

RESOLUTION NO. R -3627

A RESOLUTION OF THE KIRKLAND CITY COUNCIL APPROVING A MEMORANDUM OF UNDERSTANDING IN REGARD TO EMPLOYMENT CONDITIONS BETWEEN THE KIRKLAND CITY COUNCIL AND TERRENCE L. ELLIS, ITS CITY MANAGER.

WHEREAS, the City of Kirkland is a council-manager city organized pursuant to Chapter 35A.13 Revised Code of Washington; and

WHEREAS, the City Manager is appointed by and personally responsible to the City Council as chief administrative officer for the City; and

WHEREAS, the nature of the office of City Manager and the City Manager's duties and responsibilities are of such nature that a written memorandum of understanding in regard to general employment conditions and specific employment arrangements as to the chief administrative officer is in the best interests of the City Council, the City Manager and the City itself; now, therefore,

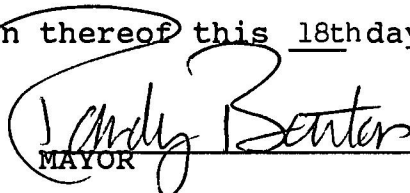
BE IT RESOLVED by the City Council of the City of Kirkland as follows:

Section 1. The Memorandum of Understanding in regard to employment conditions for the City Manager and the City of Kirkland, copy of which is attached to the original of this Resolution and by this reference incorporated herein, is approved by the Kirkland City Council to be its agreement of employment conditions with Terrence L. Ellis as Kirkland City Manager. As of its effective date, this agreement shall supersede and replace the employment agreement covered by Resolution No. R-3543.

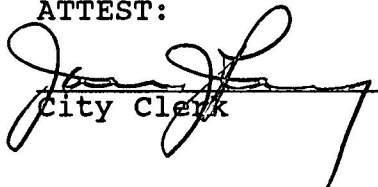
The Mayor is authorized to sign said Memorandum of Understanding on behalf of the City of Kirkland and its City Council.

Passed by majority vote of the Kirkland City Council in regular, open meeting this 18th day of September, 1990.

Signed in authentication thereof this 18th day of September, 1990.


MAYOR

ATTEST:


City Clerk

MEMORANDUM OF UNDERSTANDING

This agreement of employment conditions for the City Manager of Kirkland, Washington, is set forth to avoid possible misunderstandings, to assure good working relationships, and to provide special benefits to the Chief Administrative Officer who comes under different employment arrangements than the balance of the City employees.

In accordance with the provisions of Chapter 35A.13 RCW the City Manager is appointed by the City Council for an indefinite term and may be removed by a vote of the majority of the Council. Without a fixed term agreement, it is the intent of this agreement to provide general employment conditions, as well as fair arrangements on both voluntary and involuntary termination.

1. Salary

The City Council will review and approve any change in the salary of the City Manager annually. If a salary reduction should take place, it would not be at a rate larger than applied across the board for all employees.

As part of the job of City Manager, the Manager is required to maintain a publicly-listed telephone within his home and maintain an office at home capable of handling reasonable off-hour business matters from members of the City Council and the public, relevant to the management of the affairs of the City.

2. Hours of Work

It is recognized that the City Manager must devote a great deal of his time outside normal office hours regarding business of the City and to that end he will be allowed to take compensatory time off as he shall deem appropriate during said normal office hours. Compensatory time off shall not exceed a 40-hours buildup (there shall be no payment in lieu of compensatory time, except at separation).

3. Automobile

The City Manager is required to have a car available for City business. The City will pay the City Manager a monthly vehicle allowance of \$325 per month to defray the expense of using a personal automobile for official City business within the Seattle Metropolitan area. Business related driving outside this area will be

reimbursed on a mileage basis in accordance with prevailing City policy, if a non-city vehicle is used.

4. General Expenses

The City recognizes that certain expenses of a nonpersonal and generally job-affiliated nature are incurred by the City Manager and hereby agrees to reimburse or to pay said general expenses allowable by State law. The City further realizes, because of restricted state laws regarding business expenses, that it will often be necessary for the City Manager to incur expenses not reimbursable by the City, in order to effectively carry out his role as City Manager. Examples include the necessity of including the City Manager's wife at civic functions and professional development conferences.

5. Vacation Leave - Management Leave

A. Vacation Leave

The City Manager shall receive fifteen working days vacation leave per year, along with normal holidays provided regular employees. Vacation time can be carried over to a succeeding year, as provided for other employees. No more often than once each calendar year, the City Manager may request and receive a cash payment in lieu of up to, but not more than, five days of accrued vacation.

B. Management Leave

The City Manager shall be entitled to five days management leave per year, which may not be carried over or accumulated from year to year. Management leave shall be taken in the same manner as vacation leave, except that any compensation for management leave days not taken by December 1 in any one year shall be included in the year's final salary payment.

6. Disability, Health and Life Insurance

The City agrees to provide the City Manager with the same level of health insurance coverage provided to other general employees, including dependent health care coverage. It agrees to grant sick leave in the amount of one day per month accumulative up to the maximum set by City ordinance. The City agrees to

provide the City Manager with a term life insurance policy, as provided by the City's life insurance carrier, with a face value of \$200,000.

7. Deferred Compensation Retirement

The City Manager, pursuant to State law, has elected to opt out of the Public Employees Retirement System, and the PERS equivalent City and employee contributions are therefore made to an ICMA 401K retirement plan.

In addition, the voluntary ICMA deferred compensation program is available to the City Manager, as well as other City employees. The City Manager has elected to participate in this voluntary program and the City has agreed to make a contribution to the ICMA deferred compensation program for the City Manager in an amount equal to 3% of salary.

8. Termination and Severance Pay

In the event the City Manager is terminated by the City Council or asked to resign, the City agrees to pay the City Manager severance pay for six months. The City will continue health insurance coverage for the period of severance pay. Provided that this section will not apply in the event such termination by the City Council is based upon actions of the City Manager personally (as distinguished from actions of other City employees or officials for whom he is responsible to the City Council), which actions by the City Manager would clearly support a charge of malfeasance of office, and such charge is set forth in the Notice of Termination given by the City Council to the City Manager.

In the event the City Manager voluntarily resigns and gives forty-five (45) days advance notice in writing, the City agrees to pay the City Manager all normal settlements employees receive. The Manager may also continue to retain all or any part of the health care packages offered for a period up to 12 months, so long as the premium cost is paid in advance to the City.

9. Other Terms and Conditions of Employment

The City Council shall fix any such terms and conditions of employment as it may determine from time to time, relating to the performance of the City Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this agreement.

10. General Provisions

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

This agreement shall be binding upon and inure to the benefit of the heirs at law and executors of the City Manager.

This agreement shall become effective commencing September 1, 1990. This agreement shall continue in effect for a period of three years. This agreement shall be subject to reopening upon 90 days written notice by either party, prior to the termination date as hereinabove provided. Otherwise, this agreement shall be extended on the same terms and conditions for an additional period of three years, unless 90 days written notice by either party is given prior to the time of extended expiration.

IN WITNESS WHEREOF, the City of Kirkland has caused this agreement to be signed and executed, effective _____, by its Mayor as directed by City Council and attested by its City Clerk, and the City manager has signed and executed this agreement, both in duplicate the day and year first above written.

City Manager

Mayor

Attest:

City Clerk