

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into this 4th day of May, 2022, by and between the City of Sedro-Woolley, State of Washington, a municipal corporation, hereinafter called "Employer", and Kelly Kohnken, hereinafter called "Employee", both of whom covenant and agree as follows:

WITNESSETH:

WHEREAS, Employer desires to employ the services of said Employee as Finance Director of the City of Sedro-Woolley; and

WHEREAS, it is the desire of the employer to provide certain benefits, establish certain conditions of employment and to set working conditions of said Employee; and

WHEREAS, it is the desire of the employer to (1) secure and retain the services of Employee and to provide inducement for her to remain in such employment, (2) to make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security, (3) to provide a just means for terminating Employee's services at such time as she may be unable to fully discharge her duties due to disability or when Employer may otherwise desire to terminate her employ; and

WHEREAS, Employee desires to be employed as Finance Director of the City of Sedro-Woolley:

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

Section 1. Duties

Employer hereby agrees to employ said Employee as Finance Director of said Employer to perform the functions and duties of said office as specified law, and to perform other legally permissible and proper duties and functions as the Employer shall from time to time assign. A job description is attached hereto and incorporated by reference as Exhibit A.

Section 2. Term

A. The Employee serves at the pleasure of the Mayor. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Employer to terminate the services of Employee at any time, subject only to the provisions set forth in Section 4 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 her position with Employer, subject only to the provision set forth in Section 4 of this agreement.

Section 3. Suspension

Employer may suspend the employee with full pay and benefits at any time during the term of this agreement.

Section 4. Termination and Severance Pay

A. In the event Employee is terminated by the Employer before expiration of the aforesaid term of employment during such time that employee is willing and able to perform her duties under this agreement, then the Employer agrees to pay Employee a lump sum cash payment equal to three (3) month's aggregate salary & health insurance; provided, however, that in the event Employee is terminated for just cause, or because of her conviction of any illegal act involving personal gain to her, that the Employer shall have no obligation to pay the aggregate severance sum designed in this paragraph. ("Just cause" shall include all matters that constitute grounds for disciplinary action as set forth in any personal policy manual of the Employer as now existing or hereinafter amended. The provisions of any personnel policy or other written or unwritten custom or policy regarding termination shall not apply to the Employee, except for purposes of defining "just cause".)

B. In the event employer at any time during the term of this agreement reduces the salary or other financial benefits of Employee in a greater percentage than an applicable across-the-board reduction for all department head Employees of employer, or in the event Employer refuses, following written notice, to comply with any other provisions benefiting Employee herein then the employee may, at her option, be deemed to be "terminated" at the date of such reduction or such refusal to comply with the meaning and context of the severance pay provisions, as her sole and exclusive remedy for such action.

C. In the event Employee voluntarily resigns her position with Employer before expiration of the aforesaid term of his employment, then Employee shall give Employer thirty (30) days written notice in advance, unless the parties otherwise agree.

D. The severance package provided in subparagraph 4.A. above shall not be construed as an extension of the Employee employment beyond the termination date. The Employee shall not during the period between the termination date and the end of the severance payments accrue any additional sick leave vacation leave or other benefit accorded active City employees.

Section 5. Salary

Employer agrees to pay Employee for her services rendered pursuant hereto a base salary of \$10,795 per month, payable in installments at the same time as other Employees of the Employer are paid.

Said salary shall cease upon termination of employment as provided in this agreement. In addition, the rate of pay and benefits will be adjusted annually equal to the cost of living and/or cost of market increase given to other nonunion management employees. Employer shall not at any time during the term of this agreement reduce the salary compensation or other financial benefits of Employee, except to the degree of such reduction across-the-board for all department head employees of the Employer. At any time during the term of the Agreement,

Employer may, in its discretion, review and adjust the salary of the Employee. Adjustments in salary or benefits, if any, shall be made pursuant to a lawful governing body action.

Section 6. Performance Evaluation

The Employer shall review and evaluate the performance of the employee at least once annually. The employer shall provide the employee with a summary written statement of the findings of the Employer and provide an adequate opportunity for the Employee to discuss her evaluation with the Employer.

Section 7. Hours of Work

The parties agree that this position is a professional exempt position, and that payment is based on a monthly salary, and not on an hourly rate of compensation. It is recognized that Employee must devote a great deal of time outside the normal office hours of business of the Employer. The Employee shall not receive additional compensation or compensatory time for such work. Upon approval of the Mayor, Employee may work a non-traditional workweek, such as a 4/10 schedule.

Section 8. Outside Activities

The employment provided for by this Agreement shall be the Employee's primary employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may, subject to the approval of the Mayor, elect to accept limited teaching, consulting or other business opportunities with the understanding that such arrangements must neither constitute interference with nor a conflict of interest with his or her responsibilities under this Agreement.

Section 9. Automobile

For travel beyond the City limits, Employer shall provide Employee either the use of a City automobile for City purposes, or alternatively, compensation on a "per mile" basis for use of Employee's vehicle by Employee for City purposes at the same rate as applicable to other management employees of Employer.

Section 10. Vacation, Sick, Executive, and Military Leave

Employee shall accrue vacation at a rate of 5 hours per pay period (semi-monthly). Sick leave will accrue and have credited to her personal account at the same rate as other management employees of the Employer, excluding the police and fire departments. Employee will receive Executive Leave according to City policy (current amount is 80 hours per year to be used in that year).

Section 11. Health Insurance

A. Employer agrees to provide policies of medical insurance covering Employee and her dependents that are required by law or provided to all other management employees of Employer and their dependents.

B. The Employee agrees to abide by the Employer's policy regarding drug testing.

Section 12. Retirement

Employer agrees to provide retirement benefits for Employee as provided by law.

Section 13. Dues and Subscription

Employer agrees to budget and to pay for the professional dues and subscriptions of Employee necessary for her continuation and full participation in associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of the employer. These expenses shall be subject to prior approval of the Employer.

Section 14. Professional Development

Employer agrees to budget and to pay for the travel and subsistence expenses of Employee for short courses, institutes and seminars that are necessary for his professional development and for the good of the Employer. These expenses shall be subject to prior approval of the Employer.

Section 15. Indemnification

Employer 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 good faith performance of Employee's duties as Finance Director, except as may be caused by the intentional misconduct or criminal action of Employee. Employer will defend, compromise and settle any such claim or suit and pay the amount of any settlement of judgment rendered thereon.

Section 16. Other Terms and Conditions of Employment

A. The Employer shall fix any such 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, the City ordinance or any other law.

B. All ordinances, regulations and rules of the Employer relating to vacation and such leave, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended, also shall apply to Employee, except as herein provided.

Section 17. Notices

Notices pursuant to this agreement may be provided electronically or by deposit in the custody of the United States Postal Service, postage prepaid, addressed to the last known address of the parties hereto. Alternatively, notices 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 the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 18. General Provisions

A. Integration. This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the Employer and Employee are merged into and rendered null and void by this Agreement. The Employer and Employee 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 Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

C. Effective Date. This Agreement shall become effective on May 27, 2022.

D. 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 Employer and Employee subsequent to the expungement or judicial modification of the invalid provision.

E. Precedence. In the event of any conflict between the terms, conditions and provisions of this Agreement and the provisions of Council's policies, or Employer's ordinance or Employer's rules and regulations, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Agreement shall take precedence over contrary provisions of Council's policies, or Employer's ordinances, or Employer's rules and regulations or any such permissive law drying the term of this Agreement

F. Amendments. This agreement may be amended at any time by mutual agreement of the Employer and the Employee. Any amendments are to be negotiated, and be in accordance with the provisions of the Sedro-Woolley Municipal Code. This Agreement may only be amended in writing.

G. The text herein shall constitute the entire agreement between the parties.

IN WITNESS WHEREOF, the City of Sedro-Woolley has caused 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, the day and year first above written.

CITY OF SEDRO-WOOLLEY

EMPLOYEE

DocuSigned by:

Julia Johnson

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By:

Julia Johnson, Mayor

Kelly Kohnken

Kelly Kohnken

Attest:

DocuSigned by:

Debbie Burton

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Debbie Burton, Finance Director

Approved as to Form:

DocuSigned by:

Nikki Thompson

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Nikki Thompson, City Attorney