



By Patrick Callahan

Employment agreements: A growing trend in municipal government?

One of the most important and critical decisions in a person's life is whether to resign their current job or position and accept a new one. This decision making process can be very difficult if you are leaving a position in which you have a good working relationship with your current boss for a new position with an organization that may experience a substantial change in the leaders of the entity within two years or less. This dilemma is fairly common for people who work in city government.

Some people who have chosen a career in city government as a city manager, city administrator, city clerk or department head have been reluctant to accept a new position unless they have negotiated an employment agreement with their next employer or city. In fact, there are some observers of municipal government who think that there may be a growing trend for the use of employment agreements.

Employment Agreement in Other Sectors

The use of employment agreements is a fairly recent practice for many cities in Iowa. However, employment agreements in the private sector has been common for many years, especially for managers and chief executive officers of major corporations. While these employment agreements are confidential documents and rarely made available to the public, the use of contracts will occasionally make headlines in newspapers when the two parties take legal action to settle a dispute.

School districts in Iowa have numerous employment agreements, and those between a school district and a school superintendent will typically generate the most coverage in the local news media. However, most school districts have written agreements or contracts with all of the administrative staff members and teachers. Most teacher contracts are for one year duration and can only be changed or modified during the school year with the approval of the school board.

The Employee's Perspective

The reasons why a prospective or current city employee may request consideration of an employment agreement will vary. Some of the most common reasons include the following:

1. There may be a need to clearly define the terms and conditions of employment in a written contract that is binding upon both the city and the employee, rather than in a verbal offer of employment as oral agreements ordinarily are not binding.
2. An employment agreement will stipulate the terms of employment, such as vacation time, health insurance, auto allowance, paid leave and holidays, and any variations from the city's standard policies or plans.
3. The most common reason that an employee may request an employment agreement may be the desire for a severance clause or termination provision to define what happens when the employee is fired for something less than "just cause."