

**EMPLOYMENT AGREEMENT
JESTIN D. JOHNSON,
CITY MANAGER, CITY OF BISBEE**

This Agreement is made and entered into on this 6th day of May, 2014, by and between the City of Bisbee, a municipal corporation of the State of Arizona, hereinafter designated as "the City," and Jestin D. Johnson, hereinafter designated as "the Manager."

WHEREAS, the Mayor and Council are authorized by the Article III of the Bisbee City Charter to appoint a City Manager of the City of Bisbee; and

WHEREAS, Jestin D. Johnson has demonstrated to the satisfaction of the Mayor and Council that he has the administrative and executive abilities and the qualifications to fulfill the responsibilities of this position and is willing and able to accept this appointment as the City Manager of the City of Bisbee;

NOW THEREFORE, the City and the Manager hereby agree, in consideration of the mutual covenants stated below, to the following terms and conditions:

1. Appointment and Duties.

The Mayor and Council of the City of Bisbee hereby appoint Jestin D. Johnson as the City Manager of the City of Bisbee, for a term commencing on May 19, 2014. The Manager shall serve as the administrative head of the government of this City with all of the authority, duties and responsibilities that are specified in the City Charter and in the ordinances, resolutions, and other actions of this City, as these may be amended from time to time. The Manager hereby agrees to accept this appointment and to perform these duties and responsibilities faithfully and to the best of his [her] ability, in a manner that is consistent with the requirements of the City Charter and the laws of this State.

2. Term.

The Manager shall serve for an indefinite term, at the pleasure of the Mayor and Council, commencing on May 19, 2014. Pursuant to the requirements of the City Charter, the Manager shall be subject to removal by majority vote of the Mayor and Council for malfeasance or misfeasance in the performance of his duties or if he is convicted of a felony or any offense in violation of his official duties. The Manager may be subject to termination with or without cause by the Mayor and Council, subject to the express provisions of the City Charter.

3. Compensation.

The City shall pay the Manager for his services an annual salary of Eighty-seven Thousand, Five Hundred Dollars (\$87,500.00) per year, to be paid in installments at the same time and same manner as other employees of the City are paid. On or before the

completion of the first six months of the term of this Agreement, the Mayor and Council shall conduct a performance review of the Manager. In the event that the Mayor and Council are in agreement that the Manager is performing in a satisfactory manner and is continuing to fulfill the obligations of this Agreement as required, the annual compensation rate for the Manager shall be increased five percent (5%) or \$4375.00 per year.

This salary may be subject to subsequent adjustments, based upon increases in the cost of living or satisfactory performance evaluations, in such amounts as the City may determine to be appropriate in the future. The Manager's salary may also be subject to periodic salary increases that may be awarded to other City employees, as may be determined by the Mayor and Council, after the initial six month adjustment described above.

4. Health, Retirement and Other Benefits.

The Manager shall also receive the same health, life, disability, vision and dental insurance benefits that are made available to other unclassified employees of the City. The Manager shall also be a participant in the Arizona State Retirement System, as a City employee. In addition, the Manager shall be entitled to receive all other fringe benefits that are available to other unclassified City employees, on the same basis as those employees.

5. Vacation and Compensated Time Off.

The Manager shall be entitled to the same paid time off for vacation, holidays and sick leave as is made available to other unclassified, exempt employees of the City. This shall include not less than One Hundred Sixty-nine hours per year of vacation time, accrued on a per pay period basis.

It is recognized that the Manager must devote a certain amount of time outside of normal office hours to business of the City and to that end the Manager will be allowed to take compensatory time off as he shall deem appropriate during said normal business hours, provided that the Manager provides not less than forty hours of service, on average, per week, excluding compensated time off.

6. Moving Expenses.

The Manager shall be entitled to payment for his reasonable moving expenses to the City of Bisbee, for himself and the members of his family, in an amount not to exceed Five Thousand Dollars (\$5000.00). The City shall provide this reimbursement upon the presentation of the documentation for these expenses. The Manager shall also be allowed to use up to eighty (80) hours of Paid Time Off prior to accrual, subject to reimbursement from the Manager's subsequently accrued Paid Time Off, as may be necessary for purposes of assisting his family in its move to Bisbee in the summer of 2014.

7. Vehicle and Equipment.

The City shall make available to the Manager a suitable vehicle to be used in connection with City business. The City shall provide the maintenance and fuel necessary for this vehicle. Unless specifically authorized by the Mayor and Council, this shall not be a take home vehicle. In addition, the Manager shall be entitled to per diem at the established City rate for travel outside of the City. The City shall also provide the Manager with a cell phone for use on City business. The Manager shall reimburse the City for that portion of any additional expense associated with the use of this cell phone that is not related to City business.

8. Resignation.

The Manager shall provide the City with not less than Sixty (60) days written notice of his intent to resign from this position.

9. Termination and Severance Pay.

If the Manager is removed for cause, the Manager shall be paid upon his removal the salary that has accrued to him upon the date of removal, together with the value of all accrued paid time off. If the Manager is terminated at the discretion of the Mayor and Council, the Manager shall be entitled to his accrued salary, benefits, and paid time off to that date and his salary for the next three months following the adoption of the preliminary resolution for removal, as required by the City Charter. If the Manager voluntarily resigns, he shall be entitled to his accrued salary and paid time off to the date of the conclusion of his employment.

10. Outside Employment.

The primary obligation of the Manager shall be to City and to the successful performance of this Agreement. The Manager shall not assume any additional employment that would be inconsistent with or interfere with the performance of this Agreement. The Manager shall be allowed to assume occasional teaching, writing, speaking, consulting and similar work on his own time, provided that this does not conflict with the performance of this Agreement. The Manager shall obtain specific approval from the Mayor and Council prior to accepting any additional employment responsibility, other than the occasional, part-time tasks listed above.

11. Residency.

The Manager shall be required to establish residency within the City of Bisbee within ninety (90) days of the beginning of the term of this Agreement, as required by the City Charter, unless the Mayor and Council approve any extension or amendment to this requirement.

12. Indemnification and Bond.

The City shall defend, hold harmless and indemnify the Manager against any claims, demands, legal actions and judgments that may arise out of any alleged act or omission occurring within the scope of the performance of the Manager's duties under this Agreement. The City shall provide liability insurance at the City's own expense, which may be through the City's overall coverage, for such claims, demands and actions. The City's responsibility to defend, hold harmless and indemnify shall not extend to unlawful actions or to willful or wanton actions that are outside of the scope of the Manager's duties under this Agreement. The City shall provide the surety bond associated with this position through its own fidelity insurance policy for such purposes.

13. Dues and Subscriptions.

The City shall budget and pay for the Manager's membership and participation in the Arizona City Managers' Association and the International City Manager's Association, as necessary for the Manager to obtain the educational and information benefits offered by these organizations, for the overall good of the City. The City may provide funds for the participation in additional organizations and in conferences held by these organizations, depending upon the availability of funds.

14. Performance Evaluations.

The City and the Manager agree that periodically they shall meet to discuss and evaluate their mutual working relationship, rapport, goals and objectives. The Manager's performance shall be evaluated not less than every six (6) months for the first year of this Agreement. Thereafter they shall meet as often as the Mayor and Council deem to be necessary, but not less than annually. Following any such evaluation, the parties may also discuss the terms and conditions of this Agreement and any amendments that they may deem to be appropriate.

15. General Provisions.

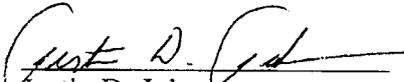
- a. This Agreement constitutes the entire Agreement between the parties and fully incorporates any prior oral or written understandings between them. This Agreement may only be amended by a written instrument signed and approved by both parties in the same manner as this Agreement.
- b. Pursuant to A.R.S. § 38-511, as applicable, the provisions which are incorporated herein by reference, all parties are hereby put on notice that this Agreement is subject to cancellation by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the City is, at any time while the Agreement is in effect, an employee or agent of any other party to the

Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement.

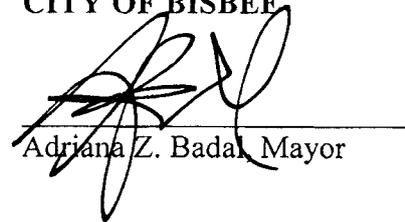
- c. The provisions of this Agreement are severable. In the event that any term of this Agreement may be held to be in violation of any federal, state or local law, the remaining terms and conditions shall remain in effect.
- d. This Agreement shall be governed by the law of the State of Arizona, and suits pertaining to this Agreement may be brought only in courts in the State of Arizona. Venue for any such action shall be in the Cochise County Superior Court.
- e. No right or interest in this Agreement shall be assigned by the Manager without prior written permission of the City, and no delegation of any duty of the Manager shall be made without prior written permission of the City.

IN WITNESS WHEREOF, the parties have executed this Agreement as indicated below:

MANAGER


Justin D. Johnson

CITY OF BISBEE


Adriana Z. Badal, Mayor

ATTEST:


Ashlee Coronado, City Clerk

APPROVED AS TO FORM:


John A. MacKinnon, City Attorney