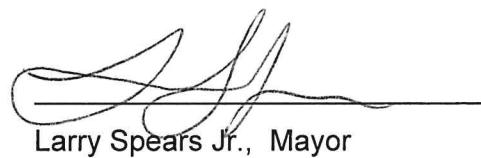


MOTION

Motion authorizing the Mayor to enter into a severance agreement with Michael Kunst for the position of City Manager of the City of Orange.



Larry Spears Jr., Mayor

ATTEST:



Patricia Anderson, City Secretary

August 26, 2025

CITY MANAGER SEVERANCE AGREEMENT

STATE OF TEXAS §
§
COUNTY OF ORANGE §

This Severance Agreement (“Agreement”) is entered into by and between the City of Orange, Texas (the “City”), a home rule municipal corporation organized under the laws of the State of Texas, and Michael Kunst (the “City Manager”), effective as of the Effective Date set forth below.

RECITALS:

WHEREAS, Michael Kunst has been appointed and is serving as the City Manager of the City of Orange, Texas, pursuant to the City Charter; and

WHEREAS, the City Council desires to set forth in advance the terms and conditions that will govern any future separation of City Manager from employment as City Manager wherein severance pay would be provided; and

WHEREAS, the City Council finds that these terms are reasonable, serve the public purpose, and comply with the Texas Constitution, the Texas Local Government Code, and the City Charter; and

WHEREAS, the City Council has approved this Agreement in an open meeting duly posted in compliance with the Texas Open Meetings Act;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **PURPOSE.** The purpose of this Agreement is to establish the terms applicable to any future termination wherein the Council may end the employment relationship and terminate the Employment Agreement, as defined in the Employment Agreement dated September 10, 2021, (the “Employment Agreement”), at the pleasure of the Council in accordance with the City Charter, without cause or reason, upon written notice to the City Manager as specified below and payment to the City Manager of the Severance Amount (as defined below).
2. **APPLICATION OF AGREEMENT.** This Agreement shall become effective immediately upon execution and shall apply only in the event the City Council terminates the City Manager without cause. This Agreement shall not apply in the event of termination for good cause (as defined in the Employment Agreement), mutual agreement of the City Council and City Manager in writing and signed by them, or retirement or death of the City Manager.

3. **FUTURE SEVERANCE AMOUNT.** If City Manager's employment is terminated without cause, the City shall pay City Manager a severance amount equal to six (6) months of Employee's then-current base salary ("Severance Payment"), less applicable taxes and withholdings.

The Severance Payment shall be made in a single lump sum within fifteen (15) days following the effective date of separation.

This payment is in addition to any accrued but unused vacation or other leave benefits to which City Manager is entitled under City policy or the Employment Agreement in effect at the time of separation.

This Severance Payment shall not be construed as a bonus or gift of public funds, but as consideration for City Manager's service and obligations under this Agreement, consistent with Article III, Sections 51 and 52 of the Texas Constitution.

4. **BENEFITS CONTINUATION.** Upon separation under this Agreement, City Manager and dependents shall be entitled to continue health insurance coverage under COBRA, at City's expense, up to six (6) months after termination, in accordance with applicable law. The City shall provide all required COBRA notices.
5. **RELEASE OF CLAIMS UPON SEPARATION.** As a condition of receiving the Severance Payment, Employee shall execute a Release of Claims in favor of the City, its officials, officers, and employees.
6. **NO ADMISSION OF LIABILITY.** Execution of this Agreement and any subsequent separation shall not constitute an admission of liability or wrongdoing by the City or City Manager.
7. **RETURN OF CITY PROPERTY.** Upon separation, Employee shall return all City property, including keys, credit cards, electronic devices, records, and documents, as directed by the City.
8. **NON-DISPARAGEMENT.** Following separation, Employee agrees not to make public statements disparaging the City, its officials, or employees. The City agrees to provide a neutral employment verification (dates of employment and position only).
9. **GOVERNING LAW AND VENUE.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and venue for any action shall lie exclusively in Orange County, Texas.
10. **ENTIRE AGREEMENT AND SUPERSESSION.** This Agreement constitutes the entire understanding between the parties regarding severance and supersedes any prior discussions or representations on this subject. However, this Agreement does not alter any other terms of the Employee's existing Employment Agreement except as expressly provided herein.

11. **APPROVAL AND COMPLIANCE.** This Agreement has been approved by the City Council of the City of Orange, Texas in an open meeting in compliance with the Texas Open Meetings Act and is consistent with the City Charter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates indicated below.

CITY OF ORANGE, TEXAS:



Larry Spears, Mayor

Date: 9-2-25

CITY MANAGER:



Michael Kunst, City Manager

Date: Alt 28, 2025