

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is entered into this 16th day of June, 2026 (the "Effective Date"), by and between the City of Bisbee, Arizona (hereinafter the "City" or "Employer") and Ashlee Coronado (hereinafter "Coronado" or "Employee") under the following terms, conditions and obligations. The City and Coronado may hereinafter be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, the City desires to appoint and employ Coronado as its City Manager in accordance with the provisions of the Bisbee City Charter (the "Charter") and City Code; and,

WHEREAS, the Council has selected Coronado to act as the City Manager on the basis of her administrative and executive abilities and upon such terms and conditions as set forth herein; and,

WHEREAS, under Section 3.07 of the City Charter, the City Manager is the administrative head of the government of the City, under the direction and control of the Council and is responsible for the proper administration of all affairs of the City and the day-to-day operations, management, and administration of the personnel and activities of the City, and,

WHEREAS Coronado is willing to contract with the City, and the City is willing to contract with Coronado on the terms, covenants, and conditions hereinafter set forth.

NOW, THEREFORE, and in consideration of the mutual promises and agreements set forth herein, the Parties agree as follows:

AGREEMENT

1. Recitals. The Parties hereto acknowledge and agree that the foregoing recitals are true, correct, accurate, in proper form, and fully binding upon them. They are incorporated by this reference as if fully set forth herein.

2. Employment and Duties.

2.1 The City hereby employs, appoints and designates Coronado as the City Manager of the City of Bisbee, Arizona, and Coronado accepts said employment subject to the terms and conditions of this Agreement, State statute, the City Charter, the City Code and the supervision and direction of the City Council. In this capacity, Coronado 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 Arizona Revised Statutes, the City Charter, City Code, the ordinances, resolutions and other actions of this City, as these may be amended from time to time.

2.2 Coronado's service as City Manager shall be at the pleasure of Mayor and Council commencing on the Effective Date of this Agreement. If Coronado is terminated without cause or otherwise requested to resign, or mutually terminated pursuant to

Section 6, or if Coronado resigns pursuant to Section 7, then she will automatically revert to her prior position solely as the City Clerk, which City Clerk position she shall jointly hold during the first three (3) years of the term of this Agreement.

2.3 During the term of this Agreement, Coronado shall be in the exclusive employ of the City and shall devote her full working time, efforts, and attention to, and diligently and conscientiously perform the duties of her position as City Manager, provided, however, Coronado will be permitted to take part in outside teaching, speaking, civic and charitable endeavors so long as such activities do not interfere or conflict with Coronado's ability to perform her duties under this Agreement. Other than such occasional task listed above, Coronado shall hold no other employment for monetary gains without prior approval of the City Council. Notwithstanding the full-time nature of the City Manager's duties, she shall conduct her work hours as an executive employee, thereby giving the City Manager the discretion as to her actual time and place of work, which may include working after regular hours and on holidays. Coronado shall be an exempt employee under the Fair Labor Standards Act and is therefore not eligible for overtime.

2.4 The demands of the City Manager can become excessive. Therefore, Coronado is authorized to delegate duties in her discretion to subordinate employees, including the establishment of an Assistant City Manager position and title, or to, from time to time, retain outside contract service on a temporary or project specific basis, subject to budget and funding constraints and requirements. Coronado has discretion, so long as it is allowed by law, to reorganize City departments and administration.

3. Term. As provided by the City Charter, the appointment of Coronado as the City Manager shall be for an indefinite term. Coronado serves at the pleasure of City Council and nothing herein shall be taken to prevent, limit or otherwise interfere with the right of the City Council to terminate the services of Coronado at any time, with or without cause. As provided for in Section 3.09 of the City Charter, Coronado may be removed from the position of City Manager by a four-sevenths vote of the City Council as a preliminary resolution.

4. Compensation and Benefits.

4.1 The City shall pay Coronado an annual salary of \$130,000.00, payable in installments at the same time and manner as other employees of the City are paid, and subject to the same tax and retirement regulations applicable to other City employees. The City Council reserves the right, in its discretion to offer Coronado incentives and bonuses. All future salary increases shall be at the discretion of the Council, except that Coronado shall be entitled to any City-wide salary or cost of living increase approved by the Council.

4.2 During the term of this Agreement, the City shall provide Coronado with all of the benefits and coverages available to all other City employees and staff, including, but not limited to, family health, dental, vision, disability, and life insurance. These

benefits and allowances can be adjusted from time to time in the manner provided to other eligible City employees.

- 4.3 Coronado shall continue to accrue and receive vacation, holiday, and sick leave in accordance with the City's personnel manual and in the manner provided to other City employees.
- 4.4 During the term of her employment, Coronado shall be entitled to mileage reimbursement at the IRS established rate for the use her own vehicle for City business. Coronado shall provide mileage reimbursement requests in accordance with the City's vehicle use policy.
- 4.5 The City shall provide Coronado with a cell phone and an appropriate, in the City's discretion, electronic data device for the use and convenience of the City Manager to conduct City business. Coronado will be allowed reasonable minimal personal use of such items. The City will pay for the reasonable costs of any appropriate and reasonable supporting data plans for the phone and any electronic data devices. Should any discrete additional costs accrue to the City resulting from Coronado's use of said electronic communications devices arising from personal use, Coronado shall reimburse the City for such additional costs. Suitable, reasonable and appropriate as used herein are all to be determined by the Mayor and Council in their discretion.
- 4.1 During the term of employment, Coronado shall be entitled to all other benefits that the City generally provides to other employees, per eligibility criteria and City policies.
- 4.2 The City agrees to budget and to pay the professional dues and subscriptions for Coronado, so long as such dues and subscriptions are related to professional development and are those typical for the position of a city manager.
- 4.3 The City agrees to budget and to pay the reasonable travel and subsistence expenses of Coronado for the annual conferences of the League of Arizona Cities and Towns, the Arizona City Management Association, and the Arizona Association of Economic Developers in accordance with the City's Personnel Policies. In addition, the City agrees to budget and to pay the reasonable travel and subsistence expenses of Coronado to attend the International City Management Association every other year. Payment for other conferences and training opportunities must receive prior approval of the City Council. Any air travel will be reimbursed at coach class fare and subject to the City's Personnel Policies. Coronado shall provide prior notification to the City Council of her attendance plans.

5. Performance Review. The City Council shall provide Coronado with annual performance reviews on the anniversary dates of this Agreement. The annual performance review will include an opportunity for Coronado to meet and discuss the review and compensation. The City Council and Coronado will work together to prepare mutually agreeable goals for the City Manager. After

such goals have been established, performance reviews will be based upon and include discussions of the accomplishment or progress toward those goals.

6. Termination of the Agreement.

- 6.1 In accordance with the City Charter, the City Manager serves and holds her office at the pleasure of Council and may be removed as City Manager, with a majority four-sevenths vote of the Council, with or without cause. However, the Council will not dismiss Coronado as City Manager for cause without first providing her prior notice of the grounds for possibly dismissing her from that position for cause and an opportunity to be heard, which may be pursuant to an executive session in accordance with state law. For purposes of this Agreement, "for cause" includes:
 - 6.1.1 Material failure, refusal, or inability of Coronado to perform her duties and responsibilities as City Manager or for material breach of the terms of this Agreement;
 - 6.1.2 A determination of guilt by a court of competent jurisdiction of a crime which the Council has determined by at least a 5/7 vote of all Council members to warrant Coronado unfit to function in the capacity of City Manager;
 - 6.1.3 Any documented and proven act of dishonesty, fraud, gross negligence, or failure of Coronado to abide by the provision of the City Charter and City Code;
 - 6.1.4 Refusal to carry out a lawful direction of the City Council;
 - 6.1.5 Judgment or a plea of guilty of a crime of moral turpitude, including sexual offenses, theft, embezzlement, fraud, or any felony under state or federal law; or
 - 6.1.1 Coronado's conviction or acknowledgment of guilt of an illegal act.
- 6.2 The City Council and Coronado may mutually agree to terminate this Agreement. The City recognizes and acknowledges the political nature of the City Manager position and the uncertain future of City Council incumbents. Therefore, as part of the inducement for Coronado to leave her role as only the City Clerk for the City of Bisbee, and agree to employment as City Manager, the City agrees that Coronado will automatically return to the sole role of City Clerk upon the effective date of any resignation or mutual termination or without cause termination.
- 6.3 Upon termination without cause or a forced resignation within two (2) years of the Effective Date, Coronado's pay as solely the City Clerk will be the same as she receives as City Manager until the expiration of two (2) years from the Effective Date. Thereafter, Coronado's pay as solely the City Clerk will revert to the same

as it was before the Effective Date, plus any percentage cost of living increases that were provided to other City employees during her term as City Manager, plus the same percentage of any merit increases she may receive as City Manager.

- 6.4 However, if Coronado is terminated from employment as City Manager for reasons that would be good cause for the City to discharge her from her position as City Clerk (such as serious misconduct or commission of a crime in the course and scope of her employment), the City may deny Coronado reinstatement to City Clerk, subject to any appeal rights for terminations set forth in the City's personnel manual.

7. Resignation As City Manager. Coronado may resign at any time from her City Manager position by delivering a written notice not less than ninety (90) days before that event shall occur. Except as otherwise referenced herein, Coronado's resignation from that position is separate, apart from, and entirely irrelevant to all aspects of any other position that Coronado may then hold with the City.

- 7.1 If Coronado resigns as City Manager, her City Clerk pay will be the same as it was before the Effective Date, plus any percentage cost of living increases that were provided to other City employees during her term as City Manager, plus the same percentage of any merit increases she may receive as City Manager. Said amounts shall be calculated on a compounded basis in the same manner as if Coronado had not accepted this City Manager position and instead remained as solely the City Clerk. Coronado shall keep all benefits listed in Sections 4 of this Agreement as provided to all other eligible employees and accumulated personal leave status as provided to Coronado as a full-time employee and as provided by the personnel manual.

8. Severance Pay. If Coronado is requested or forced to resign or is terminated without cause during the time that she is willing and able to perform the duties of City Manager and Coronado does not wish to return to her sole position of City Clerk as provided for above, then the City Council agrees to pay Coronado a lump sum payment in full settlement of any causes of action, claims, damages, attorneys' fees and costs arising out of the forced resignation or termination without cause as follows:

- 8.1 Payment of all accrued benefits described in Paragraph 4 above.
- 8.2 Payment of an amount equal to six-month's salary at the time of resignation or termination without cause.
- 8.3 As a condition precedent for receipt of the severance payment outlined in Paragraph 8.2, Coronado must execute and return a valid waiver and release of any and all claims she may have against the City (in a format approved by the City Attorney).
- 8.4 All severance payments shall be paid in a single lump sum within thirty (30) days of the effective date of such resignation or termination without cause.

- 8.5 In the event Coronado is terminated "for cause" or in the event Coronado, for any reason, voluntarily resigns, she shall not be entitled to any severance pay.
9. Residency. The residency requirements of Section 3.02 of the Charter apply to Coronado's employment as the City Manager and the Mayor and Council hereby approve Coronado's current residence outside the City jurisdictional limits.
10. Bonding. The City shall bear the full cost of any fidelity or other bonds required of Coronado by the City or under any law or ordinance.
11. Indemnification and Hold Harmless of Coronado. During the term of this Agreement, and after the termination of this Agreement, the City agrees to indemnify and hold Coronado harmless to the maximum extent allowable by law for, from, and against any claims, demands, actions, causes of action (including, but not limited to, any tort, professional liability claim or demand or other non-criminal legal, equitable, or administrative action, whether groundless or otherwise), obligations, damages, debts, liabilities, expenses and losses, including court costs and attorney's fees arising directly or indirectly out of or in connection with any official act or omission occurring during the performance of Coronado's official duties as an employee or officer of the City, other than intentionally wrongful acts, gross negligence or an action brought by the City against Coronado. In addition to the foregoing, the City shall pay the reasonable expenses for Coronado's travel, lodging, meals, and lost work time should Coronado be subject to any such action, should such action be brought up or pending after Coronado's termination or resignation. The City shall be responsible for and have the authority to compensate and settle any action, in consultation with Coronado, and pay the amount of any settlement or judgment rendered in such action. Coronado shall cooperate fully with the City in the settlement, compromise, and preparation of the defense or any trial.
12. Terms to Survive Termination or Expiration. Any term of this Agreement that, by its nature, cannot be performed during the term of this Agreement, or before its termination or expiration, including, but not limited to, Section 11 above, shall survive and be enforceable after such termination or expiration.
13. Governing Law and Severability. This Agreement shall be governed by and interpreted by the laws of the State of Arizona with venue being in Cochise County. If any part of this Agreement is determined by a court of competent jurisdiction to be in conflict with any statute or constitution or to be unlawful for any reason, the Parties intend that the remaining provisions of this Agreement shall remain in full force and effect, unless the stricken provision leaves the remaining Agreement unenforceable.
14. Notice. Any notice concerning this Agreement must be in writing delivered personally or sent by certified or registered mail as follows, or other address provided by either Party:

To the City:

City Clerk

118 Arizona Street
Bisbee, Arizona 85603

To Coronado:

1382 W. Emerris Street
Bisbee, Arizona 85603

15. Default and Attorney's Fees and Costs. In the event of any default or other non-performance of any provision of this Agreement by either Party, the non-defaulting Party shall be entitled to all rights and remedies at law and in equity, which rights shall be cumulative and not exclusive. Should any action at law or in equity be brought to enforce or interpret the terms of this Agreement, then the prevailing party in such action shall be entitled to an award of reasonable attorney's fees and costs. This provision shall be construed as applicable to the entire Agreement.

16. Entire Agreement. This Agreement supersedes any other agreements, either oral or in writing, between the Parties concerning the matters outlined in this Agreement. This Agreement contains all of the covenants and agreements between the Parties relating to such issues. Each Party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any Party or anyone acting on behalf of any Party which is not embodied herein and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

17. Modification/Amendment. Any modification or amendment of this Agreement is effective only if it is in writing and signed by both Parties.

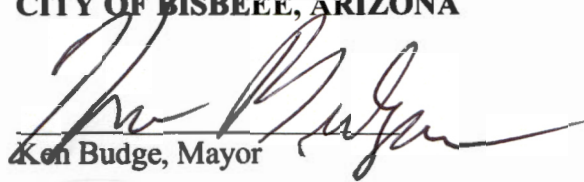
18. Non-Waiver. The failure of either Party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other Party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or time be deemed a waiver or relinquishment of that right or power for all other times.

19. Conflict of Interest. This Agreement may be terminated pursuant to A.R.S. § 38-511. In addition, Coronado covenants that she presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services of City Manager.

[Remainder of page left blank, signatures on following page]

IN WITNESS WHEREOF, the City and Coronado have executed this Agreement as of the date first written above.

CITY OF BISBEE, ARIZONA


Ken Budge, Mayor

ASHLEE CORONADO


Ashlee Coronado

ATTEST:


Nina Williams, Deputy City Clerk

APPROVED AS TO FORM:


Joseph D. Estes, City Attorney