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CITY OF WOUTH MIN

MARK F. KELLY ROBERT F. McKEE MELISSA C. MIHOK

August 28, 2013

kmpa@kellyandmokee.com www.kellyandmckee.net

Darcee Siegal, Esquire City Attorney City of North Miami Beach 1701 N.E. 19th Avenue North Miami Beach, FL 33162-3111

RE: <u>Lyndon Bonner</u>

Dear Ms. Siegal:

I have been retained to represent Lyndon Bonner regarding certain matters associated with his former employment as the City Manager of the City of North Miami Beach. As you are no doubt aware, my client and the City entered into an employment agreement for a term of employment that commenced on October 1, 2011, until September 30, 2012. The agreement was executed by Mayor Vallejo and approved by the City Council in September 2011. An essential element of the agreement relates to the City's obligation to Mr. Bonner with respect to his pension. Specifically, the City agreed that as of the effective date of the agreement, October 1, 2011, it would transfer any contributions Mr. Bonner had made into the City's General Management Pension Plan since the commencement of his employment on March 29, 2011, into a Section 401(a) account established for the benefit of Mr. Bonner. The City further agreed that during the contract term, it would contribute to the Section 401(a) account the City's "normal cost" based upon salary earned by Mr. Bonner since March 29, 2011. The City has breached its obligation to Mr. Bonner by failing and refusing to make the requisite contributions to the Section 401(a) plan totaling \$69,754.33. Mr. Bonner has experienced significant tax consequences as a result of the City's failure to make the requisite contribution totaling \$55,030.00.

Demand is hereby made for the City to compensate Mr. Bonner for its breach of its contractual obligation to him, as described above. Should the City fail to make satisfactory arrangements to resolve this matter no later than 14 days from the date appearing above, we will assume that the City has no interest in resolving this dispute informally and will proceed accordingly. You should know that if Mr. Bonner is forced to initiate litigation against the City with respect to this matter, he will also seek to recover his attorney's fees and costs, pursuant to Florida Statute § 448.08.

Darcee Siegal August 28, 2013 Page 2

Please let me know how your client wishes to proceed.

Sincerely,

Robert F. McKee

RFM/bdj

cc: Lyndon Bonner

CONDITION OF EMPLOYMENT

EMPLOYER:

City of North Miami Beach, Florida

EMPLOYEE:

Lyndon L. Bonner

POSITION:

City Manager

EFFECTIVE DATE:

October 1, 2011 - September 30, 2012

Renewal/Expiration Date

This contract shall be considered for review and renewal by the Mayor and Council at a Council meeting in July 2012.

Term of Agreement

The Term of this contract shall be for one year. The City Manager serves at the pleasure of the City Council and nothing herein shall be taken to imply or suggest a guaranteed tenure. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the City Manager to resign at any time from his position with Employer provided that Employee shall provide the City Council written notice at least thirty (30) calendar days prior to the date his resignation takes effect, unless otherwise waived by the City Council.

The City Manager agrees to remain in the exclusive employ of the City Council, while employed by the City of North Miami Beach. The term "employed", however, shall not be construed to exclude occasional teaching, writing, speaking or consulting. Said activities are expressly allowed provided that in no case is any activity allowed which would present a conflict of interest with the City Manager's employment with the City of North Miami Beach.

Duties

Employee shall perform the duties and exercise the powers as provided by State law, the City Charter and City Code, and perform such other legally permissible and proper duties and functions as assigned by the City Council from time to time.

<u>Salary</u>

Employee's salary shall be \$3,178.46 per week or \$165,280.00 annually, which includes health care coverage.

City

Bonner

Leave

Employee shall be entitled to the following:

Annual Leave:

20 days/160 hours

Sick Leave:

10 days/80 hours

Floating Holiday:

2 days/16 hours per year

Birthday:

1 day/8 hours per year

In consideration of the City Manager giving thirty (30) days notice to the Mayor and Council of any resignation, the City Manager shall be entitled to an additional 10 days/80 hours of annual leave and an additional 5 days/40 hours of sick leave, both of which shall vest immediately upon the effective date of this Agreement.

Pension Eligibility

The City Manager is currently placed in the existing General Management Pension Plan, and has agreed to voluntarily transfer out of the General Management Pension Plan in accordance with the requirements of the Plan documents. Upon successfully transferring out of the General Management Pension Plan, the City Manager agrees to roll over to a 401(a) account his employee contributions to the General Management Pension Plan since March 29, 2011 and the City agrees to contribute to a 401(a) plan the City's Normal Cost based on salary earned by Employee since March 29, 2011. The Employee agrees to specifically exclude any payments attributed to the Management Pension's future pension liabilities. The Employee, in consideration of the above, agrees to waive any claim whatsoever to the existing or future City of North Miami Beach Management Pension Plan.

Health Insurance

In lieu of the Single Coverage Health Insurance Plan the Employee currently receives, the City agrees it will add to the Employee's base pay the actual cost to the City for the Single coverage the City currently pays on behalf of the Employee.

The Employee will be responsible to maintain his own health insurance and hereby expressly waives future Claims to the City's Health Insurance Plans.

Dental Insurance

No longer applicable to the Employee.

Disability Insurance

Employee shall be provided long and short term disability at no cost to Employee.

Life Insurance

City shall provide Employee with life insurance in an amount that is twice the Employee's annual salary not to exceed \$200,000.00. At separation, City's obligation to continue to pay for Employee's life insurance shall discontinue.

Severance

Employee may be terminated from employment with or without cause at any time. If Employee is terminated from employment without cause, the City agrees to pay Employee a lump sum cash payment equal to 20 weeks' salary. Employee shall not be entitled to any severance if terminated for cause.

Automobile Allowance

Employee shall be provided a motor vehicle allowance of \$500.00 per month. Said car allowance is intended to reimburse the City Manager for travel less than 150 miles from North Miami Beach City Hall. The City Manager's business travel by vehicle more than 150 miles from City Hall shall be reimbursed at the per mile rate equal to the IRS allowable rate then in effect.

Cell Phone/Data Plan and Communication Connectivity Coverage

Employee shall be provided cellular phone, data plan and communication connectivity coverage at the City's expense. The maximum monthly amount paid for such coverage shall not exceed \$170.00 a month.

Hours of Work

While the Manager is normally expected to be at City Hall during working hours, it is recognized that the City Manager must devote a great deal of time outside normal office hours to the business of Employer and in recognition of that fact, the City Manager's hours may be flexible within reasonable bounds.

Bonner

Professional Development

Employer agrees, subject to the annual budget approved by the City Council, to pay the professional dues, subscriptions, travel and subsistence expenses of the City Manager for reasonable professional participation and travel, meetings and occasions adequate to continue his professional development which will benefit the City.

Said participation to include, but not be limited to, the International City/County Management Association, and other such national, regional, state and local governmental groups and committees thereof of which Employee is a member, or participation in which is beneficial to Employer, as well as associated short courses, institutes and seminars.

General Expenses

Employer recognizes that certain expenses of a non-personal and job-affiliated nature are incurred by the City Manager, including participation in civic and other local organizations, and the City hereby agrees to reimburse or pay said reasonable expenses. Employer shall bear the full cost of any fidelity or other bonds required of the City Manager under any law or ordinance.

CITY OF NORTH MIAMI BEACH,

FLORIDA:

EMPLOYEE:

Bonner

By: George Vallejo, Mayor

Pursuant to Motion adopted at the September 20, 2011 Council Meeting.

ATTEST:

Approved as to Form and Legal Sufficiency For the Use and Reliance of the City Only:

Darcee S. Siegel, City Attorney