

CONTRACT OF EMPLOYMENT

**Between
Stephen D. Giesbrecht
And
Petersburg Borough**

THIS AGREEMENT, made and entered into this 4th day of November, 2013 by and between the Petersburg Borough, Alaska, a municipal corporation, hereinafter referred to as "Borough", and Stephen D. Giesbrecht, hereinafter referred to as "employee".

WHEREAS, the borough desires to employ the services of Stephen D. Giesbrecht as Borough Manager of the Petersburg Borough, as provided by state and municipal law; and

WHEREAS, it is the desire of the Borough to provide certain compensation, establish certain conditions of employment, and to set working conditions for the Borough Manager; and

WHEREAS, Stephen D. Giesbrecht desires employment as the Borough Manager of the Petersburg Borough.

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

Section 1. The Borough agrees to retain Employee as Borough Manager of the Petersburg Borough, Alaska, to perform the functions and duties specified in the Borough Charter and such other legally permissible and proper duties and functions as the Borough Assembly shall from time to time assign.

Section 2. Annual Salary and Evaluation. The Borough agrees to pay Employee an annual salary of \$113,500 (One Hundred Thirteen Thousand, Five Hundred Dollars) for the period of October 1, 2013 through September 30, 2014. Thereafter, the Borough Assembly shall conduct an annual evaluation of the Employee and negotiate the annual salary.

Section 3. Term. Employee agrees to remain in the exclusive employee of the Borough unless termination is effected as hereinafter provided. This Agreement shall remain in full force in effect until terminated by the Borough or Employee as provided in Section 4.

Section 4. Termination and Severance Pay. Employee shall serve at the pleasure of the Borough Assembly. Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of the Borough Assembly to terminate the services of the Employee at any time, subject only to the provisions set forth in this section.

A. In the event Employee is terminated by the Borough Assembly during such time the Employee is willing and able to perform the duties of Borough Manager, then in that event the Borough shall pay Employee one year's severance pay, health insurance coverage and benefits unless employee is terminated for a reason listed in section B

below. The Borough shall be obligated to pay and Employee agrees to accept the severance pay provided for by this section as Employee's sole and exclusive damages and in lieu of all other remedies at law or equity for any cause of action or claim that Employee may have or claim to have against the Borough or any officer, agent or employee of the Borough arising from or relating to this contract, the termination of this contract, or otherwise arising from or relating to Employee's employment by the Borough. In the event that Employee remains employed after September 30, 2018, if the Employee is terminated by the Borough Assembly, a lump sum cash payment as severance pay will be made. Said severance payment shall equal six months' salary and the Borough's health insurance as outlined in this contract shall be paid by the Borough for sixty days.

B. In the event the Employee is terminated due to:

1. Breach of any material provision of this contract;
2. Failure to substantially perform the duties set by Borough Charter or job description;
3. Dereliction of duties;
4. Material violation by Employee of any statutory or common law duty owed to the Borough not reported to the borough assembly at the next regular meeting;
5. Conviction of a felony, or
6. Habitual intemperance which interferes with the performance of duties;

the Borough shall have no obligation to pay the severance pay designated in Subsection A above.

C. This agreement will terminate automatically upon the death of the Employee, resignation of the Employee, retirement of the Employee or termination of the employee. This agreement also shall terminate automatically if Employee becomes incapacitated from illness, accident, or other disability, and is unable to perform normal duties for a cumulative period of ninety (90) days within a period of twelve (12) consecutive months; and/or

D. Upon the Employee giving the Borough not less than one hundred and twenty (120) days written notice. In such a case, the Borough's obligation for compensation, including health insurance coverage and all benefits, terminates on the date of employee's termination.

Section 5. Professional Development.

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

B. Borough agrees to budget and to pay for the travel and subsistence expenses for the Employee for professional and official travel, meetings, and occasions adequate to continue the professional development of the Employee and to adequately pursue necessary official and other functions for the Borough.

Section 6. General Expenses. Borough recognizes that certain expenses of a non-personal job-affiliated nature are incurred by Employee and hereby agrees to reimburse or to pay said general expenses, and the Borough Finance Director is hereby authorized to disburse such moneys upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits, similarly as such business expense are handled for other employees of the Borough.

Section 7. Civic Club Membership. Borough recognizes the desirability of representation in and before local civic and other organizations, and Employee is authorized to become a member of two (2) such civic club or organization and shall be reimbursed for membership dues and associated meeting meal expenses.

Section 8. Paid Time Off & Holidays Employee shall accrue and have credited to his personal account, paid time off and paid holidays the same as all general employees belonging to the PMEA bargaining group.

Section 9. Health Benefits. Medical, dental and vision benefits shall be made available to the employee at the same level and at the same expense as other Department Heads of the Borough. In addition, the Borough will provide an annual family membership to the Petersburg Aquatics Center and Gym Facility.

Section 10. Retirement. The Borough recognizes the Employee desires to participate in a retirement system that will provide vested retirement benefits for his term of employment with the Borough. The Borough is a member of the State of Alaska Public Employee's Retirement Systems (PERS), and all Borough employees are required to participate and the Borough is required to participate on the Employee's behalf as well.

Section 12. Automobile.

A. The Borough will pay the Employee a \$100.00 monthly automobile allowance for use of personal vehicle. The monthly allowance is to be reviewed occasionally in view of increasing prices and is to be adjusted if found appropriately justifiable.

B. The Employee shall be responsible for paying for liability, property damage and comprehensive insurance and for the purchase, operation, maintenance and repair of said automobile. The Employee shall provide the Borough with a certificate of vehicle insurance that will afford protection for the Borough against loss or damage to life or property that may be caused by an accident or collision.

Section 13. Indemnity. The Borough shall indemnify, hold harmless and defend the Employee against all claims and liability which may result from any claim, action, or suit by persons based upon alleged injury to or death of a person or alleged loss of or damage to property that may occur or that may be alleged to have been caused by the Employee in the course of performance of his official duties during the duration of employment with the Borough. The Borough shall not be obliged to indemnify, hold harmless or defend the Employee against any claim that was caused by the Employee while acting outside the course of performing his official duties or from any false, deceptive, dishonest or criminal act or omission under the laws and regulations of the United States of America, the State of Alaska and/or any political subdivision.

Section 14. General Provisions.

A. This agreement incorporates all terms agreed to during negotiations and constitutes the final and entire agreement between the Employee and the Borough. No change or modification of this Agreement shall be valid unless in writing and signed by the Employee and Borough. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person or party to be charged.

B. This Agreement shall become effective commencing on November 4, 2013.

C. If any provision or any portion of this Agreement is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement or portion thereof shall be deemed severable, shall not be affected and shall remain in full force and effect.

D. Any and all notices or other communication provided for herein shall be given in writing and shall be delivered in person or sent by certified mail, return receipt requested in the case of the Borough, to the Borough Clerk, PO Box 329, Petersburg, AK 99833, and in case of the Employee, to the Employee at his own last known mailing address in the official Borough records or such other place as he may from time to time designate in writing to the Borough Clerk.

E. This agreement shall be subject to and governed by the laws of the State of Alaska, irrespective of the fact that Employee is not now nor may later become a resident of a different state. Any dispute arising under this Agreement shall be resolved in the Superior Court of the State of Alaska at Petersburg, unless otherwise agreed by the parties in writing.

PASSED AND APPROVED by the Borough Assembly of the Petersburg Borough, Alaska, November 4, 2013.

MAYOR:

Mark Jensen

Date _____

EMPLOYEE:



Stephen D. Giesbrecht

Date 10/30/2013