

**Seibert, Trent (KTRK-TV)**

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**From:** Diaz, Mario - HAS <Mario.Diaz@houstontx.gov>  
**Sent:** Monday, June 08, 2015 9:36 AM  
**To:** Benjamin R. DeCosta  
**Subject:** Mario Diaz has shared a file with you using Dropbox

Hi,

Here's a link to "M. Diaz K Rev. 5-28-15.docx" in my Dropbox:

<https://www.dropbox.com/s/3n8nrjeuh74nymb/m.%20diaz%20k%20rev.%205-28-15.docx?dl=0>

Mario

## CONTRACT OF EMPLOYMENT

"Whereas, the City of Houston benefits economically and commercially from a vibrant Houston Airport System, with an economic impact of \$27.5 billion annually,

Whereas, the Houston Airport System has grown in the important domain of international air traffic over the past five (5) years with an increase in global reach to every inhabited continent,

Whereas, the Houston Airport System has been well managed by its leadership team, organized and staffed by the current airport director, Mario Diaz, who has enhanced passenger satisfaction, and successfully secured a renewed concession program,

Whereas, Mario Diaz has demonstrated effective leadership and vision in pursuing the growth of the system as evidenced by the investment in Hobby and its introduction of international traffic by the airlines,

Whereas, Mario Diaz has worked effectively with the airlines and attracted additional airline service for the citizens of Houston,

Whereas, Mario Diaz has led the master planning, and capital planning for the airport system and planned the redevelopment of the Micky Leland International Terminal (MLIT),

Whereas, Ellington Airport will become the tenth licensed spaceport in the United States, requiring strong airport leadership to further its development to attract new companies to Houston in the field of aviation and aerospace,

Whereas, the Houston Airport System will be enhanced and benefit by stable leadership during this period of growth and capital investment,

Whereas, a multi-year contract with the Mario Diaz, will serve to maintain a durable and stable leadership of the Houston Airport System, and avoid the disadvantages of disruption in replacing the leadership during the critical period of growth and investment,

Now Therefor,"

By this Agreement, the **City of Houston**, referred to in this Agreement as "the Employer," with its main offices located at 901 Bagby, Houston, Texas 77002, employs **Mario Diaz**, referred to in this Agreement as "Employee or Director", of 5740 San Felipe Street, Apt 744, Houston Texas 77057, who accepts this employment agreement on the following terms and conditions:

## **ARTICLE 1**

### **EMPLOYMENT AND DUTIES**

1.01. The City of Houston, also referred to in this Agreement as the "City," employs the Employee, and Mr. Diaz accepts continued employment as the Director of the Houston Airport System with the City, to render executive leadership and management services for the Houston Airport System, as determined by the Mayor, and City Council of the City in a manner and to the extent permitted by the Director's job description, federal, state and local laws, the City's policies, rules, and procedures, and any applicable canons of professional ethics. The Director's duties shall include, but not be limited, to the following:

- (a) Providing executive leadership and management service over the City's airport system and its employees; developing commercial services to serve passengers and other customers, including attraction of airline service and promotion of business development; conducting operations of the three airports, including maintaining the airports and related facilities; planning, designing and constructing improvements for the airport system; meeting the system's manpower needs, coordinating with other city departments and other nearby cities, providing necessary training for staff, and maintenance of all records, reports, documents, investigations, claims, and correspondence with staff and others generated under this agreement. The Director will also be responsible for carrying out the duties listed in Chapter 9 of the City Code of Ordinances at Sec. 9-4. Duties and authority of the director.
- (b) Promoting his duties above to the extent permitted by law, any applicable canons of professional ethics, and conduct mandated by the City's policies, rules, and regulations.
- (c) Attending and representing the Houston Airport System at conventions, seminars, meetings, and other functions for airport professionals or organizations, and similar functions of related professional organizations.
- (d) Performing all acts reasonably necessary to maintain and improve the Director's professional skills.

The Director's other duties shall be as the Mayor or City Council may from time to time reasonably direct.

## **ARTICLE 2**

## TERM OF EMPLOYMENT

2.01. The City employs the Director, and the Director accepts employment under this Agreement with Employer, for an initial period of two (2) years beginning on the 1<sup>st</sup> day of July 2015, and continuing through June 30, 2017; however, this Agreement may be terminated earlier as provided for in Article 4 of this Agreement.

2.02. This term shall be automatically extended by one (1) year at the end of the first year of the initial two-year term, or any successive term, unless the Director resigns or is given proper notice of termination before the last day of April of the year 2016, and every subsequent April during the term of the Agreement. If the Director does not resign or receive proper notice of termination at any time prior to the end of the first year of the initial term or any successive term, this Agreement shall be automatically extended to a new two-year term agreement, it being the intent to maintain a two year agreement.

## ARTICLE 3

### COMPENSATION

3.01. The Director shall be compensated for the services provided to the City during the term of this Agreement as specified in this Article.

3.02. The Director shall be paid a salary of \$275,000.00 per year, payable in equal installments on the City's scheduled paydays; provided, however, that the rate of such salary shall be reviewed at least once every two years by the Mayor and shall be increased by the greater of five (5%) percent or by any additional amount the Mayor in her discretion may determine. The Director's salary shall be subject to all proper deductions required by law or as may be requested by the Director.

3.03. The annual salary paid to the Director is based on a normal forty-hour (40) workweek during normal business hours, but as a professional, the Director is subject to working more than a regular workweek to get the job done and is also on call at all other times of the week. In essence, the Director works a regular workweek, plus is subject to being called at anytime 24 hours a day, seven days a week.

## ARTICLE 4

### TERMINATION Conditions for Termination

4.01. This Agreement shall be terminated upon the occurrence of any of the following events:

- (a) When the Director gives the City at least sixty-days' written notice of his intent to resign from his position at the end of the 60-day notice period.
- (b) When the City gives the Director at least ninety-days' written notice of its intent to terminate the Agreement without cause at the end of the 90-day notice period.
- (c) When the City gives the Director at least ninety-days' written notice of the City's intent to terminate the Agreement at the end of the 90-day notice period for cause, the City must do so as set forth below:
  - 1. Based on the Director's failure or refusal to perform faithfully and diligently the duties of employment and comply with the provisions of this Agreement.
  - 2. Based on the Director's failure or refusal to comply with the reasonable City ordinances, policies, rules, and regulations of the City or his failure to comply with federal and state laws.
- (d) Whenever the City and the Director mutually agree to terminate the Agreement on a date certain, the parties shall do so in writing through a compromise settlement agreement.
- (e) Upon the death of the Director.

Any notices required above shall be given to the Director with copies to the Mayor and the members of the City Council. The written notices required by Paragraph 4.01 (a), (b) or (c) to the City or Director shall be sent by registered and first class mail and must contain a clear statement of intent to resign or to end the agreement, as well as a resignation or termination date.

#### **Termination Compensation and Severance Pay**

4.02. If the City terminates this Agreement under Paragraphs 4.01(b), the Director shall be entitled to receive the following compensation and benefits:

- (a) The Director shall be entitled to receive the compensation accrued but unpaid as of the date of termination.
- (b) The remainder of the Director's salary for the unexpired term.

- (c) The City shall provide medical coverage for the Director on the City's best medical plan for coverage after his termination date.
  - (d) The foregoing severance compensation benefits in subsections (a)-(d) shall be contractual and are made part of this Agreement between the parties.
- 4.03. If the Director and the City mutually agree to terminate the initial Agreement under Paragraph 4.01(d) during or at the end of the term's first year, or any subsequent term, the parties shall negotiate a severance package from the items in Paragraph 4.02 herein and other factors, and the parties will produce a written compromise settlement agreement.
- 4.04. If the Director is terminated under Paragraph 4.01(c) during or by end of the first year of the initial Agreement, or any subsequent term, the Director shall be entitled to severance pay as follows:
- (a) The Director shall be entitled to receive the compensation accrued but unpaid as of the date of termination.
  - (b) The Director shall be entitled to his salary for the remainder of the unexpired term.
  - (c) The City shall provide medical coverage for the Director on the City's best medical plan for two (2) years after the termination date; or, alternatively, the City shall purchase a comprehensive medical plan comparable to the City's best, medical plan's benefits providing the Director medical benefits for the aforementioned 2-year period.
  - (d) These severance compensation benefits shall be contractual and are made part of this Agreement between the parties.

## **ARTICLE 5**

### **FRINGE BENEFITS Vacation and Holidays**

5.01. The Director shall be entitled to 20 days' vacation with pay during each fiscal year of the City. The Director may take vacation days only at the time or times approved by the Mayor or Mayor's designee. In addition to the vacation time specified in this Paragraph, the Director shall be entitled to holidays as the City Council has approved for its employees. The Director shall comply with all of the

City of Houston's policies and procedures in the accrual and use of vacation and holiday leave.

### **Sickness**

5.02. The Director shall be entitled to 15 days' sick leave in each fiscal year due to sickness or accident, not resulting in the Director becoming totally disabled, as that term is defined in Paragraphs 8.01 through 8.04 in order to clarify the differences between sick leave and total disability leave. Unused sick leave may be carried over from one fiscal year to another as long as it is in compliance with the City's policies and procedures on use of sick leave.

### **Use of City Vehicle**

5.03. The Director shall be entitled to the use of a City vehicle for purposes of carrying out his job responsibilities, particularly traveling to meetings with supervisors, business meetings, and conducting business at the City's airports. The vehicle shall be equipped with an E-Z tag for traveling on toll roads, and to have the vehicle maintained and fueled by the City at its facilities. The Director shall have the authority to drive the vehicle at all times and for personal use based on his regular work schedule and being on call 24 hours seven days a week. The Director shall comply with all of the City's policies, rules, and procedures relative to the use of the City's vehicle.

### **Additional Benefits**

5.04. The Director will be eligible to participate in additional benefits offered to City employees including, but not limited to, health/medical care, dental care, life insurance, disability insurance, long-term disability insurance, any other medical care insurances, supplemental income insurance coverage, wellness program, etc.

- (a) The City agrees to include the Director under its group term life insurance policy in an amount equal to twice the annual salary of the employee during the term of this Agreement and any renewals of the Agreement.
- (b) During the term of this Agreement and any successive extensions thereof, the City shall coordinate the Director's benefits to provide him with the best coverage available during any temporary or total disability periods.

## **ARTICLE 6**

### **CONDITIONS DURING EMPLOYMENT**

## **Records and Files**

6.01. All records, reports, investigations, interviews, photographs, films, videotapes, personal, personnel, and regular files concerning the employee's job responsibilities Director of City's airport system shall belong to and remain the property of the City.

## **Loyalty**

6.02. The Director shall devote his full-time and best efforts to the performance of duties required under this Agreement. During the term of this Agreement, the Director shall not at any time or place accept employment with any other employer.

## **ARTICLE 7**

### **CONTINUING EDUCATION AND MEETINGS**

7.01. The Director is encouraged and is expected to attend conventions, seminars, and other educational meetings in his professional or related fields, at reasonable times. The cost of travel, meals, lodging, tuition and registration for attending such activities shall be paid by the City. The Director shall pre-submit his request for travel approval or for reimbursement of incurred expenses under this Paragraph, as may be required or allowed by the City and its policies.

7.02. The City shall also reimburse the cost of the Director's membership in professional associations and publications related to the airport industry. The Director shall submit his request for reimbursement as may be required by the City.

## **ARTICLE 8**

### **DISABILITY**

#### **Total Disability Schedule**

8.01. This Paragraph should be read together with Paragraph 5.02, entitled Sick Leave, to clarify the differences between the two types of leave.

8.02. Should the Director become totally disabled as a result of sickness or accident and unable to perform his duties specified in this Agreement, the Director's salary shall be reduced in accordance with the policies and procedures of the City, the Director's long-term disability insurance, if applicable, and the following schedule



during the continuance of such disability and for a period not exceeding 12 months for each continuous disability:

TOTAL DISABILITY BENEFIT SCHEDULE

<u>Months Totally Disabled</u>	<u>Reduction in Salary</u>
2 or less	0%
3 through 6	50%
6 through 12	75%

For the purposes of this Agreement, the term "totally disabled" or "total disability" shall mean the Director's inability to perform any of the duties pertaining to his position.

**Termination or Resumption of Duties**

8.03. Should the Director's total disability continue for a period of 12 consecutive months, this Agreement shall be automatically terminated. If, however, prior to the end of such 12-month period, the Director's total disability shall have ceased and he shall have commenced to perform duties, this Agreement shall continue in full force and effect, and the Director shall be entitled to resume his employment and to receive full compensation.

8.04. In the event the Director becomes totally disabled, he shall be entitled to utilize his accrued sick leave to receive full salary until it runs out in accordance with the policies and procedures of the City. In the event the Director has been approved to receive total disability benefits from a long-term disability insurance, if applicable, he shall not be entitled to use his sick leave at the same time, but rather, shall be entitled to the benefits for such period of time as provided for in Paragraph 8.02's Total Disability Benefit Schedule.

**ARTICLE 9**

GENERAL PROVISIONS

**Waiver of Breach or Violation Not Deemed Continuing**

9.01. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach of any provision of this Agreement.

**Notices**

9.02. All notices required or permitted to be given under this Agreement will be sufficient if furnished in writing, sent by registered mail to the Director's last known residence, or with respect to the City, sent the registered mail to its principal office in Houston, Texas.

**Authority**

9.03. Any of the provisions of this Agreement required to be approved by the City's Mayor and/or City Council have been approved and authorized.

**Governing Law**

9.04. This Agreement shall be interpreted, construed, and governed according to the laws of the State of Texas.

**Paragraph Headings**

9.05. The paragraph headings contained in this Agreement are for convenience only and shall in no manner be construed as a part of this Agreement.

**Legal Construction**

9.06. In case any one or more of the provisions contained in this Agreement 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, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

**Prior Agreements Superseded**

9.07. This Agreement constitutes the sole agreement of the parties with respect to employment of the Director, Mario C. Diaz, by the City of Houston and supersedes any prior understandings or written or oral agreements between the parties respecting that subject matter.

EXECUTED at Houston, Texas, on \_\_\_\_\_, 2015.

**CITY OF HOUSTON**

By: \_\_\_\_\_  
Annise Parker, Mayor

By: \_\_\_\_\_  
City Secretary

**EMPLOYEE**

By: \_\_\_\_\_  
Mario C. Diaz, Director of the  
Houston Airport System