CITY OF SEATAC

CITY MANAGER EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made between the City of SeaTac, Washington, a municipal corporation of the State of Washington, (“City”), by and through its City Council under RCW 35A.13.010, to enter into an Employment Agreement with Jonathan Young ("Employee") for the position of its City Manager with the following terms and conditions:

1. Employment & Term

A. On November 19, 2024, the City Council appointed the Employee as City Manager under RCW 35A.13.010. By executing this Agreement, the Employee hereby accepts employment as the City Manager commencing on January 16, 2025 (Commencement Date).

B. This Agreement and appointment shall be for a year-to-year term of employment with no guaranteed tenure, subject to the limitations, notices, requirements, payments, and other matters expressed herein.

2. Duties & Authority.

A. The City, through its City Council, recognizes the Employee as the individual responsible for the administration and enforcement of the City’s ordinances, resolutions, policies, and directives of the City Council regarding the City’s operations and administration under RCW 35A.13.120 and to allow the Employee to exercise the authority provided to him under RCW 35A.13.080 (2), including the appointment and removal of all City’s department heads, officers, and employees.

B. The Employee recognizes that the City Council is the legislative and policy-making body of the City and agrees to respond promptly to all members of the Council regarding concerns brought to his attention. The Employee is expected to attend all meetings by the City Council, except as provided in Section 11(A) and for specific executive sessions at the discretion of the City Council.

C. Residency is waived under RCW 35A.13.050.

3. Compensation

A. Base Annual Salary. For services rendered by the City Manager under this Agreement, the City shall pay him a base annual salary of Two Hundred and Seventy-Two Thousand Dollars ($272,000.00) on the City’s regular payroll schedule. This is a flat or one-step range. The Employee’s base salary shall be adjusted annually by the amount of any Cost-of-Living Adjustment allowed to the City’s Department Directors and pursuant to the terms of Section 12(C).

B. One-Time Signing and Relocation Incentive. The City shall pay the Employee Ten Thousand Dollars ($10,000) as a signing and relocation incentive on his first regularly scheduled pay period. If the Employee voluntarily leaves employment within twenty-four (24) months of the commencement date, he will reimburse the City one hundred percent 100% of this signing

incentive. Such reimbursement will occur through withholding from the Employee's final paycheck.

4. Non-Reduction. The City agrees not to reduce the salary or other financial benefits paid to the Employee by a percentage more significant than any reduction applicable to all City employees.

5. Defined Contribution. In addition to the base salary paid by the City to the Employee, the City agrees to contribute the sum of 6.2% of the Employer's then existing base salary, as may be adjusted from year to year, during the first month of each year into the International City Manager's Association Retirement Corporation (ICMA-RC) Mission Square or other qualified defined contribution 401(a) plan. The Employee's interest in such contributions will be 100% vested as soon as deposits are made.

6. Standard City Benefits

A. Public Employees Retirement System. City agrees to provide Employee with retirement benefits through the Washington State Public Employees Retirement System (PERS) at the same rate as other regular, full-time, non-represented exempt employees enrolled in PERS II of the Public Employees Retirement System.

B. Deferred Compensation. The City agrees to provide Employee the same choice of IRC 457(b) deferred compensation plans as other regular full-time, non-represented exempt employees of the City with the same City contribution level (City to match employee contributions at an amount equal to 40% of the deferred compensation contributions made by the employee, up to 2% of the employee's monthly gross wage not to exceed the IRS limits).

C. Withholdings. The City will withhold mandatory payroll deductions for all benefits conferred in this Agreement, including Federal Income tax, Medicare, Group Term Life Insurance tax, State Worker's Compensation, State Leave, and State Unemployment Insurance.

D. Insurance. Beginning on the first day of the first full employment month, the Employee will be entitled to additional employment benefits on the same basis as regular full-time, non-represented, exempt employees as follows:

- Healthcare insurance;
- Dental and Vision care insurance;
- Long-term disability insurance;

7. Additional City Benefits

A. Life Insurance. The Employee shall be entitled to a City-funded term life insurance at three (3) times base salary, including accidental death and disability through The Hartford or a comparable insurer.

B. Transit Allowance. The City shall pay the Employee a monthly transit allowance on or about the first pay period of the month for five hundred dollars ($500.00).

C. Paid Time Off. Instead of receiving sick and vacation leave, the Employee shall receive paid leave that he may use for any reason. The Employee shall be awarded an initial lump sum of paid leave of Two Hundred (200) hours and shall accrue paid leave at the rate of sixteen (16) hours per month. The maximum accrual carried over from year to year shall not exceed what would be accrued over three years or five hundred and seventy-six (576) hours. The excess of this amount shall expire at the end of the year in which the maximum amount has been reached. Within twenty (20) days of separation from employment, one hundred percent (100%) of any accumulated leave shall be paid in a lump sum to the Employee based on the Employee's then-current salary.

D. Holidays & Management Days. The Employee shall be entitled to paid holidays, bereavement and jury duty leave as regular full-time employees. The Employee shall receive twelve (12) management days per year.

E. Professional Memberships. The City shall budget and pay professional dues and subscriptions to the Employee's professional memberships in the International City Management Association (ICMA), the Washington City Manager's Association (WCMA), and the Washington State Bar Association (WSBA). The City shall budget and pay for subscriptions to professional publications as requested by the Employee and deemed appropriate by the City Council. In addition, the City shall provide the necessary funding to enable the Employee to obtain and maintain accreditation under the ICMA.

F. Travel Expenses. Subject to sufficient budget resources, the City agrees to budget for and pay travel and other related expenses of the Employee for official travel, meetings, and other functions related to official city business or professional development. This shall include, but not be limited to, the annual meetings of the International City/County Management Association (ICMA), the Washington City/County Management Association (WCCMA), the Association of Washington Cities (AWC), National League of Cities (NLC), Washington State Association of Municipal Attorneys (WSAMA), and other organizations of which the Employee serves as a member, provided that such travel and expenses shall be approved in advance under the City's travel policies and procedures.

G. Professional Development. Subject to sufficient budget resources, the City agrees to pay the travel, lodging, subsistence, and registration expenses incurred by the Employee for short courses and seminars that are necessary for professional development for the good of the City, provided that the attendance and related expenses are approved in advance under any applicable City policies. The Employee must obtain advance approval from the City Council for participation in any City-funded professional development program with a duration longer than five (5) business days.

8. Adherence to Laws & Regulations. In performing the services contemplated by this Agreement, the Employee shall faithfully observe and comply with all applicable federal, state, and local laws, ordinances, and regulations. Further, the Employee is to adhere to the highest personal and professional integrity standards and abide by the Code of Ethics set forth by the ICMA found at https://icma.org/page/icma-code-ethics. Finally, the Employee shall abide by all

procedures outlined in the City of SeaTac's Employee Handbook and other written policies as currently adopted and as amended from time to time, unless they conflict with this Agreement, in which case this Agreement shall control.

9. Discrimination Prohibited. The Employee shall not discriminate against any individual or entity on the grounds of race, color, national origin, religion, creed, age, gender, marital status, sexual orientation, gender identity, or the presence of any physical, sensory, or mental disability in any aspect of his work as the City Manager including, but not limited to, the selection and retention of employees, procurement of materials or supplies, the letting of contracts and any dealings with the public.

10. Outside Activities. Except as approved in advance by the City Council, the Employee agrees to remain in exclusive employment with the City of SeaTac. "Employment," however, shall not be construed to include the occasional teaching, writing, pro bono legal representation, professional consultation, or speaking performed on leave or outside regular work hours, whether such functions may be incidental to and helpful to the City, and whether the Employee would receive outside compensation. Prior approval by the City Council is needed for any other business activities, and these outside activities will be disallowed if they create an actual or perceived conflict of interest with the City or interfere with the Employee's ability to perform his duties. Passive income received by the Employee, such as rental or investment, is not considered "employment" or outside activities and does not need the City Council's approval.

11. Hours of Work.

A. As a guideline, the City expects approximately forty (40) hours of service per week, Monday through Friday, based out of City facilities and in such other places and during such hours necessary to work with the public, elected officials, and staff. The Employee shall inform the City Council, in advance, of all absences from the City for periods longer than two (2) business days. In the case of an absence from a meeting of the City Council, the Employee shall provide advance notice and ensure appropriate substitute coverage is arranged. In the case of an emergency absence, the City Council shall be notified as soon as practicable.

B. The City Manager's classification is "exempt," and this position is not covered by the FLSA and is not eligible for overtime compensation. However, because the Employee must also devote considerable professional time outside of regular office hours, the City agrees that the Employee will be allowed to take occasional time off during regular working hours, provided such time off is not disruptive to the needs of the City. Absences of one (1) entire workday or longer, in one-day increments, shall be charged against the Employee's Leave Balance.

12. Performance Evaluation.

A. The City Council shall evaluate the Employee's performance six (6) months after the appointment through the use of a Work Plan and an outside facilitator with prior experience as a city manager. The Work Plan shall define goals and performance objectives that the Council determines necessary for the proper operations of the City and establish a priority among the various goals and objectives.

B. Beginning in 2026, the Employee's performance evaluation process shall commence on May 1st with any salary and/or benefits adjustments effective June 1st of the same year. Unless the Employee requests otherwise in writing, his performance evaluation shall always be conducted in the City Council's executive session. A high-level summary of the Employee's evaluation shall be prepared for public distribution in case release is requested. The performance evaluation shall be considered confidential to the extent permitted by law.

C. The Employee agrees that a satisfactory annual evaluation may result in a pay increase or alternative means of compensation. Beginning in 2026, the City Council agrees to consider adjustments to base compensation and benefits at each annual evaluation. However, neither a pay increase nor alternative means of compensation is guaranteed. Further, the Council's failure to conduct a performance evaluation shall not constitute non-compliance with a material provision of this Agreement.

13. Bond & Indemnification. The City will pay the premium on any performance bond required under SeaTac Municipal Code Chapter 2.05. The City shall indemnify, defend, and provide Employee with legal protection for foreseeable risks arising out of acts, omissions, or performance of his duties in accordance with SeaTac Municipal Code Chapter 2.06.

14. Employment Separation.

A. Involuntary Separation. The City Council shall have the right to remove the Employee from the position of City Manager under RCW 35A.13.130 and 140. If the Employee is removed from the position of City Manager when the Employee is willing and able to perform the duties of City Manager, the City shall pay to the Employee no later than twenty (20) days from the date of separation from employment a lump sum severance payment equal to:

(i) Twelve (12) months' salary upon involuntary removal within the first year of employment;
(ii) Six (6) months' salary thereafter.

B. Release. In consideration for severance payment, the Employee shall execute on a form acceptable to the City a full release of all potential claims against the City, its elected or appointed officials, employees, or agents arising out of the Employee's employment or termination of employment.

C. Voluntary Termination. If the Employee desires to terminate employment and this Agreement voluntarily, he shall provide the City with written notice no less than sixty (60) days before the effective date of termination. Upon voluntary termination by the Employee, no severance shall be paid by the City.

D. Offer to Accept Resignation. If the Employee resigns following an offer to accept resignation by the majority of the City Council, whether formal or informal, then the Employee may declare a termination as of the date of his acceptance of the offer, and no severance shall be paid.

E. Termination For Cause. No compensation shall be paid if termination is for cause.

a. The Employee may be terminated for cause if the City has a fair and honest cause or reason, regulated by good faith on the part of the City and based on facts (i) that are supported by substantial evidence; (ii) that the City reasonably believes to be true; and (iii) that are not based on any arbitrary, capricious or illegal reasons.

b. Acts, errors, or omissions that discredit the City or materially impair the provision of orderly services to the citizens of the City, as determined by a simple majority of the City Council, shall constitute cause.

c. The following are additional examples of conduct that may constitute cause and result in termination for cause. This list is not exhaustive, nor is it intended to identify all possible bases for termination for cause:

- Consumption or possession of alcohol, illegal drugs, or controlled substances on the job or arriving at work under the influence of alcohol, illegal drugs, or controlled substances;
- Violation of a lawful duty;
- Insubordination to the directives of the majority of the City Council;
- Conviction of a felony or a misdemeanor involving moral turpitude;
- Acceptance of fees, gratuities, or other valuable items in the performance of the City Manager's duties;
- Engaging in any transaction or activity that is in conflict or incompatible with the proper discharge of official duties.

d. Refusal to Comply. The Employee's refusal to comply with a directive that violates the ICMA's Code of Ethics found at https://icma.org/page/icma-code-ethics shall not serve as a cause for termination.

15. Non-Disclosure. For and in consideration of the mutual commitments and promises contained in this Agreement, the Employee acknowledges and agrees that, following the effective date of this agreement, he will have access to confidential and privileged information belonging to the City, including but not limited to business and legal strategies and other non-public information.

A. Protection of Confidential Information. The Employee agrees to take all reasonable precautions to safeguard and protect confidential information from unauthorized access, use, or disclosure and agrees that he will not, during their employment or at any time thereafter, directly or indirectly disclose, share, or communicate any such confidential information to any person, entity, or third-party without the prior written consent of the City, except as required by law or as necessary to perform or enforce the duties contained in this Agreement.

B. Return Upon Separation. Upon separation, the Employee shall immediately return, or destroy in compliance with applicable retention laws, all City records in his control.

C. Immediate and Continuing Effect. The obligations contained in this section shall commence immediately upon the effective date and apply during any uncompensated activities the Employee may choose to engage in on the City's behalf prior to the Commencement Date.

Additionally, the obligations of this section shall survive termination of this agreement regardless of the reason for Employee's separation.

16. General Provisions.

A. Entire Agreement. This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement and supersedes any prior written or oral agreements or understandings between the parties.
B. Amendments. The parties may amend any provision of this Agreement by mutual written agreement. Such amendments shall be incorporated and made a part of this Agreement.
C. No waiver. The waiver by any party of a breach or violation of any term of this Agreement shall not operate or be construed as a waiver of any subsequent breach.
D. Severability. If any term of this Agreement is held to be illegal, void, or unenforceable for any reason, in whole or in part, such holding shall not affect the validity and enforceability of any remaining provisions of this Agreement.
E. Attorney's Fees. In mediation, arbitration, or litigation between the parties arising from or in any way related to any term outlined in this Agreement, each party shall pay its own attorney's fees, costs, and expenses.
F. Governing Law and Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington, and the venue shall be in a court of competent jurisdiction within King County, Washington.

16. Effective Date and Approval Date

This Agreement is effective as of December 10, 2024.

The Commencement Date is January 16, 2025.

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Mohamed Egal, Mayor Jonathan Young, Employee

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Approved as to form:
Ha Dao, Sr. Assistant City Attorney