

**EMPLOYMENT AGREEMENT BETWEEN
THE CITY OF WAPATO, WASHINGTON AND JUAN OROZCO
FOR POSITION OF CITY ADMINISTRATOR**

THIS EMPLOYMENT AGREEMENT is made between THE CITY OF WAPATO, a Washington Municipal Corporation ("the City") and JUAN OROZCO, ("the Employee"),

RECITALS

- A. The relationship between the Mayor, City Council, and its City Administrator requires the utmost confidence and trust to lawfully carry out and implement city policies and practices.
- B. The City desires to employ Juan Orozco as City Administrator for the City of Wapato.
- C. The City and the Employee desire to establish and delineate the terms and conditions of employment and, to that end, the City and the Employee desire to enter into this agreement.

NOW THEREFORE the City and the Employee agree as follows:

Section 1. EMPLOYMENT

The City hereby employs the Employee as the City Administrator to perform such duties as are currently prescribed under Wapato Municipal Code section 2.08.050 or as may be prescribed by the Mayor consistent with the laws of the State of Washington.

Section 2. TERM

This agreement shall commence on September 10, 2018 and shall continue until terminated as provided herein. This agreement contemplates an initial seven (7) year term.

Section 3. DUTIES OF EMPLOYEE

Employee will:

- A. Devote the time, skill, labor and attention to employment during the term of this employment as may be necessary to accomplish the work. The position's duties are set forth by Ordinance and the position specifically requires considerable knowledge, time, and skill to be devoted to labor relations and collective bargaining agreement negotiations. This position is considered to be full time, but the Employee is granted flexibility to determine the hours of such work.
- B. Not engage in any employment that will interfere with his employment with the City.
- C. Faithfully adhere to the Code of Ethics for Municipal Officers in Chapter 42.23 RCW, as amended.

- D. Disclose prior to entering into this agreement, or at such time as the Employee becomes aware of such circumstance, any known contracts or financial arrangements that the Employee would reasonably expect would be affected by actions by the City.
- E. Not disclose, during employment or at any time thereafter, to any person, firm, or corporation any non-public information concerning the business or affairs of the City which he may have acquired in the course of, or as an incident to, his employment to the financial detriment or reasonable expectation of financial detriment to the City.

Section 4. COMPENSATION

- A. The City will pay The Employee as compensation for services a salary of \$95,000.00 annually, and shall receive increases to salary in keeping with other City Department Heads.
- B. Employee will either be provided with a City vehicle for use of official business or will be provided a Car Allowance of \$500 each month. In the event Employee opts for the car allowance, Employee shall be responsible for maintaining insurance on the vehicle and for repairs, maintenance, and fuel for the vehicle. Because of the nature of the position being "on call" 24 hours a day, Employee is required to use either an official city vehicle or his own vehicle for City business under for this section at all times.
- C. The City may increase Employee's salary based on merit at the sole discretion of the Mayor and City Council.
- D. As the Employee is engaged in a professional and executive capacity and is compensated on a predetermined salary basis, the position is exempt from the maximum hours provisions of the Fair Labor Standards Act.

Section 5. BENEFITS

- A. The City will provide fringe benefits as provided to other personnel under the provisions of the City of Wapato Personnel Policies. Except that the employee shall receive a starting credit of 40 hours of vacation leave and shall accrue vacation leave at the rate of 18 days per year.
- B. Expenses incurred for travel on City business shall be reimbursed per the City's Personnel Policies.
- C. The Employee will be provided with the use of a cellular telephone for conducting City business.
- D. The City shall pay an amount equal to the Employer Contribution Rate established for PERS 3 members to either a PERS 3 account or other deferred compensation program available to City employees.
- E. The cost for professional subscriptions, and association and member dues will be provided for within the City Administrator budget.

Section 6. TERMINATION

This contract is for an indefinite period, that is, without a designated date as to when the appointment will end, but the term of the agreement shall be for no less than 7 years from the date that this Employment Agreement is executed. There is no probationary period.

Termination is to occur as provided below.

A. With Notice by the Mayor for any reason.

- i. Within the initial 7 year period. This agreement may be terminated with thirty days written notice within the initial 7 year term, however, the City will be responsible to pay the Employee's salary and benefits for the remaining portion of the seven year term and an additional 6 months as severance pay, which includes accrued sick leave pay and accrued vacation pay.
- ii. Following the initial 7 year period. This agreement may be terminated with thirty days written notice following the initial 7 year term, however, the City will be responsible to pay the Employee's salary and benefits for an additional 6 months as severance pay, which includes accrued sick leave pay and accrued vacation pay.

B. By the Employee through voluntary resignation; provided, however, that the City may, at its option, discharge the Employee immediately and pay salary and benefits as if the Employee were fully employed until the end of the notice period.

C. Without Notice for Cause. This agreement may be terminated without notice, for misconduct. For purposes of this agreement "misconduct" includes fraud, commission of a felony or of a crime involving moral turpitude, destruction or theft of City property, physical attack resulting in injury to a fellow employee (unless done in self-defense), use of narcotics or alcohol to an extent that materially impairs the Employee's performance of his or her duties, willful malfeasance or gross negligence in the performance of the Employee's duties. Such dismissal must, be based on facts that are supported by substantial evidence reasonably believed by the City to be true, and not be for any arbitrary or capricious or illegal reason.

In the event the Employee is terminated by the City for misconduct as provided in Section 6(C), the Employee shall receive no severance pay, however the Employee shall be entitled to receive earned pay, accrued vacation leave pay and accrued sick leave pay.

Section 7. APPLICABLE LAWS

The Employee agrees to abide by all applicable local, state, and federal laws. This agreement shall be governed by the laws of the State of Washington and venue of any action concerning this agreement shall be in Yakima County, Washington.

Section 8. MEDIATION

The parties shall attempt to resolve any controversies or disputes arising out of or relating to this Agreement and the employment of the City Administrator through a good faith attempt at

mediation. The City shall pay the mediator's fee and any administrative expenses imposed by the mediator. The prevailing party's attorney's fees and costs shall be paid by the non-prevailing party.

Section 9. INDEMNIFICATION

The City shall protect, defend and indemnify the Employee and his marital community from personal liability for acts or omissions committed by such the Employee while within the scope of the official city duties. Defense will be provided by the City of Wapato's City Attorney's Office or through an attorney appointed as Defense Counsel through the City of Wapato insurance pool, the Association of Washington Cities (AWC). The necessary expenses of defending the action or proceeding shall be paid by the City and/or AWC and any final money judgment against said the Employee or the marital community shall be paid by the City and/or AWC.

Except as specifically directed by the City Attorney or AWC the Employee may not engage in any of the following acts with respect to actions or proceedings for damages defended pursuant to this Agreement:

- A. Negotiate or otherwise affect the settlement of such an action or proceeding for damages against the City;
- B. Make an admission of liability involving such an action or proceeding for damages against the City; or
- C. Discuss with persons who are not city employees incidents which could reasonably lead to actions or proceedings for damages against the City, or its officers or employees.
- D. Engage or retain legal counsel at city expense.

This indemnification provision shall survive termination of this contract. The Employee agrees to cooperate and participate as may be necessary to carry out the defense of any action, and if not a current employee to be compensated for all such activities at an hourly rate equal to the Employee's salary, adjusted to an hourly rate.

Section 10. AMENDMENT

The terms of this agreement may not be altered, amended, or otherwise modified except by the express written agreement of the parties.

Section 11. SEVERABILITY

If any provision of this agreement is held to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

Section 12. WAIVER

The waiver or the failure to take action with respect to breach of any term, covenant or condition shall not affect the City or the Employee's duties hereunder or waive any rights concerning any

subsequent breach. All remedies afforded in this Contract shall be taken as cumulative, that is, in addition to every other remedy provided therein or by law.

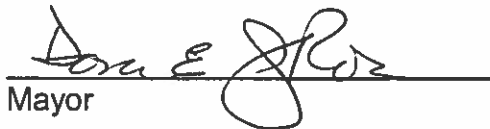
Section 13. ENTIRE AGREEMENT

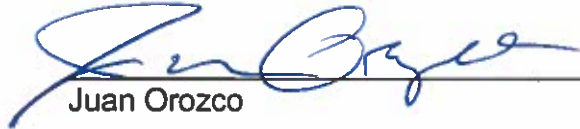
Except as provided in Sections 4 and 5, above, this employment agreement constitutes the entire agreement between the parties with respect to the subject matter thereof, and supersedes all prior written agreements and all prior or contemporaneous oral agreements or understandings between the parties.

EXECUTED ON THIS 4/7² day of September, 2018 in Wapato, Washington.

City of Wapato

Employee


Mayor


Juan Orozco

ATTEST:


Robin Cordova, City Clerk/Treasurer