

**Employment Agreement
Between
The Petersburg Borough, Alaska
And
Debra K. Thompson**

THIS AGREEMENT made and entered into this 8th day of December, 2014 to be effective March 1, 2015 by and between the **Petersburg Borough, Alaska**, a municipal corporation (hereinafter referred to as the "Borough"), and Debra K. Thompson (hereinafter referred to as "Thompson" or "Employee"), to witness the following:

WHEREAS, the Borough wishes to retain the services of Thompson as the Clerk of the Petersburg Borough (hereinafter referred to as the "BOROUGH" or DEPARTMENT) and to fix the terms and conditions of employment as set forth hereinafter; and

WHEREAS, Thompson is willing to enter into employment by the Borough subject to the terms and conditions of employment as set forth hereinafter.

NOW, THEREFORE, for valuable consideration, including the mutual promises of the parties, it is agreed as follows:

Section 1: Term

This Agreement shall remain in full force and effect from March 1, 2015 to February 29, 2020 unless terminated by the Borough or Thompson as provided in Sections 13 or 14 of this Agreement or disapproval by the Borough Assembly as described in Section 19 (c)

Section 2: Duties and Authority

The Borough retains Thompson as Borough Clerk to perform the functions and duties of the position specified in the Charter and Ordinances of the Borough and to perform other legally permissible and proper duties and functions assigned by the Borough Manager.

Section 3: Performance Evaluation

- A. The Manager and Thompson shall annually define such goals and performance objectives which they determine necessary for the proper operation of the DEPARTMENT and the attainment of the Assembly's policy objectives. The Manager shall establish a relative priority among those various goals and objectives. Said goals and objectives shall be reduced to writing by the manager. They shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations provided by the Assembly.
- B. A written evaluation of Thompson's performance shall be conducted by the Manager on an **annual** basis on the following criteria:
 - (1) How well Thompson has affected the delivery of services of the DEPARTMENT;

- (2) Thompson's rapport with employees of the Department and the Borough, members of the Assembly, the public, Boards, Commissions and Committees outside of Thompson's direct responsibility and other governmental agencies;
- (3) How well Thompson has executed the Assembly's policy objectives;
- (4) Her management of a systematic predictable personnel system for employees;
- (5) Development of the departmental budget as a management document, and control of expenditures within the budget;
- (6) Development and use of long range plans; and
- (7) Other reasonable goals and objectives as directed by the Manager.

Section 4: Hours of Work

- A. Thompson agrees to perform all of the duties and responsibilities of the Borough Clerk as directed by the Manager. Thompson agrees to devote her full-time and best efforts to the performance of the duties and responsibilities of the position. Her duties and responsibilities as the Clerk may involve varying work periods, work hours and working conditions, for which no other compensation will be paid. This does not preclude the use and approval of Flex Time. Any Flex Time exceeding four hours shall be requested in advance on a Status Change Form signed by Thompson and the Manager. Approved Flex Time shall be used within the current or next pay period.
- B. Thompson agrees not to accept or perform any secondary employment without the express prior written approval of the Manager.

Section 5: Conflict of Interest

Thompson shall not undertake any activity which would be in conflict with her service as the Clerk of the Petersburg Borough.

Section 6: Professional Development

- A. Subject to limits established in the annual budget, the Borough agrees to pay for professional dues and subscriptions of the 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 the Borough.
- B. Subject to limits established in the annual budget, the Borough agrees to pay for travel and subsistence expenses of Employee for professional and official travel and meetings to adequately continue her professional development and to pursue necessary official functions for the Borough, including such governmental groups and committees in which Employee serves as a member.

Section 7: Salary

- A. From March 1, 2015 through June 30, 2016, and subject to at least satisfactory results of a performance evaluation conducted under the provisions of Section 3 of this Agreement, the Borough agrees to compensate Thompson for work performed with a

salary equivalent to **\$68,000** per year payable in installments at the same time that other employees of the Borough are paid. The annual salary will increase to \$73,000 when Thompson achieves Certified Municipal Clerk status.

- B. The Borough has the right and obligation to withhold federal, state and other taxes from each payment in accordance with laws and ordinances generally applicable to management personnel.

Section 8: Insurance Benefits

- A. The Borough will provide medical, dental, vision and life insurance benefits for Thompson and her dependents with coverage and to limits equivalent to all other employees of the Borough who have managerial responsibilities.
- B. The Borough will provide Thompson with public official's liability insurance and workers compensation insurance with coverage and to limits equivalent to all other employees of the Borough who have managerial responsibilities.

Section 9: Retirement Benefits

- C. Retirement Benefit. Thompson will be provided a retirement benefit with the Alaska Public Employee Retirement System (PERS).
- D. Deferred Compensation. The Borough will withhold from Thompson compensation an amount Thompson may designate up to the annual limits authorized by the Internal Revenue Service payable to a Deferred Compensation Retirement Plan that has been established for employees of the Borough.

Section 10: Transportation (section reserved)

Section 11: Communication Equipment

- A. The Borough will provide Thompson with a cell phone, if necessary, to maintain communication with elected officials, employees, vendors and customers of the Borough.
- B. It is understood by both parties that Thompson may use said cell phone for incidental non-business related activities for which the accounting is unreasonable or administratively impractical as authorized by IRS Regulations IRC §132(b) and IRC §132(c).
- C. It is the responsibility of Thompson to pay for any additional expenses that may be incurred by the Borough as a result of non-business related use of said cell phone consistent with the Borough's cellular phone use policies as they may be amended from time to time.

Section 12: Compensated Leave

- A. Thompson shall accrue paid time off on an annual basis consistent with policies applicable to all other employees of the Borough who have managerial responsibilities.
- B. Thompson is entitled to all accrued unused leave and in the event her employment is terminated, either voluntarily or involuntarily, Thompson shall be compensated for all unused leave accrued to the date of termination.

Section 13: Termination of Agreement by Borough

A. Subject to Borough Assembly approval, and subsection B. below, the Manager may terminate this Agreement only for just cause; i.e. Employee has committed an act or omission which constitutes illegal conduct, malfeasance or repeated acts of misfeasance in office; including insubordination and dishonesty. If the Manager terminates this Agreement all compensation payable to Employee under this Agreement shall immediately cease, except that the Borough shall pay to Employee all compensation earned but not paid as of the date of termination. In addition, the Borough shall pay to Employee all amounts due and owing for personal leave. The Borough shall make such payments not later than the next regularly scheduled payday after the date of termination.

B. If the Borough terminates this Agreement before its expiration because of departmental reorganization, the Borough shall pay Thompson a lump sum cash payment as severance equal to three months of the monetary value of Thompson's current annual salary so long as Thompson is not retained by the Borough in another position. The Borough sponsored health insurance shall be paid by the Borough for one full calendar month following termination. If the Borough terminates this Agreement before its expiration because of departmental reorganization and Thompson is reclassified and reassigned without any break in service, Thompson shall not be entitled to any severance pay.

Section 14: Termination of Agreement by Employee

Employee may terminate this Agreement at any time, for any reason or for no reason, by delivering to the Manager a written notice of resignation not later than two (2) months prior to the effective date of the termination. If Employee terminates this Agreement, all compensation payable to Employee under this Agreement shall cease, except that the Borough shall pay to Employee all compensation earned but not paid as of the date of termination. In addition, the Borough shall pay to Employee all amounts due and owing for personal leave. The Borough shall make such payments not later than the next regularly scheduled payday after the date of termination.

Section 15: Death during Term of Agreement

If Employee dies during the term of this Agreement, the Borough shall pay to her spouse, or if she is not then survived by a spouse, to her surviving child or children, all compensation and any accrued benefits, which would otherwise be payable to Employee up to the end of the month in which death occurs; provided, however, that in the event she is not survived by a spouse or child or children, the amount shall be payable to her estate.

Section 16: Indemnification

- A. The Borough shall defend, save harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of duties or resulting from the exercise of judgment or discretion in connection with the performance of duties or responsibilities, unless the act or omission involves willful or wanton unlawful conduct.
- B. Employee may request and the Borough shall not unreasonably refuse to provide independent legal representation at the Borough's expense and the Borough may not unreasonably withhold approval. Legal representation, provided by the Borough for Employee shall extend until a final determination of the legal action including any appeals brought by either party.
- C. Unless an act or omission involves willful or wanton unlawful conduct, the Borough shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorneys fees, and any other liabilities incurred by, imposed upon, or suffered by Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of duties. Any settlement of any claim must be made with prior approval of the Borough in order for indemnification as provided in this section to be available.
- D. The Borough agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any litigation to which the Employee is a party, witness or advisor to the Borough. Such expense payments shall continue beyond Employee's service to the Borough as long as litigation is pending. Further, Borough agrees to pay Employee reasonable consulting fees and travel expenses when Employee serves as a witness, advisor or consultant to Borough regarding pending litigation.

Section 18: Other Contractual Terms and Conditions

The Manager, only upon agreement with Employee, may fix any such other terms and conditions of this Agreement, as he 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 law.

Section 19: Notices

Notice required pursuant to this Agreement shall 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 the Borough and Employee relating to the engagement of Employee by the Borough to perform the duties and responsibilities of the Petersburg Borough Clerk. 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 life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.
- B. Binding Effect. This Agreement shall be binding on the Borough 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 will 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.
- D. Governing Law. This Agreement shall be governed by the laws of the State of Alaska. Any action hereunder or arising out of this employment relationship shall be filed in Superior Court, First Judicial District, at Petersburg, Alaska.

IN WITNESS WHEREOF, this Agreement was signed:

PETERSBURG Borough, ALASKA:

EMPLOYEE:

Stephen Giesbrecht
Borough Manager

Debra K. Thompson

Date: _____

Date: _____

ATTEST:

Jody Tow, Finance Director