

**CITY MANAGER  
EMPLOYMENT AGREEMENT**

**2016**

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# **EMPLOYMENT AGREEMENT**

## **INTRODUCTION**

This Employment Agreement ("Agreement") is made and entered into this 16th day of June, 2015, by and between the City of Sammamish, Washington, a municipal corporation ("Employer" or "City"), and Lyman Howard ("Employee"), an individual who has education, training and experience in local government management and who is a member of the International City/County Management Association ("ICMA"), both of whom agree as follows:

## **SECTION 1: TERM**

This Agreement shall be effective on the earlier of: (a) March 1, 2016, or (b) the resignation of the current City Manager ("Effective Date"), and shall remain in full force and effect until terminated by Employer or Employee as provided in Sections 9, 10 or 11 of this Agreement.

## **SECTION 2: DUTIES AND AUTHORITY**

Employer agrees to employ Employee as City Manager to perform the functions and duties specified in Chapter 35A.13 of the Revised Code of Washington, and to perform other legally permissible and proper duties and functions as agreed to by Employer and Employee.

## **SECTION 3: COMPENSATION**

- A. Base Salary: Employer shall pay Employee an annual base salary of \$181,158.25, increased by, and paid in the same manner as, the amount of any Cost of Living Adjustment ("COLA") approved by the City Council for City employees effective in 2016.
- B. Consideration shall be given on an annual basis to increased compensation. Increased compensation may be in the form of a salary increase, a bonus, or such other consideration as the parties may agree upon.
- C. Employer shall adjust the compensation each year by the amount of any COLA granted to other employees of Employer.
- D. Employer shall not reduce Employee's salary or other financial benefits paid to Employee in a percentage greater than any reduction applicable to all other City employees.
- E. This Agreement shall automatically be amended to reflect any salary adjustments that are provided or required by Employer's compensation policies.

## **SECTION 4: HEALTH, DISABILITY AND LIFE INSURANCE BENEFITS**

- A. Employer shall provide and pay the premiums for medical, dental, and vision insurance for Employee and his dependents for coverage levels equal to that which is provided to all other City employees.
- B. Employer shall provide Employee with the same life, disability, and other insurance policies provided to, or as may be provided to, all other exempt City employees.

## **SECTION 5: VACATION, HOLIDAY, AND SICK LEAVE**

- A. Employee shall be provided with 2.1 days of vacation leave per month except as otherwise mutually agreed in writing.
- B. Employee shall be provided with one day of sick leave per month of employment. The maximum amount of sick leave that may be accrued shall be 120 days.
- C. Employee is entitled to carry-over vacation leave up to the same maximum limit as allowed to other City employees from year to year. Upon City Council approval, Employee shall be entitled to carry-over into the next year vacation leave in excess of the maximum amount allowed to other City employees. In the event Employee's employment is terminated, either voluntarily or involuntarily, Employee shall be compensated for all accrued vacation time, all paid holidays and for 25% of accrued sick leave.
- D. Employee shall receive the same paid holidays as other City employees.
- E. Employee shall receive all other forms of leave, including but not limited to administrative and bereavement leave, available to other City employees.

## **SECTION 6: AUTOMOBILE AND TRAVEL**

Employer shall pay to Employee a vehicle allowance of \$450.00 per month, to compensate Employee for use of his private vehicle in the performance of his official City duties. Employee shall also be entitled to mileage reimbursement (or use of City vehicles, if available) for City business travel outside of a 50 mile radius of City Hall. The annual vehicle allowance shall be adjusted annually by the amount of any annual COLA applied to employee salaries pursuant to Section 3(C) of this Agreement.

## **SECTION 7: RETIREMENT AND DEFERRED COMPENSATION**

- A. Employer shall not pay Employee's federal Social Security benefits. In lieu of Social Security, beginning on the Effective Date or the first regular salary payment date thereafter, Employer shall contribute an amount equal to the amount Employer would otherwise contribute into the federal Social Security System for Employee into a qualified retirement plan. Beginning on the first regular salary payment date, Employer shall also contribute, on Employee's behalf, into the state PERS retirement system. City shall execute the necessary agreement allowing Employee to enroll in an eligible City deferred compensation plan and Employer shall contribute an amount equal to 7.2% of Employee's monthly salary per month into such plan. Employee is authorized to participate in an Alternative 401 Plan as may be established by Employer, and Employee is allowed to direct City-paid deferred compensation payments towards any City-approved qualified retirement plan (such as PERS/401/457).
- B. Employer shall provide Employee all current and future benefits provided to other exempt City employees, in the same manner as provided by the City's then-current Personnel Policy and Procedures, unless otherwise specifically addressed in this Agreement. Such benefits are in addition to the other benefit provisions of this Agreement.

## **SECTION 8: GENERAL BUSINESS EXPENSES**

- A. Subject to sufficient budget resources, Employer shall budget and pay for:

1. Professional dues and subscriptions of Employee necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for Employee's continued professional participation, growth, and advancement, and for the good of Employer;
  2. Travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference, the state association of cities, and such other national, regional, state, and local governmental groups and committees in which Employee serves as a member;
  3. Travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for Employee's professional development and for the good of Employer; and
  4. Employee's cell phone and landline telephone service. Employer requires Employee to have a cell phone and traditional telephone landline to be paid for or reimbursed by Employer. Upon termination, Employee shall return his cell phone to Employer. The cell phone shall be used for City business consistent with City Policy.
- B. Employer shall reimburse Employee for normal and customary business expenses incurred by Employee. The City Finance Director is authorized to make such reimbursements after receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.
- C. Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer shall pay for the reasonable membership fees, meals, and/or dues to enable Employee to become an active member in local civic clubs or organizations.

## **SECTION 9: TERMINATION**

For purposes of this Agreement, termination shall not include the voluntary resignation of Employee, and no severance shall be due pursuant to Section 10 in the event of such voluntary resignation unless otherwise specifically negotiated in writing signed by the Employer and Employee. Termination of this Agreement shall occur when:

- A. The majority of the governing body votes to terminate Employee at a duly authorized public meeting;
- B. If Employer, citizens, or the Legislature act to amend any provisions of the City code or enabling state legislation pertaining to the role, powers, duties, authority, and responsibilities of Employee's position, or that substantially changes the form of government, then Employee shall have the right to immediately declare that such amendments constitute termination;
- C. Employer reduces the base salary or any subsequently adjusted salary or compensation or any other financial benefit of Employee, unless any such reduction is applied in no greater percentage than the average reduction of all department heads; or
- D. If Employee resigns following an offer to accept resignation, whether formal or informal, by Employer as representative of the majority of the governing body that Employee resigns, then Employee may immediately declare a termination as of the date of the offer to accept resignation.

The procedure for implementing termination shall be in accordance with the principles of due process as hereafter set forth:

1. Prior to suspension or termination, Employer shall notify Employee in writing of the reason(s) he is being terminated and provide Employee with a reasonable opportunity to respond prior to any final action being taken. Said response may be oral, in writing, or both oral and written.

The purpose of the foregoing procedure is to permit Employee to intelligently respond to the reason(s) for termination before a decision is irreversibly made, thus providing Employer with an opportunity to re-evaluate the proposed decision in light of Employee's response.

## **SECTION 10: SEVERANCE**

- A. Severance shall be paid to Employee if employment is terminated pursuant to Section 9.
- B. If Employee is terminated on or after January 1, 2017, Employer shall provide Employee with a minimum severance payment equal to six months of Employee's highest salary and benefits within the 24 months preceding termination. This severance shall be paid in a lump sum unless otherwise agreed to by Employer and Employee. This Section 10(B) shall have no force or effect, and Employee shall not be entitled to severance, if Employee is terminated before January 1, 2017.
- C. Severance shall not be paid if Employee is terminated for "cause." "Cause" shall mean a fair and honest cause or reason, regulated by good faith on the part of Employer and is based on facts: (1) which are supported by substantial evidence; (2) which Employer reasonably believes to be true; and (3) which are not for arbitrary, capricious or illegal reason. Acts, errors, or omissions which materially discredit the City, or materially impair the provision of orderly services to the citizens of the City, as determined by a majority of the City Council, shall constitute "cause."

## **SECTION 11: RESIGNATION**

In the event that Employee voluntarily resigns his position with Employer, Employee shall provide a minimum of 60 days written notice unless the parties agree otherwise.

## **SECTION 12: PERFORMANCE EVALUATION**

The City Council shall review and evaluate the performance of Employee at least once annually. The City Council shall develop the evaluation in written form after consultation with Employee. The first evaluation shall be undertaken on or before December 31<sup>st</sup>, 2016, and each succeeding evaluation shall be undertaken on or before December 31 of each succeeding year during the term of this Agreement. If in any calendar year the City Council does not perform the evaluation, Employee shall automatically receive a 5% pay increase, effective January 1 of the next succeeding year, provided that Employee had advised the City Council in writing on or before December 1 of the pending evaluation. Such performance evaluation shall be based upon specific written goals and criteria developed jointly by the City Council and Employee. The annual goals shall be set following a reasonable period after the annual City Council retreat and may be amended as the City Council may from time to time determine in consultation with Employee.

## **SECTION 13: HOURS OF WORK**

It is recognized that Employee must devote a great deal of time outside of normal City office hours on business

for Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

#### **SECTION 14: OUTSIDE ACTIVITIES**

The employment provided for by this Agreement shall be Employee's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to Employer and the community, Employee may elect to accept limited teaching, consulting or other business opportunities with the understanding that such arrangements shall not interfere, nor constitute a conflict of interest, with Employee's responsibilities under this Agreement.

#### **SECTION 15: INDEMNIFICATION**

The City shall provide professional liability insurance at City's sole cost and expense to cover actions taken by Employee during the course and scope of Employee's employment.

#### **SECTION 16: BONDING**

Employer shall bear the full cost of any fidelity or other bonds required of Employee under any law or ordinance.

#### **SECTION 17: OTHER TERMS AND CONDITIONS OF EMPLOYMENT**

- A. Employee's position is managerial and he will occupy a position of confidentiality involving personnel, labor relations and legal matters. City shall indemnify, insure and hold harmless Employee for all acts arising out of the scope of Employee's employment. Employer shall provide to Employee separate legal counsel, if the City cannot represent Employee, for any and all civil legal actions brought against Employee arising from the lawful discharge of his duties during his employment as City Manager.
- B. Employee shall be bound by and shall act in accordance with the ICMA Code of Ethics.
- C. Except as otherwise provided in paragraphs A, B, C and D of Section 9 above, if either party believes a breach of this contract has occurred, the party allegedly in breach of this contract shall be entitled to written notice describing the alleged breach, together with a thirty (30) day period to cure the alleged breach.

#### **SECTION 18: NOTICES**

Notice required pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows:

**EMPLOYER:**

City Council c/o City Clerk, City of Sammamish, 801 228<sup>th</sup> Avenue SE, Sammamish, WA 98075

**EMPLOYEE:**

Lyman Howard, 22205 NE 23<sup>rd</sup> Street, Sammamish WA 98074


Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

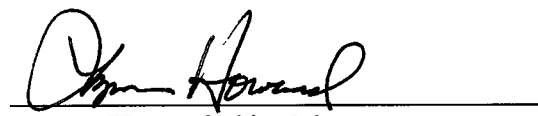
## SECTION 19: GENERAL PROVISIONS

- A. Integration. This Agreement sets forth and establishes the entire understanding between Employer and Employee relating to the employment of Employee by Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the term of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.
- B. Binding Effect. This Agreement shall be binding on Employer and Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.
- C. Severability. The invalidity or partial invalidity of any portion of this Agreement shall not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

**EMPLOYER**

**EMPLOYEE**

  
Thomas E. Vance, Mayor

  
Lyman Howard, City Manager

Attest:

  
Melonie Anderson, City Clerk

Approved as to form:

  
Mike Kenyon, City Attorney