review the performance of the Manager in September, subject to a process, form, criteria, and format for the evaluation, which shall be mutually agreed upon by the City and Manager. The review shall include written evaluation and may address goals, performance expectations, and recommendations for professional development. The City shall provide an adequate opportunity for Employee to discuss their evaluation with the City Council.

ARTICLE V. REMOVAL AND SEPARATION

5.01 Resignation

Termination of this Agreement at the end of the term, as described in Article I, may occur if the Manager provides the required notice described in Section 1.02, unless the Parties agree otherwise in writing. Failure to provide the required notice will result in the forfeit of any additional payment of accrued leave that might otherwise be available under a personal policy of the City.

5.02 No Cause Termination

Termination of this Agreement at the end of the term, as described in Section 1.02, shall occur by majority vote of the City Council with sufficient time to provide the required notice described therein, unless the Parties agree otherwise in writing.

5.03 Just Cause Termination

The Manager may be removed from office for just cause by a majority vote of the City Council at a duly warned meeting for that purpose, provided that the Manager is afforded due process as required by law. Such removal shall terminate this Agreement.

5.04 Severance

Severance shall only be paid to the Manager when the contract is terminated under Section 5.02 (No Cause Termination). The severance amount shall be equal to 6 months of salary calculated as of the date of the City Council vote to terminate the agreement. Severance shall be paid in a lump sum or in a continuation of salary on the existing pay schedule, at the Manager's option.

ARTICLE VI. GENERAL PROVISIONS

6.01 Governing Law

This Agreement shall be governed by and construed under the laws of the State of Vermont.

6.02 Entire Agreement

This Agreement constitutes the entire understanding between the Parties and supersedes all prior agreements, oral or written, concerning the subject matter herein.

6.03 Result of Negotiation

This Agreement is the result of negotiations between the Parties and has been reviewed by each Party. Accordingly, this agreement will be deemed to be the joint product of the Parties hereto and no ambiguity will be construed in favor of or against any Party.

6.04 Amendments

Any modification to this Agreement must be in writing and signed by both Parties.

6.05 Waiver

The waiver of either Party of breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof.

6.06 Severability

If any provision of this Agreement is found invalid, the remainder shall remain in effect.

6.07 Notices

Any notices under this Agreement shall be in writing and delivered personally, by electronic mail, or by first-class mail to the Parties at their last known addresses.

6.07 Effective Date

This Agreement shall become effective as of the date executed herein.

IN WITNESS WHEREOF, the Parties have executed this Agreement on this _____ day of _____, 2026.

City Manager

City of Montpelier

Kelly McNicholas Kury

Jack McCullough, Mayor