

## **POSSIBLE MOTION**

**I MOVE TO** approve the Employment Agreement between the City and Borough of Sitka and John Leach as Municipal Administrator.

**Employment Agreement  
Between  
City and Borough of Sitka  
And  
John Leach**

This Employment Agreement (“Agreement”), made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between the City and Borough of Sitka, Alaska, a home rule municipality (“the Municipality” or “Employer”) and John Leach (“Employee”).

**Recitals**

1. The Municipality desires to employ the services of Employee as Municipal Administrator serving at the pleasure of the Municipal Assembly; and
2. It is the desire of the Municipal Assembly to provide certain benefits and conditions of employment for the Employee; and
3. Employee desires to accept employment as the Municipal Administrator of the Municipality.

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

**Section 1  
Employee Employment and Duties**

The Municipality employs Employee as Municipal Administrator to perform the function and duties specified in the Home Rule Charter of the City and Borough of Sitka (“Charter”) and the Sitka General Code (“SGC”), and to perform other legal duties and functions as the Municipal Assembly shall from time-to-time assign.

**Section 2  
Indefinite Term, Removal and Resignation**

A. **Indefinite Term.** In accordance with the Charter section 4.01, Employee is appointed Municipal Administrator for an indefinite term. Employee hereby acknowledges receipt of a copy and review of Charter Section 4.01, which is attached and hereby incorporated by reference.

B. **Removal; Suspension.** Employee understands that the Charter establishes that the Municipal Administrator shall serve at the pleasure of the Municipal Assembly. The Employee agrees that he is an at-will employee which means that he is serving at the pleasure of the Municipal Assembly. Employee further understands and agrees that he may be removed or suspended without cause. Employee further understands and agrees that any such removal or suspension must be in accordance with the procedures found in Charter Section 4.02. Employee

hereby acknowledges receipt of a copy and review of Charter Section 4.02, which is attached and hereby incorporated by reference.

C. **Resignation.** Employee may terminate this Agreement for any reason, or no stated reason, upon giving ninety (90) calendar days written notice to the Mayor. In the event the Employee terminates this Agreement under this paragraph, the Municipality shall pay the Employee his salary and accrued but unused vacation leave, to the date of the resignation (which means when Employee no longer works for Employer), less the amount of any unpaid balance owed to the Municipality by the Employee at the time of resignation.

### **Section 3 Salary**

During the term of this Agreement, the Municipality agrees to pay Employee for services rendered an annual base salary of ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS AND NO CENTS (\$125,000.00), less applicable withholdings.

### **Section 4 Performance Review**

The Municipality agrees to review Employee's performance quarterly, at regular or special meetings of the Municipal Assembly as set by the Mayor, for the first year of employment and, thereafter, as provided by the SGC or other applicable policy. Upon review, at the sole discretion of the Municipal Assembly, the Municipal Assembly may increase the Employee's salary and benefits.

### **Section 5 Hours of Work**

As the Municipal Administrator, Employee is exempt from the provisions of the Fair Labor Standards Act ("FLSA") and shall not be paid overtime or be given compensatory time off for hours worked in excess of forty (40) per workweek. Employee shall not be bound to a workweek of any set number of hours. However, Employee is expected to work as many hours as the duties and responsibilities of his position requires.

### **Section 6 Vacation and Benefits**

A. **Vacation Accrual.** Effective April 1, 2020, or first day of work, Employee shall have eighty (80) hours of vacation leave that may be used immediately upon hire. Employee shall accrue vacation leave thereafter at a rate of 8.67 hours per month. The terms and conditions of the leave are subject to the provisions of the City and Borough of Sitka Personnel Policies Handbook ("Handbook").

B. **Other Benefits and Insurance.** Employer shall provide Employee with sick leave, life insurance, health insurance, retirement, and other benefits provided to other exempt employees as described in the Handbook. Employer shall provide Employee with Public

Officials Liability Insurance currently maintained by the Municipality.

C. **Membership dues** in professional organizations International City and County Management Association, and the Alaska Municipal League are also provided. Travel may be required for conferences and other duties at the expense of the Municipality.

### **Section 7 Indemnification**

Employer agrees to defend and indemnify Employee in accordance with SGC Chapter 2.10, Defense And Indemnification Of Officers And Employees. Employee hereby acknowledges receipt of a copy and review of SGC Chapter 2.10, which is attached and hereby incorporated by reference.

### **Section 8 Other Terms and Conditions of Employment**

The Municipal Assembly may fix any other terms and conditions of employment, as it may determine from time-to-time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement or any applicable federal, state or local laws. Such terms and conditions of employment, if approved by the Municipal Assembly, shall only be effective if in writing signed by the Mayor and the Employee.

### **Section 9 Conflicts of Interest**

Employee understands and agrees that he is subject to Charter Section 17.01 and SGC Section 1.04.080 as to conflicts of interest. Employee hereby acknowledges receipt of a copy and review of Charter Section 4.02 and SGC 1.04.080, which are attached and hereby incorporated by reference. In addition, Employee shall be sensitive to both actual and perceived conflicts of interest as the Municipal Administrator and the Employee's personal conduct including activities of members of the Employee's immediate family that are within his control which could similarly result in an actual or perceived conflict of interest. When in doubt, the Employee should consult with the Mayor in advance of any potential conflict before proceeding on the matter.

### **Section 10 General Provisions**

A. **Assignments and Subcontracts.** The Employee may assign any of the work to be performed under this Agreement to third parties, so long as he oversees such assignments and informs the Assembly of such assignments.

B. **Applicable Law.** This Agreement shall be deemed to have been entered into and shall be construed and governed, except with respect to conflict of laws, in accordance with the laws of the State of Alaska.

C. **Waivers.** Failure of either party to insist, in any one or more instances, upon the performance of any of the terms, covenants, or conditions of this Agreement or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future exercise of such right, but the obligation of the other party with respect to such future performance shall continue in full force and effect.

D. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision or provisions were omitted.

E. **Amendments.** This Agreement may not be amended, modified, released, discharged, supplemented, interpreted, or changed in any manner except by written instrument signed by duly authorized representatives of both parties.

F. **Headings.** The headings utilized herein are provided as aids in referencing provisions of this Agreement, but shall not be utilized in interpretation, or construction of terms and conditions of it.

G. **Entire Agreement.** This Agreement contains the entire and only understanding or agreement between the parties in relation to the employment of the Employee as the Municipal Administrator. Any verbal or written representations, provision, undertakings or conditions hereof not contained in the wording of this Agreement shall be of no effect and shall not be binding on either party.

IN WITNESS THEREOF, the City and Borough of Sitka, on a vote of its Assembly on Tuesday, October 22, 2019, has approved this Agreement and directed it to be signed and executed on its behalf by its Mayor and duly attested by its Municipal Clerk, and the Employee has signed this Agreement on the dates written below.

**[SIGNATURES AND ACKNOWLEDGEMENTS ON NEXT PAGE]**

