

**EMPLOYMENT AGREEMENT
BETWEEN THE CITY OF SEDRO-WOOLLEY, WASHINGTON
AND CHARLES P. BUSH**

WHEREAS, Section 2.06.010 of the Sedro-Woolley Municipal Code provides that the position of City Administrator of Sedro-Woolley, Washington, shall be filled by appointment of the Mayor, subject to confirmation by the City Council, of a majority vote; and

WHEREAS, the City Administrator serves at the pleasure of the Mayor; and

WHEREAS, the Mayor and City Council desire to employ Charles P. Bush as City Administrator; and

WHEREAS, it is the desire of the parties hereto to provide the terms and conditions by which City shall receive and retain the services of Charles P. Bush and to provide for him to remain in such employment, to make possible full work productivity by assuring his morale and peace of mind with respect to future security; to act as a deterrent against malfeasance or dishonesty for personal gain on his part and to provide for terminating his services at such time as he may be unable to fully discharge his duties or when the City may otherwise desire with or without cause to terminate his employment;

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

Section 1: Introduction. This Agreement, made and entered into this 8th day of September, 2021, by and between the City of Sedro-Woolley, Washington, a municipal corporation, (hereinafter called "Employer") and Charles P. Bush, (hereinafter called "Employee") an individual who has the necessary education, training, and experience in local government management.

Section 2: Position. Effective November 1, 2021, the Employer does hereby hire and employ the Employee to perform all the duties and obligations of the City Administrator position in accordance with State statutes, the Sedro-Woolley Municipal Code Chapter 2.06, applicable City ordinances and policies and to perform such other legally permissible and proper duties and functions generally performed by City Administrators as the Employer shall from time to time assign.

Section 3: Term. This Agreement shall remain in full force and effect from the date hereof until terminated by the Employer or the Employee pursuant to the provisions of this Agreement.

Section 4: Duties and Authority.

- A. Employment. The City hereby employs the Employee as the executive administrative officer of the Employer, and to serve in the regular position of City Administrator for the City of Sedro-Woolley. The duties of said position shall be to perform all duties assigned to the position of City Administrator as provided in Chapter 2.06 of the Sedro-Woolley Municipal Code and the job description together with such other and further duties and special projects as may be assigned to the City Administrator by the City Mayor. The City Administrator shall serve at the pleasure of the City Mayor.
- B. The job description of the City Administrator will be updated within 180 days of the effective date of this Agreement. The Employer and Employee will work together to update the job description and

when mutually agreed in writing, it shall without further action of the parties be attached and shall become a part of this Agreement

- C. The Employee or designee shall attend, and shall be permitted to attend, all meetings of the governing body, both public and closed, with the exception of those closed meetings devoted to the subject of this Agreement, or any amendment thereto or where there may be a conflict of interest between Employee and Employer and otherwise consistent with state law.
- D. The governing body, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints and suggestions called to their attention to the Employee for study and/or appropriate action.

Section 5: "At will" status. The Employee shall at all times during his employment be considered an At Will employee subject to termination by the City Mayor at any time with or without cause. Nothing in this Agreement shall be construed other than an At Will employment relationship between the City and the Employee and the Employee expressly acknowledges that no contrary representations have been made by the Employer.

Section 6: Compensation. As of the Employee's effective employment date of November 1, 2021, the Employer agrees to pay the Employee:

- A. As full compensation for services a monthly salary of \$12,534.00, payable in installments at the same time as all 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. In such event, the Employer and Employee agree to provide their best efforts and reasonable cooperation to execute a new agreement or an amendment thereto incorporating the adjusted salary or benefits.
- B. In the event that a salary and wage study is conducted for non-represented employees, the position of City Administrator shall be included.
- C. Benefits: The Employee shall be entitled to vacation leave accrual at a rate of 6.67 hours per pay period. Sick leave will accrue and will be credited to Employee's personal account at the same rate as other management employees of the Employer. Sick leave cash out at death or retirement are as per the city's policy (currently 25% paid into VEBA at retirement or in the event of the death of the employee, 25% paid in cash). In addition, the Employee shall continue to have available for his use those vacation and sick leave days which he has earned upon the effective date of this appointment
- D. The Employee shall also receive all other benefits provided by the Employer to regular nonunion management employees as such benefits exist now or as they are modified in the future. The following describes certain benefits as they exist at the effective date of this Agreement:

- Medical insurance premium covering Employee and his dependents that are required by law or provided to all other management employees of the Employer and their dependents (Employer currently pays 90% of medical insurance premium).
- Employee agrees to abide by the employer's policy regarding drug testing.
- Executive Leave is provided with 80 hours granted annually. Such leave must be taken in the year granted and may not be carried over.

The Employee shall also be entitled to elect other voluntary benefit options as they exist now or as they are modified in the future.

- E. Retirement. The Employer shall pay into the Washington State Department of Retirement System (DRS) Public Employees Retirement System (PERS) plan, or other retirement plan, for the benefit of the Employee, in accordance with applicable state regulations.
- F. Except as otherwise provided in this Agreement, the Employee shall be entitled, at a minimum, to the highest level of benefits enjoyed by and/or available to other nonunion management employees or department heads as provided by the Employer's policies, municipal code, ordinances, or personnel rules and regulations, or other practices.
- G. Timing of Payments - Deductions: All payments of salary and benefits shall be made at the same time and on the same date as the City regular payroll. All such payments shall be subject to all required state and federal deductions including income tax, social security, and any other deduction required and authorized by law. The City agrees to pay all employer contributions to FICA workers compensation and similar programs as required by law.

Section 7: General Business Expense.

- A. Employer agrees to budget and 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 the Employee's continued professional participation, growth, and advancement, and for the good of the Employer.
- B. Employer agrees to budget and pay for 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 at national, regional, state, and local governmental groups and committees in which Employee serves as a member.
- C. Educational Incentive. Subject to approval of the Mayor on a case by case basis, the Employer agrees to budget and pay for courses in the applicable areas of management at an accredited institution of higher learning to continue the professional development of the Employee, and to enable the Employee to maintain good standing as a Credentialed Manager — International City/County Management Association (ICMA-CM).
- D. Subject to the approval of the Mayor on a case by case basis, Employer also agrees to budget and pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and for the good of the Employer.

- E. Employer recognizes that certain expenses of a non-personal but job related nature are incurred by Employee, and agrees to reimburse or to pay said general expenses. Such expenses may include meals where Employer business is being discussed or conducted and participation in social events of various organizations when representing the Employer. Such expenditures are subject to annual budget constraints as well as state and Employer ethics and purchasing policies. The Employee is authorized to disburse such moneys in accordance with standard city policy.
- F. The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, subject to approval by the Mayor on a case by case basis, Employer shall pay for the reasonable membership fees and/ or dues to enable the Employee to become an active member in local civic clubs or organizations.
- G. Recognizing the importance of constant communication and maximum productivity, Employer shall provide Employee, for business and personal use, a laptop computer, software, mobile phone, and/or tablet computer for business and personal use, for the Employee to perform their duties and to maintain communication with Employer's staff and officials as well as other individuals who are doing business with Employer.

Section 8: Performance Evaluation. The Mayor shall at the conclusion of each calendar year conduct a performance evaluation of the Employee to insure proper conduct of duties and responsibilities, to address City Council concerns, and to assist in improving personal performance. The process, form, criteria, and format for the evaluation will be mutually agreed upon by the Employer and the Employee. The final written evaluation shall be completed and delivered to the employee within thirty (30) days of the evaluation meeting.

Section 9: Work Schedule. The Employee is a confidential exempt employee for purposes of the Federal Fair Labor Standards Act and as such shall not work a fixed forty hour per week schedule. The Employee shall generally work at Sedro-Woolley City Hall during regular business hours of the Employer provided that the Employee shall receive time off for holidays according to the holiday schedule customarily observed by the Employer. The Employee may be required to attend all meetings of the Sedro-Woolley City Council and such other Council Committees, City Boards and Commissions, and staff meetings as requested by the Mayor, or as required by the duties of the position. Subject to the approval of the Mayor, the Employee may work a non-traditional workweek, such as a 4/10 schedule.

Section 10: Relocation Expenses. Upon presentation of receipts, employer shall pay for the reasonable expenses of moving the Employee, his family, and personal property from Sequim, Washington to Sedro-Woolley, Washington; said moving expenses to include packing, moving, storage costs, insurance charges, and temporary housing, if needed. The Employee shall be paid up to \$4,500 for such relocation expenses upon presentation of receipts to the City. Such sums shall be repaid to the City if the Employee voluntarily terminates his employment with the City before 18 months from the date of employment. Employee understands that, per current IRS regulations, reimbursed moving expenses are considered taxable for W-2 reporting purposes (IRS Publication 15 – 2021).

Section 11: Termination.

A. Termination by Employee. In the event the Employee elects to terminate employment with the Employer for any reason, the Employee agrees to provide not less than thirty (30) days notice prior to the effective date of said termination of employment. Notwithstanding, the foregoing notice requirement, nothing shall prevent the Employer, upon receipt of Employee's intent to terminate employment, from compensating the Employee at the rate of the Employee's base salary for the unexpired portion of the thirty (30) days notice and releasing the Employee prior to the expiration date of said notice. Upon voluntary termination, Employee shall be entitled to all pension and all contract rights pursuant to State law and Employer's personnel policies. In addition, thereto, Employee shall be entitled to payment equal to the cash value computed at Employee's current salary for all accrued and unused vacation benefits.

B. Severance for At Will Termination. Should it be the intent of the Employer to terminate the Agreement with Employee, the Employee's official termination date will be not less than thirty (30) days following proper notice of Employer's intent to terminate agreement. In the event the Employee employment with the Employer is terminated for any reason other than those delineated in subparagraph C below, the Employer will provide, the Employee with: i) Severance cash payment equal to six (6) months of the Employee's base salary and health insurance, after the effective date of termination, and ii) the cash out of vacation accrual balances. The cash payment and reimbursements shall be paid in accordance with the same schedule as the regular Employer payroll and shall be subject to the same mandatory deductions as the Employee salary was prior to termination. There is nothing in this provision that prohibits the Employer and Employee from negotiating other additional elements of severance compensation.

i. Reference. The Employee shall be entitled to an employment reference from the Employer the language of which shall be agreed upon by the parties provided that in the event the parties cannot agree on the form of the reference the Employer will provide only the dates of the Employee employment the last position held the last salary received the fact that the Employee is no longer employed by the Employer.

ii. Press release. The Employer and Employee will work in good faith to develop a press release subject to approval by both parties.

iii. Waiver of Claims. Employee's severance is conditioned upon his waiver of any employment claims against the City including but not limited to, any claim of discrimination or breach of contract against the City, but not including any claims related to industrial insurance covered injury employee suffered while employed by the City. Employee's waiver must be complete, in writing, signed by employee and in a form acceptable to the City.

C. Termination by Resignation or for Cause. The severance package provided for in 11(B) above shall not be available to the Employee if the termination of the Employee employment with the City is due to:

i. Resignation - The Employee voluntary resigns from employment. For purposes of this paragraph voluntary resignation means a resignation of employment resulting from the free choice of the Employee and not the result of a suggestion to resign in lieu of termination made by formal action of the Employer or by constructive discharge.

- ii. Misconduct. - Criminal misbehavior, abuse of public office, or other gross misconduct, including but not limited to fraud, deceit, embezzlement, theft of funds or property, assault, or sexual racial or other harassment.
- iii. Disability. If Employee is unable to perform the essential duties of his job because of disability, sickness, accident, injury, mental incapacity, or health-related reasons for a period of sixty (60) days beyond any accrued sick leave, with or without reasonable accommodation, Employer shall have the option to terminate this agreement, without payment of severance pay specified in subparagraph 11 (B).

D. In the event the 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 the Employer, or in the event Employer refuses, following written notice, to comply with any other provisions benefiting Employee herein, then the Employee may, at his option, pursuant to subparagraph 11(B) above, be deemed “terminated” at the date of such reduction or such refusal to comply with the meaning and context of the severance pay provisions, as his sole and exclusive remedy for such action.

E. Construction. The severance package provided in subparagraph 11 (B) 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 12: 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 13: Ethical Commitments. The Employer expects the Employee to adhere to the highest professional standards. The Employee's actions will always comply with those standards. The Employee agrees to follow the Code of Ethics of the International City/County Management Association (ICMA) and the ethics rules, regulations, and laws of the State of Washington. The ICMA Code of Ethics can be found on the ICMA website, icma.org. Consistent with the standards outlined in the Code, the Employee shall not endorse candidates, make financial contributions, sign or circulate petitions, or participate in fundraising activities for individuals seeking or holding elected office, nor seek or accept any personal enrichment or profit derived from confidential information or misuse of public time. Employer shall support Employee in keeping these commitments by refraining from any order, direction or request that would require Employee to violate the ICMA Code of Ethics. Neither the governing body nor any individual member thereof shall request Employee to endorse any candidate, make any financial contribution, sign or circulate any petition, or participate in any fundraising activity for individuals seeking or holding elected office, nor to handle any matter of personnel on a basis other than fairness, impartiality, and merit.

Section 14: Bonding. Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 15: Liability Insurance. The Employer agrees to cover the Employee on the Employer liability insurance policies to the same extent as any regular employee of the Employer is covered for acts, errors, or omissions within the scope of employment. All such liability insurance coverage shall be provided at the Employer's sole cost and expense.

Section 16: Indemnification. The Employer agrees to hold harmless and indemnify the Employee from any and all costs risk or liability associated with or arising out of acts or failures to act which are performed within the scope of his employment as the Employee including the reasonable cost of legal defense by counsel appointed by the City or its insurance carrier as applicable. This promise to indemnify shall exclude other acts, errors or omissions outside the scope of Employee's employment and criminal acts of the Employee and acts or failure to act which would constitute an intentional tort or intentional wrongdoing knowingly committed by the Employee without the express direction of the Employer. This promise to hold harmless and indemnify shall survive beyond the employment of the Employee with the City of Sedro-Woolley in order that the Employee shall be held harmless indemnified and defended in the future for all acts taken as the Employee subject to the limitations contained herein.

Section 17: Notices. Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, and addressed as follows:

- (a) EMPLOYER: City of Sedro-Woolley
325 Metcalf Street
Sedro-Woolley, WA 98284
- (b) EMPLOYEE: Charles P. Bush
325 Metcalf Street
Sedro-Woolley, WA 98284

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 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 November 1, 2021.
- 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 during the term of this Agreement.

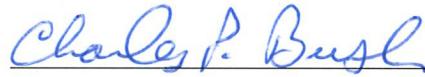
F. Amendments. This agreement may be amended at any time by mutual agreement of the Employer and the Employee. Any amendments are to be negotiated, and be in accordance with the provisions of the Sedro-Woolley Municipal Code. This Agreement may only be amended in writing.

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


By: 
Julia Johnson, Mayor


Charles P. Bush

Attest:


Debbie Burton, Finance Director

Approved as to Form:


Nikki Thompson, City Attorney