

## **AGREEMENT NO.**

THIS AGREEMENT is made this 17th day of September 2025, by and between the CITY OF PHOENIX (the "City"), a municipal corporation of the State of Arizona, acting by and through its Mayor and City Council; and ED ZUERCHER (the "Manager"), City Manager of the City of Phoenix.

### **WITNESSETH:**

1. Scope.

The purpose of this Agreement is to set forth the basic terms and conditions under which Ed Zuercher shall perform his duties as Manager for and on behalf of the City, including the compensation, reimbursement, and fringe benefit provisions relating to said position.

2. Term.

This Agreement shall commence on November 17, 2025, for an indefinite term as required by the City Charter, Chapter III, Sec. 2, and shall be a continuing agreement between the Manager and the City unless subsequently amended. The specific provisions relating to payment of Salary and Fringe Benefits as set forth in Paragraph 6 below shall continue until such time as they may be changed by further amendments to this Agreement. The adoption of any amendments to this Agreement shall not be deemed to affect any other term or condition of this Agreement unless specifically modified by such amendment and agreed to by the parties.

3. Termination or Resignation of Manager.

- a. Charter Requirements. The parties recognize the applicability of the provision of Chapter III, Section 2 of the Charter of the City relative to removal of the Manager without cause and removal of the Manager for cause. "For cause" may include but shall not be limited to affecting or concerning the ability or fitness of the City Manager to perform the duties required by the City Charter and the City Code or affecting the capacity or fitness for the Office of the City Manager, such as inefficiency, incompetency, or other acts leading to disqualification.
- b. Notice of Resignation. The Manager further agrees that if he voluntarily resigns from his position with the City, he will provide the City Council with a minimum of sixty (60) days advance notice.

- c. Termination for Cause. The Manager further agrees to fully comply with the City of Phoenix's Ethics Policy and Non-Discrimination and Anti-Harassment ordinance as either may be amended from time to time. In the event the Manager violates the Ethics Policy or Non-Discrimination and Anti-Harassment ordinance, the parties agree that such a violation constitutes cause for termination under Chapter III, Section 2 of the City Charter.

4. Duties.

The duties of the Manager shall be as set forth in the City Charter, City Code, Ordinances, and formal actions taken by the City Council.

- a. Hours. The parties recognize that no specific hours limit the performance of the duties of the Manager. The Manager is expected to devote as many hours to the job as may be necessary to satisfactorily perform the duties of his office.
- b. Full Time Performance. The parties agree that the Manager shall devote his full time to the performance of his duties as Manager. The provisions of this subparagraph shall not prohibit the Manager from engaging in outside employment, such as teaching, writing, or speaking activities before or on behalf of any educational, professional, or civic groups or association on his own time and not at City expense.
- c. Outside work. The City Manager may not accept compensation or an honorarium for such activities, except:
- The Manager may receive expense reimbursement from the inviting group or association or may be reimbursed by the City for such activities related to his leadership position.
  - The City Manager currently receives compensation as a trustee of the Virginia G. Piper Charitable Trust, designation of which predates this Agreement. The parties agree to continue this arrangement. The Trust holds meetings on one Monday afternoon per month and on rare occasions at other times throughout the year. Trustees award charitable gifts from the Trust to qualified nonprofits in Maricopa County in the areas of health care, education, children, religious organizations, older adults, and the arts. The Manager agrees to take vacation leave for those meetings. The Manager agrees that his employment with the City will take

precedence at all times and that he will not participate in any activity that creates a conflict of interest.

- The Manager further agrees that all outside activities shall be conducted only in such a manner as to cause no interference or conflict of interest with the normal course of business activities and duties of the Manager.

5. Residency.

Pursuant to Chapter III, Section 2 of the City Charter, the Manager shall be a resident of the City.

6. Performance Evaluation.

The City Council and the Manager will, as part of the Manager's performance evaluation, mutually establish the Manager's annual work objectives and review such objectives once each year by December 31. These objectives will be based on an appraisal of the Manager's performance related to the current conditions in the City, major work program goals necessary to achieve the City goals, and the resource capabilities of the City organization.

The Mayor and the City Council will annually, prior to the end of December, as part of said annual review, evaluate the Manager's progress and performance for results achieved in relation to the past objectives, based on the goals established for the prior year. The parties agree that they will bring perceived problems or inadequacies to the attention of the other, and that they will exercise good-faith efforts to mutually resolve such perceived problems or inadequacies and differences of opinion.

7. Salary and Fringe Benefits.

The salary and fringe benefits of the Manager shall consist of the following:

- a. Salary. Biweekly payroll remuneration to be computed on an annual basis as set forth herein in the annual sum of FOUR HUNDRED FIFTEEN THOUSAND, FIVE HUNDRED FORTY-TWO DOLLARS AND (\$415,542.00).
- b. Salary Increases. The Manager shall receive annual pay increases equal to the total compensation percentage awarded by the City

Council to employee bargaining groups, effective on the date the increases are effective for the employee bargaining groups, subject to disapproval by the Council at the time of the annual performance evaluation, effective with the next pay period. If the employee bargaining groups do not all receive the same percentage increase in salary, the Manager shall receive the lowest total compensation percentage increase given to a bargaining group that year. Any additional performance-based increases must be approved at a formal City Council meeting, by Ordinance, as required by City Charter, Chapter III, section 2.

- c. Deferred Compensation (401(a) Plan/457 Plan). Payment by the City into the 401(a) Plan shall be computed on the same percentage basis as that provided for other members of the Executive Class of City employees. To the extent permitted by federal law and consistent with the City's 401(a) Plan, the City Manager may also include any form of payment due at retirement into the 401(a) Plan. Such payment may include, but not be limited to, sick leave or vacation leave payments, performance payments, and any other similar pay. To the extent permitted by federal law and the City's 457 Plan, the City Manager may also participate in the City's 457 Plan under the same terms and conditions provided to the City of Phoenix Executive Class of employees. The entire amount of such Deferred Compensation, 401(a) or 457 Plan(s), benefits paid under this paragraph shall be deemed compensation for Retirement Plan purposes, to the extent permitted by law.
- d. Other Payments Consistent with Executive Class. The City Manager shall receive payment by the City of direct insurance premiums and other direct payments as made applicable by this Agreement or generally applicable to the Executive Class of City employees as set forth in the Annual City Pay Ordinance adopted by the City Council.

8. Reimbursed Expenses.

The parties recognize that it is of value to the City to provide the Manager with access to professional and civic organizations and institutions in the performance of his duties. The City Controller is, therefore, directed to reimburse from City funds ordinary and usual educational and membership expenses incurred by the Manager at his discretion in the performance of his duties in an

amount not to exceed TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00). These amounts may include the following:

- a. Professional Membership. Professional membership dues and subscriptions to professional organizations and journals.
- b. Civic Organizations. Initiation and annual dues to not more than two civic organizations.

9. Automobile and Communication Allowances.

The parties agree the Manager shall receive the same automobile and communication allowances as generally applicable to the Executive Class of City employees as set forth in the Annual City Pay Ordinance adopted by the City Council. These payments shall not be deemed compensation for Retirement Plan purposes.

10. Other Fringe Benefits.

The Manager shall be entitled to the same other fringe benefits, such as insurance benefits, vacation, sick leave, vacation buy-back, and other miscellaneous benefits as are available to all members of the Executive Class pursuant to the City Pay Plan and Administration Regulations. The City Manager's vacation accrual will be limited to the number of hours that can be rolled over at the end of each calendar year consistent with other members of the Executive Class. The parties agree to 240 hours of vacation leave annually, with 120 hours at the beginning of employment. These other fringe benefits shall not be deemed compensation for purposes of computing Final Average Salary and retirement benefits.

11. Retirement Benefits.

The retirement components for the Manager for COPERS shall consist of the following:

- 11.1. Compensation. The Manager, as a City employee, is entitled to full benefits of the City Retirement System as set forth in the City Charter, Chapter 24. To the extent permitted by law it is the specific intent of the parties that the Manager's compensation for

Retirement Plan purposes shall be calculated based on his salary as set forth in Paragraph 6.1 (as may be amended pursuant to Sec. 6.2) and Deferred Compensation.

- 11.2 Sick Leave Pay Out. The Manager acknowledges that pursuant to Administrative Regulation 2.441, VI. A., payment for accumulated sick leave at retirement shall not be used for purposes of calculating his Final Average Salary and retirement benefits under the Retirement Plan. Unused sick leave shall be used as service credit as prescribed by the Retirement Plan.
- 11.3 Vacation Leave Payout. The Manager acknowledges that pursuant to Administrative Regulation 2.18 VI. A. 3., payment for accumulated vacation leave at retirement shall not be used for purposes of calculating his Final Average Salary and retirement benefits under the Retirement Plan.
- 11.4 Reservation of Rights. Other than using only his salary and Deferred Compensation to calculate his Final Average Salary for Retirement Plan purposes, the Manager expressly preserves all other rights, interests, and privileges to benefits under the City Retirement System as made available to all members of the Executive Class of employees to the extent permitted by law.
- 11.5 Participation in COPERS. The Manager, as a City employee, is entitled to full benefits of the City Retirement System as set forth in the City Charter, Chapter 24. Because the Manager currently is a COPERS retiree, the Manager's current retirement benefit shall be suspended as of November 17, 2025 and the Manager shall be restored to the status of an active Member in COPERS. In this regard, the Manager shall accrue additional service credit and benefits in COPERS for his employment under this Agreement. Upon his termination in accordance with Section 3 of this Agreement, the Manager's COPERS' benefit shall be recalculated to include his additional benefit accrual. The Manager's current benefit option and designated survivor(s) shall remain in effect for his original COPERS benefit. However, the Manager shall be entitled to elect a benefit option and to designate a survivor, if applicable, in accordance with COPERS' plan terms for the additional benefit he accrues during his employment under this Agreement.

11.6 Participation in MERP. The Manager, as a qualifying City employee, is entitled to full benefits of the Medical Expense Reimbursement Plan (MERP). Because the Manager currently is a covered retiree, the Manager's current MERP benefit shall be suspended as of November 17, 2025 and the Manager shall be restored to the status of an active employee. Upon his termination in accordance with Section 3 of this Agreement, the Manager's MERP benefit shall be reinstated. The Manager's current benefit (\$202 per month) and designated survivor(s) shall remain in effect for his original MERP benefit.

12. Indemnification.

The City shall defend, save harmless, and indemnify the Manager against any claim or demand for damages, including legal actions, whether groundless or not, arising out of or in connection with any alleged act or omission occurring within the course and scope of performance by the Manager of the City Manager duties as such. In the event of a compromise or settlement of such a claim, the City shall pay such compromise settlement or claim. The City's obligations and duties in this Paragraph to defend, save harmless, and indemnify the Manager shall survive the expiration and/or termination of this Agreement.

13. Furlough Provisions.

At his discretion, the City Manager, in addition to any vacation or personal leave days provided in the normal Pay Plan of the City of Phoenix, shall be allowed to take furlough days, without compensation.

14. General Provisions.

This Agreement and the referenced provision of the City Pay Ordinance shall constitute the entire agreement between the parties. To the extent applicable, this Agreement shall be binding on and inure to the benefit of the heirs at law of the Manager.

If any provision or any portion is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement or a portion, shall be deemed severable, and shall not be affected and shall remain in full force and effect.

15. Adoption of Ordinance.

The City of Phoenix authorized the Mayor to execute and sign this Agreement on its behalf on the 17th day of September 2025 by adoption of Ordinance No. S-\_\_\_\_\_.

IN WITNESS WHEREOF, the City has caused this Agreement to be signed and executed on its behalf by its Mayor and City Council on this 17<sup>th</sup> day of September 2025.

Ed Zuercher, City Manager

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CITY OF PHOENIX, a municipal corporation

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KATE GALLEG0, MAYOR

ATTEST:

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Denise Archibald, City Clerk

APPROVED AS TO FORM:  
Julie M. Kriegh, City Attorney

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