

## EMPLOYMENT AGREEMENT

This Agreement is made by and between the City of Bellevue (hereafter “the City”) and Diane Carlson (hereafter “City Manager”) this 19<sup>th</sup> day of November, 2024 for the employment of Diane Carlson as City Manager for the City of Bellevue, King County, Washington.

### A. **Salary**

In consideration for their full-time employment services and best efforts, the City Manager’s salary effective November 18, 2024, shall be \$345,000 (three hundred and forty-five thousand dollars) annually.

Except in 2025, the City Manager shall receive annual general wage adjustments in the same manner and amount afforded to non-represented regular status employees. The City Manager shall be eligible for other periodic increases in compensation, including, but not limited to, merit pay adjustments, as determined by the Council.

### B. **Performance Evaluation**

Performance evaluations will be conducted by the City Council on a regular basis. The City Manager shall be eligible for merit pay adjustment consideration, with compensation increases tied to performance.

### C. **Vacation**

The City Manager shall accrue vacation leave at 16.7 hours of leave per calendar month of service (25 days annually). The City Manager shall be able to use accrued vacation as it is accrued, and shall use at least 15 days vacation annually. Unused vacation leave may be carried forward from year to year in excess of the standard amount identified in the Human Resources Policies and Procedures Manual (currently a maximum of 240 hours) with approval by Council.

### D. **Sick Leave**

The City Manager shall accrue sick leave in accordance with the Human Resources Policies and Procedures Manual sick leave provisions for regular status employees.

### E. **Other Leave**

The City Manager shall be entitled to other leave benefits provided to regular status at-will employees in the Human Resources Policies and Procedures Manual.

**F. Automobile Allowance**

The City Manager shall receive an automobile allowance of \$500 (five hundred dollars) per month.

**G. Medical/Dental/Life Insurance**

The City Manager shall receive the standard benefit package provided to all regular non-represented employees in the City.

**H. Retirement**

The City and City Manager will contribute to the applicable State of Washington retirement program at their established employer and employee contribution rates, similar to other benefited City employees.

**I. Municipal Employees Benefit Trust (MEBT)**

The City Manager may participate in the City of Bellevue Employees' Retirement Benefit Plan (also known as MEBT). This plan permits employee deferrals and provides for an employer matching contribution.

**J. Professional Dues/Memberships/Education**

The City shall pay the City Manager's dues for the International City Management Association, Washington City Management Association, and such other professional associations as are mutually agreed upon between the City Manager and the City. The City shall also pay reasonable travel and other expenses associated with the City Manager's attendance at such professional conferences and committee meetings as shall be mutually agreed upon between the City Manager and the City. Additional professional education/certification will be encouraged within bounds of normal time and budgetary constraints.

**K. Business Expenses and Equipment**

The City shall provide a City-owned laptop for the City Manager's use in their home. The City will also provide a City-owned cell phone and data service or the City Manager may choose to provide their own cell phone and be reimbursed at the authorized stipend rate (currently \$65 month). At termination of employment, the above-mentioned City-owned equipment will be returned to the City.

**L. Termination of Agreement by City Manager**

The City Manager may terminate this Agreement and resign from the position of City Manager by giving written notice to the City Council at least thirty days prior to the effective date of their resignation. Payout of accumulated vacation and sick leave will be governed by the same policies as those that apply to regular status at-will employees.

**M. Termination of Agreement by City**

1. Except as provided in subsection (2) below, should the City Manager be terminated involuntarily, asked to resign, or otherwise end employment at the request of the City, they will be provided with six months' severance pay at their then-current rate of pay and at least thirty days' notice of termination in writing. As consideration for the severance payment, the City Manager shall, prior to the receipt of payment, execute and deliver to the City a full release of the City, its elected officials, employees, representatives, and agents for all acts and omissions occurring up to the date of the release, said release to be prepared by the City Attorney.
2. Provided however, no severance will be provided should the City Manager's termination be the result of:
  - a. Gross negligence or intentional acts or omissions which are not in the best interests of the City as determined by the City; or
  - b. Conviction or plea of guilty or no contest to a felony or misdemeanor offense.

**N. Modification of Agreement/Dispute Resolution**

This Agreement may be modified only by the consent of the City and the City Manager.

Disputes over the interpretation or application of this Agreement may be submitted to mediation with the consent of the City and the City Manager.

**O. Term of Agreement**

This Agreement is for an indefinite term of employment with no guaranteed tenure. The City Manager's employment is at will and their employment can be terminated at any time for any reason or no reason consistent with this Agreement. This Agreement shall continue in full force and effect until such time as the City and the City Manager agree to a new or amended Employment Agreement or the Agreement is terminated as provided herein.

**P. Outside Activities**

The employment provided by this Agreement shall be the City Manager's primary employment with all necessary time spent to fulfill the role of city manager.

**Q. General Terms and Conditions**

1. This Agreement shall become effective November 19, 2024, following approval by the City Council and execution by the parties.
2. The provisions of this Agreement are severable and if any part of it is found to be void or unenforceable, in whole or in part, that portion shall be severed from the remainder of the Agreement, which shall remain in full force and effect as long as the full intent of the parties can be realized by the remaining provisions of the Agreement.
3. Waiver by either party of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent breach by that party.
4. This Agreement sets forth and establishes the entire understanding between the City and the City Manager regarding the terms and conditions herein and supersedes all prior agreements, discussions, and representations. Neither of the parties enters this Agreement in reliance on any promises, inducements, representations, or agreements other than those contained in this Agreement.
5. Nothing contained in this Agreement is intended to modify or supersede any provisions contained in the Bellevue City Code and any conflict between the provisions contained herein and the City Code shall be governed by the provisions set forth in the City Code.
6. This Agreement shall be construed in accordance with and governed by the laws of the State of Washington. In the event of any dispute regarding the interpretation or enforcement of this Agreement, venue and jurisdiction shall exist exclusively in King County, Washington. The prevailing party shall be entitled to reasonable attorneys' fees and costs.
7. The parties have read this Agreement, understand its terms, and have been fully advised by their respective legal counsel. Each also has participated or had the opportunity to participate in drafting this Agreement and therefore waives the rule of construction that an agreement is construed against its drafter.
8. This Agreement is for the services of a specific individual chosen for their unique qualifications and is not assignable. Subject to the foregoing, payments due shall inure to the benefit of and be binding upon their respective successors in interest, heirs, and assigns.

9. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

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Lynne Robinson  
Mayor

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Diane Carlson  
City Manager

Approved as to form:  
Trisna Tanus  
Acting City Attorney

By \_\_\_\_\_