

RESOLUTION NO. 22-466

**A RESOLUTION APPROVING AN AGREEMENT WITH
TERRY STOKES FOR PROFESSIONAL SERVICES &
EMPLOYMENT AS CHIEF EXECUTIVE OFFICER OF THE
CITY OF PORT ARTHUR SECTION 4A ECONOMIC
DEVELOPMENT CORPORATION**

WHEREAS, the City of Port Arthur Section 4A Economic Development Corporation (the “PAEDC”) Board of Directors (the “Board”) is given the power and authority under Article VIII, Section 8.01 of the PAEDC Bylaws to appoint, supervise, and remove the Chief Executive Officer (“CEO”) of the PAEDC; and

WHEREAS, the PAEDC has had a vacancy in the position of CEO since May 5, 2022 and the Board has advertised, evaluated the candidates and interviewed the final candidates for the CEO position; and

WHEREAS, the Board believes that an employment agreement negotiated between the Board, on behalf of the PAEDC, and the CEO candidate can be mutually beneficial to the PAEDC, the CEO and the community they serve and is in the best interests of the public welfare; and

WHEREAS, when appropriately structured, the Board believes an employment agreement can strengthen the CEO-Board relationship by enhancing the excellence and continuity of the management of the PAEDC for the benefit of the City’s economic development goals; and

WHEREAS, the Board desires to employ Terry Stokes as Chief Executive Officer for the PAEDC; and

WHEREAS, it is the desire of the Board to provide certain benefits, establish certain conditions of employment, and to set certain working conditions of said CEO; and

WHEREAS, at their Regular Board Meeting of October 3, 2022, the Board approved an Agreement with Terry Stokes for Professional Services & Employment as Chief Executive Officer of the PAEDC; and

WHEREAS, Terry Stokes desires to accept employment as CEO of the PAEDC per the terms outlined in the Agreement for Professional Services and Employment as Chief Executive Officer attached hereto as "Exhibit A".

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ARTHUR, TEXAS:

Section 1. That the facts and opinions in the preamble are true and correct.

Section 2. That the City Council hereby approves the Port Arthur Economic Development Corporation to enter into an Agreement with Terry Stokes for Professional Services and Employment as Chief Executive Officer of the PAEDC.

Section 3. That a copy of the caption of this Resolution be spread upon the Minutes of the City Council.

READ, ADOPTED AND APPROVED on this 11th day of Oct. A.D., 2022, at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote: AYES:

Mayor Bartie

Councilmembers Jones, Kinlaw, Marks and
Moser.

NOES: None


Thurman Bartie, Mayor

ATTEST:


Sherri Bellard, City Secretary

APPROVED:


Krystle Muller, Interim PAEDC CEO

APPROVED AS TO FORM:


Charles Zech, PAEDC Attorney

APPROVED AS TO FORM:


Valecia R. Tizeno, City Attorney

APPROVED AS TO AVAILABILITY OF FUNDS:


Kandy Daniel, Interim Finance Director

Exhibit A
Agreement for Professional Services and Employment as PAEDC
Chief Executive Officer

**AGREEMENT FOR PROFESSIONAL SERVICES &
EMPLOYMENT AS CHIEF EXECUTIVE OFFICER OF THE
PORT ARTHUR 4A ECONOMIC DEVELOPMENT
CORPORATION**

THIS EMPLOYMENT AT WILL AGREEMENT is made and entered into this the ____ day of ____, 2022, by and between the **PORT ARTHUR 4A ECONOMIC DEVELOPMENT CORPORATION** (hereinafter referred to as the "PAEDC"), and **Terry Stokes** (hereinafter referred to as "CEO"), both of which parties hereto understand and agree as follows:

WITNESSETH:

WHEREAS, the PAEDC Board of Directors (the "Board") is given the power and authority under Article VIII, Section 8.01 of the PAEDC Bylaws to appoint, supervise, and remove the Chief Executive Officer ("CEO"); and,

WHEREAS, the Board and the CEO believe that an employment agreement negotiated between the Board, on behalf of the PAEDC, and the CEO can be mutually beneficial to the PAEDC, the CEO, and the community they serve and is in the best interests of the public welfare; and,

WHEREAS, when appropriately structured, the Board and the CEO believe an employment agreement can strengthen the CEO-Board relationship by enhancing the excellence and continuity of the management of the PAEDC for the benefit of the City's economic development goals; and

WHEREAS, it is the desire of PAEDC to provide certain benefits, establish certain conditions of employment, and to set certain working conditions of said CEO; and

WHEREAS, Board desires to employ Terry Stokes as Chief Executive Officer for the Port Arthur 4A Economic Development Corporation; and

WHEREAS, Terry Stokes desires to accept employment as CEO of the Port Arthur Type A Economic Development Corporation on the terms outlined herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, and hereinbefore stated, the parties hereto agree as follows:

A. Employment; Duties and Responsibilities

1. **CHIEF EXECUTIVE OFFICER.** The PAEDC hereby employs Terry Stokes as the CEO of the PAEDC. CEO shall faithfully perform the duties of the Chief Executive Officer as prescribed in the job description, as set forth in **Exhibit A**. Further, the CEO shall comply with (collectively "Applicable Laws and Authorities") state and federal law, the City's Charter, all relevant policies, rules, regulations, and City ordinances

as they exist or may hereinafter be amended, and all lawful Board directives.

B. Term

The term of this Agreement shall be for an initial period of one year beginning on November 14, 2022 (the "Commencement Date") and ending on November 14, 2023. This Agreement may be renewed on its anniversary date in one (1) year increments. CEO shall serve at the will and pleasure of the entire PAEDC Board and nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the PAEDC or CEO, to terminate the services of CEO, subject only to the terms of this Agreement. A failure to renew this Agreement does not result in a termination of employment of the CEO.

C. Salary

The CEO shall receive an annual base salary ("Annual Base Salary") of one hundred and eighty thousand dollars and no/100 (\$180,000.00) to be paid in installments at the same time as other employees of the PAEDC are paid. The PAEDC may, in its sole discretion, increase CEO's Annual Base Salary and/or other benefits of CEO in such amounts and to such an extent as the Board may determine that is desirable to do so based on an annual performance evaluation and/or salary review of the CEO. There shall be no increase in CEO's compensation without specific Board approval.

D. Automobile and Technology

In addition to his Annual Base Salary and benefits herein provided, Board agrees to pay the CEO the sum of seven hundred dollars and no/100 (\$700.00) per month as a taxable car allowance, payable with and not otherwise segregated from the CEO's periodic compensation payments. The CEO shall acquire and maintain an automobile during the term of this Agreement. The CEO shall be responsible for paying for liability, property damage and comprehensive insurance coverage upon such automobile and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair and replacement of said automobile.

The PAEDC shall provide CEO with such technology and equipment which may be determined by the PAEDC necessary for the CEO to fulfill CEO's obligations under this Agreement.

E. Vacation Leave & Sick Leave

Vacation and Sick leave shall be calculated in accordance with the City of Port Arthur Employee Manual (the "Manual"). CEO is encouraged to use their accrued vacation leave each year earned. CEO will be allowed to accumulate the maximum allowable under the Manual. The CEO shall accrue sick leave at the same rate as other PAEDC Employees. CEO shall accrue sick leave and accumulate the maximum allowable under the Manual. CEO shall notify the President of the Board at least five (5) business days in advance of any Vacation leave to be used and designate such other employee, who is capable to temporarily carryout the duties

of the Chief Executive Officer, as Acting Chief Executive Officer, and shall so inform, in writing, the Board of Directors.

F. Insurance

- a. The CEO shall be covered by the same medical, dental, vision, long-term disability, life insurance and medical flexible spending account ("Health Plans") as all other PAEDC employees. The coverage for CEO shall be in full force and effect ninety (90) days after the Commencement Date. The CEO's spouse and/or dependents will be eligible to enroll in the PAEDC's Health Plans as all other employees' spouse and/or dependents.

G. Texas Municipal Retirement System and Deferred Compensation

Contributions to Texas Municipal Retirement System (TMRS) are mandatory for all full-time employees. The CEO shall participate, and the PAEDC shall contribute to CEO's TMRS account, in the same manner as all other employees.

H. Moving and Relocation Allowance

The PAEDC will reimburse CEO actual expenses up to ten thousand dollars and no/100 (\$10,000.00) for relocation, including but not limited to packing, moving of household goods, transportation to Port Arthur, Texas, temporary housing. The CEO shall provide receipts to PAEDC for reimbursement.

I. Termination and Severance Pay

- a. In the event the Board decides to terminate CEO's employment during such time CEO is willing and able to continue performing the duties of the Chief Executive Officer, then PAEDC agrees to, after termination, continue paying all salary and benefits in effect for CEO at the time of termination for a period equal to one month full salary and an additional month for every 12 months of employment with the PAEDC from the Commencement Date to a maximum of six (6) months' severance ("Severance").
- b. In consideration for the Severance provided herein, CEO shall execute and deliver to the PAEDC a full Release of all claims that he may have against the City and PAEDC. The failure to execute and deliver such release shall nullify any obligation by the PAEDC to pay the Severance.
- c. In the event the Board terminates the CEO's employment because of (i) the breach of any provision of this Agreement by CEO; (ii) allegations of embezzlement, fraud, theft, or dishonesty, or commission of a crime involving fraud or deception which are duly investigated by the Board; (iii) breach of fiduciary responsibilities, misfeasance, malfeasance, or gross negligence of CEO in the performance or non-performance of CEO's duties; (iv) violations of the City Charter; (v) or violations of the Manual, then the PAEDC shall have no obligation whatsoever to pay the Severance.

- d. If the CEO becomes permanently disabled because of sickness, physical or mental disability, so that the CEO will be unable to complete any of his duties under this Agreement with a reasonable accommodation as permitted by the Americans with Disabilities Act, the PAEDC has the option, consistent with applicable law, to terminate this Agreement upon 60 calendar days written notice of termination to the CEO. If so terminated, CEO shall be eligible for long term disability benefits provided to other PAEDC employees and the PAEDC shall have no obligation to pay the Severance.
- e. **Resignation.** If the CEO terminates this Agreement by voluntary resignation of the position of Chief Executive Officer, the CEO shall give thirty (30) days' notice in advance unless the Board agrees otherwise in writing. If the Chief Executive Officer retires from full time public service with the PAEDC, the CEO shall provide three (3) months' advance notice. Failure to provide the Notice will result in forfeiture of CEO's final paycheck in an amount not to exceed 14 days prorated Base Annual Salary. (the "Notices").

J. Performance Evaluation

It will be the responsibility of the CEO to work with the President and Board to develop performance criteria within three months of his Commencement Date. The Board must approve the performance criteria developed by the CEO and Board. The Board shall review and informally evaluate the performance of the CEO within six (6) months of commencement date and then formally evaluate the CEO every September utilizing the performance criteria approved by the Board. The review of the CEO's performance shall be in writing and in accordance with criteria and format approved by the Board. The Board shall provide the CEO a reasonable and adequate opportunity to discuss with the Board and/or respond to the CEO's evaluation. The annual performance reviews and evaluations shall be reasonably related to the CEO's written job description and shall be based, in whole or in part, on the performance criteria jointly developed and adopted by the Board and CEO.

K. Business Expenses

PAEDC recognizes that certain expenses of a job-related nature are incurred by CEO, and hereby agrees to reimburse or to pay said expenses if CEO provides adequate documentation consistent with the Manual.

L. Professional Dues and Education

The PAEDC agrees to reimburse CEO, upon presentment of receipts, an annual amount not to exceed one thousand six hundred and no/100 (\$1,600.00) per year for membership in professional organizations related and relevant to economic development.

The PAEDC agrees to reimburse CEO an annual amount, upon presentment of receipts, an annual amount not to exceed one seven thousand five hundred and no/100 (\$7,500.00) per

year for the reasonable travel and subsistence for professional and official travel, meetings, and occasions adequate to continue the professional development of CEO, to adequately pursue necessary official and other functions for CEO and for short courses, institutes and seminars that are necessary for his professional development and for the good of the PAEDC. The PAEDC reserves the right to limit such attendance in the event of legitimate priorities it identifies if in the best interests of the PAEDC.

M. Professional Liability

The PAEDC participates in the Texas Municipal League Intergovernmental Risk Pool and agrees to maintain such existing insurance coverage or equivalent for the purpose of insurance coverage for PAEDC officials acting within the scope of their employment with the PAEDC. Nothing in this section shall be construed as limiting the PAEDC's authority to reduce the insurance coverage of all PAEDC officials equally based on budgetary or other reasonable considerations.

O. Hours of Work

It is recognized that the CEO is expected to engage in the hours of work that are necessary to fulfill the obligations of the position, must be always available, and must devote a great deal of time outside the normal office hours to the business of the PAEDC. In furtherance of this condition of employment, CEO shall, when not present in his office or PAEDC facilities, be available and on call, to attend his duties as though he was present. CEO shall, when on official leave status, designate such other employee, who is capable to temporarily carry out the duties of the Chief Executive Officer, as Acting Chief Executive Officer, and shall so inform, in writing, the Mayor and PAEDC Board.

The CEO will devote full time and effort to the performance of the duties of the Chief Executive Officer, and shall remain in the exclusive employ of the PAEDC during the Term of this Agreement, provided that, with the prior consent of the Board, the CEO may accept temporary, outside professional employment which will not in any way limit the performance of, or the CEO's availability for the performance of, the CEO's duties hereunder.

P. Conflict of Interest Prohibition

The CEO shall not, during the Term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the City, except for stock ownership in a company whose capital stock is publicly held and regularly traded on any stock exchange, without the prior written approval of the Board. For and during the Term of the Agreement, the CEO shall, except for a personal residence or residential property acquired or held for future use as the CEO's personal residence, not invest in any other real estate or property improvements within the City, without the prior written consent of the Board.

Q. General Provisions

1. **Severability.** In the event any one or more of the sections, provisions or clauses

contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

2. **Entire Agreement.** This Agreement incorporates all the agreements, covenants and understandings between the PAEDC and the CEO concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged onto this written Agreement. No other prior agreements or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.
3. **Amendment.** This Agreement shall not be modified or amended except by a written instrument executed by the CEO and the duly authorized representative of the Board.
4. **Governing Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of Texas. Venue shall lie exclusively in Jefferson County, Texas.
5. **Savings Clause.** If any term or provision of this Agreement, as applied to any party or to any circumstance, is declared by a court of competent jurisdiction hereof to be illegal, unenforceable or void in any situation and in any jurisdiction, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending provision in any other situation or in any other jurisdiction. The parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases or to replace any illegal, unenforceable or void term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.
6. **Conflicts.** In the event of any conflict between the terms, conditions and provisions of this Agreement and the Applicable Laws and Authorities, then, unless otherwise prohibited by law, the terms of this Agreement shall take precedence over the contrary provisions of the Applicable Laws and Authorities during the term of this Agreement.
7. **Effective Date.** This Agreement shall become effective upon approval by the PAEDC and the expenditures required under this Agreement are approved by the City Council of the City of Port Arthur.

IN WITNESS WHEREOF, the PAEDC Board of Directors, has authorized this Agreement to be signed and executed on its behalf by its Board President at a duly posted meeting of the PAEDC Board of Directors, and the CEO has signed and executed this Agreement.

Port Arthur Type A Economic

Development Corporation

Jerry Labove, Board President

Date

CEO

Terry Stokes, Individually

Date

ATTEST:

Beverly Raymond, Board Secretary

JOB TITLE: Chief Executive Officer, Economic Development Corporation

REPORTS TO: Economic Development Corporation Board of Directors

SPECIAL REQUIREMENTS: Incumbent must reside within the corporate City limits of Port Arthur, Texas within 9 months of acceptance of the role.

DEFINITION:

To plan, organize, and direct the overall administrative activities and operations of the Economic Development Corporation; to advise and assist the Economic Development Corporation Board; to represent the Board's interests with other levels and agencies or government, business interests, and the community at large; and to exercise independent judgment and initiative.

The position involves developing and implementing target industry marketing initiatives, servicing a broad range of manufacturing, distribution and office prospects, coordinating special incentive packages for prospects, interfacing with regional and local economic development allies, brokers, developers and other service providers to retain and locate prospects.

This position serves at the will and pleasure of the Economic Development Corporation Board of Directors.

SUPERVISION RECEIVED AND EXERCISED

Receives policy direction from the Economic Development Corporation Board.

Provides guidance for direct and indirect supervision over the EDC staff in collaboration with the Deputy Director. Exercises direct supervision and oversight for the Deputy Director for the EDC staff.

EXAMPLES OF IMPORTANT RESPONSIBILITIES AND DUTIES

Essential and other important duties and responsibilities may include, but are not limited to, the following:

- Develop, plan, and implement, with Board participation, Economic Development Corporation goals and objectives as well as policies and procedures necessary to provide services; approve new or modified programs, systems, policies and procedures.
- Prepare and submit to the Economic Development Corporation Board reports of financial administrative activities; keep the Economic Development Corporation Board advised of financial conditions, program progress, and present and future needs of the Economic Development Corporation.
- Direct the development, presentation, and administration of the Economic Development Corporation budget, oversee the forecast of funding needed for staffing equipment, materials, and supplies; monitor revenues and expenditures, make mid-year corrections.
- Appoint, train, motivate and provide insight/input on staff performance objectives and collaborate in conjunction with Deputy Director in preparing and presenting performance reviews, conducting performance improvement plans (PIP), implementing corrective discipline procedures leading up to recommendation for termination; establish performance objectives, prepare and present employee performance reviews; implement discipline procedures; recommend employee termination;

- Direct and participate in the preparation of long-term, short term plans and plan improvements with recommended financing.
- Maintain mental capacity which allows the capabilities to:
 - Exercise sound judgment and rational thinking under stressful circumstances
 - Evaluate various options and alternatives and choose an appropriate and reasonable course of action
 - Prepare complex policies and recommendations
 - Effectively supervise personnel
 - Operate effectively in an economically and culturally diverse environment
- Maintain effective audio-visual discrimination perception for:
 - Making observations
 - Reading and writing
 - Operating necessary and assigned equipment
 - Communicating with others

OTHER IMPORTANT DUTIES AND RESPONSIBILITIES

- Confer with the Economic Development Corporation Board and staff concerning administrative and operational problems, make appropriate decisions or recommendations.
- Supervise preparation of the Economic Development Corporation Board agenda.
- Direct the preparation of plans and specifications for work which the Economic Development Corporation Board orders.
- Interpret, analyze, and explain policies, procedures, and programs.
- Confer with residents, taxpayers, businesses, and other individuals, groups, and outside agencies having an interest in affairs of the Board.
- Respond to the most difficult and sensitive complaints and requests for information.
- Represent the Economic Development Corporation in the community and at professional meetings as required.
- Coordinate Economic Development Corporation activities with other governmental agencies and outside organizations.
- Perform all duties as may be prescribed by Economic Development Corporation Board action.
- Perform related duties as assigned.
- Preferred experience in leading organizational change, setting short and long term goals, establishing new Key Performance Indicators (KPI) and objectives, and establishing new organizational cultures.

QUALIFICATIONS

- Knowledge of:
 - Modern and highly complex principles and practices of administration, organization, functions and services.
 - Current social, political, and economic trends and operating problems of Economic Development Corporations.
 - Applicable federal and state laws, rules, and regulations regarding Economic Development Corporation operations.
 - Principles of personnel selection, supervision, training and evaluation.

- Principles of effective public relations and interrelationships with community groups and agencies, private businesses and firms, and levels of government.
- Ability to:
 - Develop and maintain effective working relationships with Economic Development Corporation Board members, staff, committee members, business leaders, and the general public.
 - Provide effective leadership for and coordinate the activities of the Economic Development Corporation.
 - Conceptualize, design and implement strategic digital marketing and branding initiatives to attract business to targeted demographics for community impact
 - Analyze, interpret, summarize, and present administrative and technical information and data in an effective manner.
 - Appraise situations and people accurately and quickly and adopt an effective course of action.
 - Serve effectively as the administrative agent of the Economic Development Corporation Board.
 - Provide staff training and development programs to increase professional and personal competencies.
 - Lead people and initiatives with professionalism, dignity, respect and the ability to manage a large portfolio of diverse prospects.
 - Communicate effectively, both orally and in writing.
 - Prepare grant proposals and applications, contracts and other necessary documents as may require for necessary services

EXPERIENCE AND TRAINING GUIDELINES:

Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way would be:

- Experience
 - Minimum of five years of increasingly responsible experience in Economic Development in an administrative, managerial, or staff capacity in a large organization, involving the responsibility for the planning, organization, implementation and supervision of varied Economic Development programs.
- Training
 - Equivalent to a Bachelor's degree from an accredited college or university with major course work in public or business administration, marketing, economics or a closely related field. An advanced degree is desirable.

LICENSE OR CERTIFICATE:

Possession of, or ability to obtain, an appropriate Texas driver's license and CeCD certification within 3 years of assumption of the Chief Executive Officer position.

The City of Port Arthur Section 4A Economic Development Corporation is an equal opportunity employer that is committed to diversity and inclusion in the workplace. We prohibit discrimination and harassment of any kind based on race, color, sex, religion, sexual orientation, national origin, disability, genetic information, pregnancy, or any other protected characteristic as outlined by federal, state, or local laws.

This policy applies to all employment practices within our organization, including hiring, recruiting, promotion, termination, layoff, recall, leave of absence, compensation, benefits, training, and apprenticeship. The City of Port Arthur Section 4A Economic Development Corporation makes hiring decisions based solely on qualifications, merit, and business needs at the time.