EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (hereinafter referred to as "Agreement"), is by and between the City of Biddeford, Maine, a municipal corporation organized under the laws of the State of Maine (hereinafter referred to as "City"), and Laurie A. Smith of Kennebunk, Maine (hereinafter referred to by name or as "City Manager").

W I T N E S S E T H:

WHEREAS, the City desires to employ Laurie A. Smith as City Manager of the City of Biddeford, Maine, as provided for in the City Charter of the City of Biddeford; and

WHEREAS, the City, through its City Council, desires to provide for certain benefits and compensation for the City Manager and to establish conditions of employment applicable to the City Manager; and

WHEREAS, Laurie A. Smith desires to accept employment as City Manager of the City of Biddeford under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises as set forth in this Agreement, the parties agree as follows:

Section 1. Employment and Term of Agreement

A. The City of Biddeford hereby hires and appoints Laurie A. Smith as its City Manager, under the terms established herein, to perform the duties and functions specified in the City's Charter and the City Code of Ordinances and to perform such other legally permissible and proper duties and functions as the City Council shall from time-to-time assign.

The City's employment of Laurie A. Smith as City Manager under this Agreement shall be effective Nov. 5, , 2026 (the "Effective Date"), after review and an affirmative vote by the members of the City Council at a duly noticed City Council meeting. The contract shall be for three (3) years from Dec 29, 2026 to Dec 29, 2029. If the City elects not to renew this Agreement, it shall provide the City Manager with written notice of nonrenewal at least (120) days before the Agreement's expiration. Failure to provide timely written notice shall be deemed a renewal of this Agreement for an additional one-year term under the same terms and conditions, subject to any salary adjustments required by this Agreement.

B. The Mayor and City Council agree to the document titled "Council Commitments for Effective Working Relationship", attached to this agreement as Exhibit A.

Section 2. Salary, Other Compensation, Sabbatical, and Evaluation.

For the performance of services pursuant to this Agreement the City agrees to pay the City Manager an annual base salary of Two Hundred Fifteen Thousand ($215,000) (the "Base Salary"), payable in installments at the same time and in the same manner as other City employees are paid. City Manager's salary may be subject to adjustments based on her performance and annual evaluation but at a minimum she shall receive any cost-of-living adjustment given to non-union employees.

Section 3. Duties and Obligations.

A. The City Manager shall have the duties, responsibilities, and powers of said office under the Charter and Ordinances of the City of Biddeford. The City Manager agrees to perform all duties and responsibilities faithfully, industriously, and to the best of her ability and in a professional and competent manner.

B. The City Manager shall remain in the exclusive employ of the City and shall devote all such time, attention, knowledge, and skills necessary to faithfully perform her duties under this Agreement. The City Manager shall dedicate no less than the hours defined for the City's 4-day work week for nonunion employees in the performance of her duties hereunder. The City Manager shall not teach, consult, or conduct any other non-City connected business without first notifying the City Council in writing of her intent to do so and receiving the City's consent which shall not be unreasonably, withheld, conditioned, or delayed. Any such activities shall not interfere with her primary obligations to the City as its City Manager.

C. In no case shall the City Manager serve on the boards or be in the employ of organizations which either have a history of or are likely to be before the City, its boards or committees, for funding, permits, approvals or regulatory activities. In the event the City Manager shall serve on any other appointed boards or elected boards of any professional organization or serve on any committees related to her professional activities as City Manager, in the event any monies are paid, or gifts received, by the City Manager related to such service, such money or property shall be paid over to or delivered to the City, unless otherwise provided by the City Council.

D. In the event the City Manager is temporarily unable to perform her duties, she shall designate an Acting City Manager for up to sixty (60) days per the City Charter. The City Council shall appoint an acting City Manager in the event of an absence in excess of sixty (60) days.

Section 4. Automobile Allowance and Communications Equipment

A. The City Manager is required to be on-call for twenty-four (24) hours a day, seven (7) days per week service. In recognition thereof: The City shall provide the City Manager with an automobile allowance of $600 per month. The City Manager acknowledges and agrees that she is not and shall not be eligible for any mileage reimbursement in connection with her employment with the City during the term of this Agreement.
B. The City agrees to provide the City Manager a cell phone.

Section 5. Dues and Subscriptions

The City agrees to pay the City Manager's professional dues for membership in the International City/County Management Association, the National League of Cities and the Maine
City and City and County Manager's Association. The City shall also pay other dues and subscriptions on behalf of the City Manager as are approved in the City's annual budget (on a line-item basis) or as authorized separately by the City Council.

Section 6. Professional Development

The City shall provide the City Manager with reasonable opportunities to continue her education through conferences and workshops. The City agrees to budget for all costs associated with the City Manager attending the annual ICMA conference, MTCMA twice yearly training institutes and the MMA annual meeting, including reasonable travel, food and lodging expenses.

Section 7. Community Involvement

The City recognizes the desirability of representation in and before local civic and other organizations and encourages the City Manager to participate in these organizations to foster a continuing awareness of the City's activities as well as the community's attitudes and ideas, subject to the limitation in Section 3C above.

Section 8. Performance Goals and Performance Review

Within the first ninety (90) days of the City Manager's starting date, the City Manager and City Council shall mutually establish specific, measurable performance goals aligned with the City's strategic priorities. These goals shall be reviewed and updated annually and shall serve as a basis for formal performance evaluations. The City Council shall conduct formal performance review of the City Manager within six months of her starting date and then annually of her starting date. The reviews shall evaluate progress on agreed-upon performance goals, communication with the Council and citizens, leadership of City departments, responsiveness to Council directives, and may incorporate feedback from the City Manager's direct reports to inform the Council.

Section 9. Vacation and Sick Leave

The City Manager shall be subject to and provided with the same sick leave and Maine Earned Paid leave as provided to the City's non-union management staff. The City Manager shall be deemed to have accrued 4 sick days as of her starting date. Notwithstanding the foregoing, the City Manager shall notify the City of any Earned Paid Leave in excess of one (1) week and get the consent of the City for Earned Paid Leave in excess of two (2) weeks.

The City Manager shall accrue 24 days of vacation time accruing proportionately over each pay period during said Contract Year. Notwithstanding the foregoing, the City Manager shall be deemed to have accrued 8 days of vacation as of her starting date . The City Manager may carry over a maximum of 8 days of accrued vacation at the end of each Contract Year into the subsequent Contract Year. Any unused vacation not able to be carried over will be paid out to the City Manager at the end of each Contract Year at her then applicable base salary.

Section 10. Holidays

The City Manager is entitled to the same paid holidays as non-union City employees working a regular Monday-Thursday work week. The City Manager agrees that if at some point while serving as City Manager, the City Council changes the regular City working days to include Friday and/or Saturdays, the City Manager shall work those days.

Section 11. Health, Dental, Life and Income Protection, Insurance

The City agrees to provide health insurance for the City Manager in the same manner as it provides insurance for its non-union employees and shall pay the cost of life insurance in the value of twice her annual salary, such insurance to be provided through the plan available to non- union employees and subject to the rules governing participation in such policies. Such coverage will be effective as provided by those plans.

The City Manager may also participate in the City's dental and income protection insurance programs on the same terms as other non-union City employees.

Section 12. Retirement.

The City Manager shall have the right to participate in the Maine Public Employees Retirement System (MainePERS) COLA plan, and the City agrees to contribute the prescribed employer contribution to MainePERS. The City shall also contribute an amount equal to fifteen percent (15%) of the City Manager's base salary to the International City Manager's Association retirement (ICMA) fund.

Section 13. Termination by the City and Severance Pay

A. Termination Without Cause

The City may terminate the City Manager's employment without cause by an affirmative vote of a majority of the entire City Council. Employment shall end on the effective date stated in the Council's written notice. The City Manager shall be relieved of all duties immediately upon receipt of that notice and shall not be required to provide a working notice period, remain on call, or provide transition services as a condition of receiving severance.

Within ten (10) business days after the effective date of termination, the City shall pay the City Manager a lump-sum severance payment equal to six (6) months of her then-current annual base salary, plus an amount equal to the employer retirement contributions specified in Section 12 that would have been payable on that salary during the six-month period. Retirement amounts shall be deposited into the applicable plans to the extent permitted by law and plan rules; any amount that cannot lawfully be contributed shall be paid directly to the City Manager as additional taxable severance.

For six (6) months following termination, the City shall maintain the City Manager's and her eligible dependents' existing medical and dental coverage, with the City and City Manager paying the same respective shares of the premiums as immediately before termination. If continued participation in the active employee plans is unavailable, the City shall provide the same employer subsidy toward elected COBRA or other available continuation coverage, including any additional administrative premium. The City shall also continue its payment for existing life, disability, and income protection coverage to the extent permitted by the applicable plans. If such coverage cannot continue, the City shall pay the City Manager an additional amount equal to six months of the City's premiums for the unavailable coverage.

Severance and benefit payments shall be in addition to all earned and unpaid compensation and payment at the City Manager's then-current rate for all accrued and unused vacation, , without duplicate payment for any leave balance. Those earned amounts shall be paid within ten (10) business days after termination, or sooner if required by law.

The City Manager shall have no obligation to seek other employment. Severance and the City's financial obligations under this provision shall not be reduced because the City Manager obtains other employment or earns other income. If replacement insurance coverage prevents continuation of an existing benefit, the City shall pay the remaining employer subsidy directly to the City Manager as taxable compensation.

These obligations shall survive termination of employment and expiration of this Agreement and shall not be conditioned on execution of a release or separation agreement.

B. Termination for Cause

A. In the event the City Manager is terminated for "just cause," the City shall have no obligation to pay the amounts outlined in Section 13, Paragraph B of this Agreement, other than any accrued unused vacation time. For purposes of this Agreement, "just cause" is defined and limited for purposes of this Agreement to any of the following: The City has a right to terminate this Agreement for cause as provided in State statute. Cause shall include but not be limited to incompetence, gross insubordination, or misconduct impairing seriously the continued usefulness or ability of the City Manager to perform the duties of the position. The City Manager's reasonable exercise of professional judgment regarding matters within the scope of the City Manager's employment, including matters of policy, political judgments, and interpretations of laws, regulations and ordinances shall not constitute cause for termination. Prior to any termination for cause, the City Manager shall be provided a written notice of the reasons for the proposed termination and an opportunity for a hearing before the City Council, in accordance with State statute.

B. The City recognizes that the City Manager is a municipal official pursuant to 30-A M.R.S. § 2601. Any termination of the City Manager for cause will require notice and a hearing. By way of illustration, the City and the City Manager refer to the City of Biddeford Human Resources Manuel Policies and Procedures, (last updated 2015). The types of unacceptable conduct which may give rise to discipline up to and including termination are set forth on pages 48 and 49 in the Manuel. The illustrations include issues with attendance, behavior, and performance. Those illustrations are in no way intended to be a complete list of unacceptable acts which may result in discipline. In addition, the City may terminate the City Manager for cause, for any conduct that is found to be contrary to or in violation of any applicable Federal or State law. The City may also terminate the City Manager for a violation of the International City/County Management Association Code of Ethics

C. If the City desires to terminate the City Manager for just cause, they shall provide her with written notice specifying in reasonable detail the alleged facts supporting a just cause termination and granting the City Manager a hearing in Executive Session, with or without an attorney of her choosing, to present any information she deems relevant before the City makes a formal determination to terminate for just cause. Any such hearing shall not be governed by the Maine State or Federal rules of evidence or procedure and shall be chaired by the Mayor or his/her designee.

D. In the event the Council, at any time during the employment term, reduces the salary or other benefits of the City Manager, as identified herein, in a greater percentage than an equivalent across-the-board reduction for all full-time, non-union City employees, or in the event the City allegedly refuses to comply with any other material provision of this Agreement benefiting the City Manager, the City Manager shall notify the Council in writing of the alleged violation. The Council shall have forty-five (45) days from such notice within which to cure the violation.

E.

Section 14. Termination by the City Manager

The City Manager may terminate this Agreement at any time by delivering to the City Council a written notice of termination not later than sixty (60) days prior to the effective date of the termination. If the City Manager terminates this Agreement, then the provisions of Section 13, Paragraph B(3) above, shall not apply. At the election of the City, the City Manager may be relieved from providing services on behalf of the City in accordance with the terms of this Agreement for all or any portion of the sixty (60) day period following receipt of notice of termination of her employment. If the City Manager voluntarily resigns pursuant to this Section, the City shall pay to the City Manager all accrued compensation, benefits, vacation, sick, personal, and earned paid leave time due the City Manager up to the City Manager's final day of employment in accordance with the City's Personnel Policies and Procedures. The City shall have no further financial obligation to the City Manager pursuant to this Agreement. This subsection shall not prevent the City Manager from collecting any money earned as a result of participation in the City's retirement program, which shall be governed by the applicable rules for such plan.

Section 15. Disability

If the City Manager becomes permanently disabled or is otherwise unable to perform her duties because of sickness, accident, injury, mental incapacity or health for a period beyond the allowed protected leave provisions in Federal and State law, the City will comply with applicable protected leave and accommodation obligations., the City shall have the option to terminate this Agreement, subject to the severance pay provision outlined in Section 13, Paragraph B of this Agreement, except that the City Manager's severance pay shall be limited to six (6) months of her salary in effect at the time of termination.

Section 16. Residency

The City Manager agrees to maintain legal residence within Thirty (30) miles of the City during the term of this Agreement. The City acknowledges, however, that the City Manager will not be in breach of this residency requirement while occasionally travelling outside of the City for City business, for vacation, or for personal or family reasons.

Section 17. Indemnification.

A. City shall defend, save harmless, and indemnify the City Manager against any action for any injury or damage suffered as a result of any act, event, or omission of action within the scope of her duties or function, unless she acted in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property. The City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. The City shall not be liable for the acts or omissions of the City Manager
committed while acting outside the course and scope of her agreed duties or committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

B. Said indemnification shall extend beyond the termination of employment and the expiration of this Agreement to provide protection for any such acts undertaken or committed in her capacity as City Manager, regardless of whether the notice of claim or filing of a lawsuit occurs during or following employment with the City.

C. Nothing herein is intended, nor shall it be construed to waive or modify any immunity or limitation of liability available to the City and/or the City Manager under applicable state law, including but not limited to the Maine Tort Claims Act.

Section 18. Bonding

The City agrees to bear the full cost of any fidelity or other bonds required of the City Manager under any policy, regulation, ordinance, or law.

Section 19. Code of Ethics and Conflicts of Interest

Upon becoming an active full member of the International City/County Management Association (ICMA), the "Code of Ethics" promulgated by ICMA is incorporated herein, and by this reference made a part hereof. Said "Code of Ethics" shall furnish principles to govern the City Manager's conduct and actions as City Manager of the City.

The City Manager is responsible for ensuring her compliance with any and all federal, state, and local conflict of interest laws relating to her employment.

Section 20. General Terms and Conditions

A. If any provision, or any portion thereof, contained in this Agreement is held by a court of competent jurisdiction to be unconstitutional, illegal, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, shall not be affected and shall remain in full force and effect.

B. The waiver by either party of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent breach by that party.

C. This Agreement contains the entire Agreement of the parties. It may not be changed verbally, but only by an Agreement in writing signed by the parties.

D. Maine law shall govern this Agreement and any litigation that may arise from this Agreement, shall be filed and litigated in the state courts in Biddeford.

E. Upon City Manager's death, the City's obligations under this Agreement shall
terminate except for:

1. Transfer of ownership of retirement funds, if any, to her designated beneficiaries;

2. Payment of accrued leave balances in accordance with this Agreement;

3. Payment of all outstanding hospitalization, medical and dental bills by City insurance policies or plans; and

4. Payment of all life insurance benefits in accordance with the life insurance plan.

F. The parties acknowledge that each has shared equally in the drafting and preparation of this Agreement and, accordingly, no court construing this Agreement shall construed it more strictly against one party that the other and every covenant, term and provision of this Agreement shall be construed simply according to its fair meaning.

G. This Agreement may be executed in duplicate or counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument. No term, condition or covenant of this Agreement shall be binding on either party until both parties have signed it.

H. The effective date of this Agreement shall be the last date it is executed by either of the parties to this Agreement.

I. Unless otherwise provided herein, the City Manager shall be eligible for all benefits provided to department heads in the City's Non-Union Personnel Policies and Procedures.

J. The City Manager shall fully cooperate with the City in any claim, lawsuit or potential claim or lawsuit, by or against the City regardless of whether the City Manager works for the City at the time that the claim is filed. "Full cooperation" hereunder shall include, without limitation, providing information to the City and its attorneys (including attorneys designated or hired by the City), appearing and/or participating as a witness in the case when requested to do so by the City, including, without limitation, participating in all pre-trial and trial proceedings. "City" as used under this section shall include officers, employees, and agents of the City, including without limitation, attorneys designated or hired by the City. The City will provide reimbursement for time, mileage and other necessary costs in association with the participation at the rate of pay when the City Manager left employment. Except in those circumstances where such full cooperation is in conflict with the advice of the employee's legal counsel or is in violation of the employee's constitutional rights, failure to fully cooperate with the City in any case may result in disciplinary action against the employee, if still employed by the City. City Manager shall fully cooperate whether or not she is a named defendant, when the City and its representatives, in their sole discretion, determine that the City Manager has information relevant to the claim or the defense of the claim against the City or another employee of the City. The City shall reimburse the City Manager for reasonable documented travel expenses required in order to meet the obligations of this section.

Executed by the CITY this_____day of_____, 2026

WITNESS

CITY OF BIDDEFORD

By: _____

_____

Liam LaFountain,

Mayor

Executed by Laurie A. Smith this 27th day of October, 2026

WITNESS

_____

Laurie A. Smith

EXHIBIT A

Council Commitments for an Effective Working Relationship

Concerns/Actions	Commitment
Respect management authority	Honor administrative and supervisory authority under the Charter; individual elected officials must not give staff operational instructions outside their lawful authority.
Provide clear and consistent direction	Establish priorities through formal Council action and resolve conflicting directions through the agreed governance process
Set fair performance expectations	Adopt written goals, identify resources and timelines, and revise expectations when priorities or resources change.
Address concerns directly	Provide the Manager with specific notice of performance concerns through the agreed Council communication process, coordinated by the Mayor, and a reasonable opportunity to respond and correct curable deficiencies.
Respect professional judgement	Good-faith recommendations, policy disagreements, and refusal to follow unlawful or unethical directives must not constitute cause for termination.
Address interference	The City Council will reaffirm reporting relationships, direct operational concerns through the manager, and address interference within their lawful authority.
Support the manager's authority with staff and public.	Communicate to department directors and employees that the Manager's lawful directives and reporting relationships are to be respected. Publicly acknowledge the Council's responsibility for adopted policies implemented by the Manager. Address concerns about administrative decisions directly with the Manager and do not encourage staff to bypass her authority.