



G. 5.

Special Palmer City Council Meeting

Meeting Date: 08/06/2024
Submitted For: Elizabeth Dorris, HR Director
Department: City Manager's Office
Legislation Number: AM 24-049

Approved

Subject

Action Memorandum 24-049: Authorizing the Mayor to Execute the City Manager's Employment Agreement with Stephen Jellie

Summary Statement/Background

After a comprehensive search for a City Manager and thorough interviews, the City Council offered the position to Mr. Stephen Jellie. It is the wish of the City Council and Stephen Jellie to enter into an employment agreement. The City Council is authorizing the Mayor, on behalf of the City, to execute and do all other necessary acts to enter into an employment agreement with Mr. Jellie.

Administration's Recommendation:

The Administration recommends approving Action Memorandum 24-049.

Fiscal Impact

Total Amount of funds listed in this legislation: \$150,000.00
Legislation creates expenditure in the amount of: \$150,000.00
Budgeted Y/N?: Y
Line Item(s): 01-01-05-6011 Regular Salaries; 01-01-05-6012 Regular Benefits

Attachments

CM Employment Agreement

**CITY OF PALMER CITY MANAGER
EMPLOYMENT AGREEMENT
DATED July 22, 2024**

This is an Agreement made and entered into by and between Stephen Jellie and the CITY OF PALMER, an Alaska municipal corporation, hereinafter called the "City," and CANDIDATE, hereinafter called "Employee."

This Agreement is based upon the following premises:

- A. The City desires to employ the services of Stephen Jellie as City Manager of the City of Palmer, in accordance with the terms of its Home Rule Charter and the Palmer Municipal Code which are incorporated herein by this reference.
- B. It is the desire of the City Council to provide certain benefits, establish certain conditions of employment, and to set working conditions of said Employee.
- C. It is the desire of the City Council to (1) secure and retain the services of Employee and to provide inducement for him to remain in such employment, (2) to act as a deterrent against malfeasance or dishonesty for personal gain on the part of the Employee, and (4) to provide a just means of terminating Employee's services at such time as he may be unable fully to discharge his duties or when City may desire to otherwise terminate his employ.
- D. Employee desires to accept employment as City Manager of the City.

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

Section 1. Duties.

City hereby agrees to employ said Employee as City Manager of the City to perform the functions and duties specified in said City Charter, this Agreement and City Code, and to perform such other legally permissible and proper duties and functions as the City Council shall from time-to-time assign.

Section 2. Term.

- A. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the City Council to terminate the services of Employee at any time, subject only to the provisions set forth in Section 3, paragraphs A and B, of this Agreement.
- B. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Employee to resign at any time from his position with the City,

subject only to the provision set forth in Section 3, paragraph C, of this Agreement.

- C. Employee agrees to remain in the exclusive employ of City until **December 31, 2027**, and neither to accept, nor to become "employed" by any other employer until said termination date, unless sooner terminated by the City.
- D. In the event the parties agree, this Agreement may be annually extended on the same terms and conditions as herein provided.

Section 3. Termination and Severance Pay.

- A. Termination For Convenience: In the event Employee is terminated by the City Council for convenience before expiration of the term of employment and during such time that Employee is willing and able to perform the duties of City Manager, then in that event the City agrees to pay Employee, in addition to his accrued benefits (e.g. personal leave) and six (6) months of COBRA, a lump sum cash payment equal to six (6) month's salary in lieu of any and all other damages or monies that Employee might claim;
- B. Termination for Just Cause: However, in the event Employee is terminated because of just cause, then, in that event, City shall have no obligation to pay the aggregate severance sum designated in this paragraph. Just cause is defined as the following:
 - a. Misfeasance, malfeasance and/or nonfeasance in performance of the Managers duties;
 - b. Conviction or a plea of guilty to a misdemeanor or felony crime;
 - c. Neglect of Duty;
 - d. Violation of any substantive Employer policy, rule or regulation which would subject another city employee to termination;
 - e. Commission of any fraudulent act against the City of Palmer;
 - f. Commission of any act which involves moral turpitude, or cause the City of Palmer disrepute;
 - g. Any other act of similar nature of the same or greater seriousness.
- C. In the event the City at any time during the employment term reduces the salary or other financial benefits of Employee in a greater percentage than an applicable across-the-board reduction for all City employees, then, in that event, Employee may at his option, be deemed to be "terminated" for convenience at the date of such reduction.

D. In the event Employee voluntarily resigns his position with the City before expiration of the aforesaid term of employment, then Employee shall give the City two (2) months notice in advance. Provided that such notice is given, there will be no breach of this Agreement by reason of said resignation, and Employee shall not be responsible for any damages hereunder for his early termination.

Section 4. Salary and Performance Review.

- A. Effective September 3, 2024, or earlier, City agrees to pay Employee for his services rendered pursuant hereto an annual salary of \$150,000 payable in installments at the same time as other employees of the City are paid.
- B. Except as otherwise provided herein, City agrees to increase said base salary and/or other benefits of Employee in such amounts and to such an extent as the City Council may determine that it is desirable to do so on the basis of an annual salary review.

Section 5. Hours of Work.

- A. It is recognized that Employee must devote a great deal of his time outside normal office hours to business of the City. Normal office hours hereunder shall be construed to mean a 40-hour work week based upon City Hall's open hours.
- B. In this agreement, the term "employed" shall not be construed to include occasional teaching, writing, or consulting performed on Employee's time off. Employee shall not spend more than 10 hours per week in teaching, consulting, or other non-city-connected business without the express prior approval of the Council.

Section 6. Automobile.

Employee's duties require that he shall have the exclusive use at all times during his employment with the City of an automobile provided to him by the City. City shall be responsible for paying for liability, property damage, and comprehensive insurance and for the operation, maintenance, and repair of said automobile.

Section 7. Credit Card Usage.

In addition to the Credit Card policy signed by the Employee, the City recognizes it may be necessary for the Employee while conducting City business to purchase meals for certain individuals. It is understood that these meals may be purchased by the Employee. Provided however:

- A. The Employee shall provide a sales receipt along with the credit card receipt to the Department of Finance indicating for whom the meals were purchased, and explaining the purpose of the purchase and the benefit of the expense to the City of Palmer.
- B. The Employee shall not purchase alcohol with the city credit card.
- C. The Employee shall not receive a per diem for meals purchased on the city credit card.

Section 8. Dues and Subscriptions.

City may budget and pay the professional dues and subscriptions of Employee necessary for his continuation and full participation in national, regional, state, and local associations and organizations necessary and desirable for his continued professional participation, growth, and advancement, and for the good of the City.

Section 9. Professional Development.

City may budget and pay the travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions as may be authorized by the City from time to time.

Section 10. Alaska Public Employees Retirement System and Health Benefits.

Employee shall be covered under the Alaska Public Employees Retirement System (PERS) and city provided health benefits.

Section 11. Other Terms and Conditions of Employment.

- A. All applicable provisions of the City Charter and Code, and regulations and rules of City (except as provided in this agreement) relating to holidays, unemployment insurance, and other benefits and working conditions as they now exist or hereafter may be amended, also shall apply to Employee as they would to other employees of City.
- B. Upon the execution of this agreement Employee shall accrue leave immediately as provided in Palmer Municipal Code 4.30.010 B. 4.
- C. Employee shall be entitled to five (5) days of advanced leave for use until such time as accrued leave equals the advanced or used portion of the advanced leave. Advanced leave may be utilized during the probationary period.

Section 12. General Provisions.

- A. The text herein shall constitute the entire agreement between the parties.
- B. This Agreement shall become effective upon signature of both parties.
- C. Except as otherwise provided, this Agreement cannot be changed or modified except by an agreement, in writing, approved by the City Council and signed by the Mayor and Employee.
- D. All notices, requests, demands and other communications hereunder shall be in writing, and shall be deemed to have been duly given if duly delivered, or if mailed, first class United States certified or registered mail, postage prepaid (1) by the City to the Employee at such address as he may from time to time indicate in writing to the City, and (2) by the Employee to (a) the Mayor at the City's address and (b) the Executive Secretary at the City's address.
- E. Both parties have provided input into the drafting of this Agreement, and agree that this Agreement shall not be construed against either party as drafter.
- F. This Agreement shall be construed and enforced in accordance with the laws of the State of Alaska and the City of Palmer, and venue shall be in Palmer, Alaska, only.
- G. This Agreement may be executed in duplicate originals, both of which when so executed and delivered shall be deemed to be an original, but such duplicate originals shall together constitute but one and the same instrument.
- H. Employee shall not assign any interest in this Agreement, and shall not transfer any interest in the same without the prior written consent of City.
- I. This Agreement shall be governed by the laws of the State of Alaska and the City of Palmer and any litigation brought shall be in Palmer, Alaska. Employee expressly waives any rights he might otherwise have as provided in Alaska Rules of Civil Procedure to remove any action from Palmer, Alaska.
- J. The Employee is entitled to a one-time payment of \$15,000 dollars for relocation incentive.

IN WITNESS WHEREOF, the City of Palmer, an Alaska municipal corporation, has caused by proper action this Agreement to be signed and executed in its behalf by its Mayor, and duly attested by its City Clerk, and the Employee has signed and executed this Agreement, both in duplicate.

DATE: _____

CANDIDATE, EMPLOYEE

CITY OF PALMER, ALASKA

DATE: _____

BY: _____
MAYOR, CITY OF PALMER

ATTEST:

CITY CLERK

(SEAL)