

**Employment Agreement
Between
City and Borough of Sitka, Alaska
And
Geraldine “Gerrie” Cotter**

This Employment Agreement (“Agreement”), made and entered into this ____ day of October, 2026, by and between the City and Borough of Sitka, a municipal government, (“the Municipality”) and Geraldine “Gerrie” Cotter (“Employee”).

Recitals

1. The Municipality desires to employ the services of Employee as Municipal Administrator serving at the pleasure of the Municipal Assembly; and
2. It is the desire of the Municipal Assembly to provide certain benefits and conditions of employment for the Employee; and
3. Employee desires to accept employment as the Municipal Administrator of the City and Borough of Sitka.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

**Section 1
Municipal Administrator Employment and Duties**

The Municipality employs Employee as Municipal Administrator to perform the function and duties specified in Home Rule Charter of the City and Borough of Sitka (“Charter”) and the Sitka General Code (“SGC”), and to perform other legal duties and functions as the Municipal Assembly shall from time-to-time assign by action of the Assembly. Employee shall be responsible to the Assembly as provided in Charter Section 4.04. The Mayor shall serve as the Assembly’s primary point of contact for communicating Assembly direction to the Employee.

**Section 2
Term of Employment; Service at the Pleasure of the Assembly**

A. In accordance with Charter Section 4.01, the Assembly appoints Employee as Municipal Administrator for an indefinite term. Employee’s employment with the Municipality shall begin on November 9, 2026 (the “Start Date”). From the Start Date until the date the incumbent Municipal Administrator vacates the office (the “Appointment Date”), Employee shall serve as Municipal Administrator-Designate, shall receive the salary and benefits provided in this Agreement, and shall perform such transition duties as the Assembly may assign, but shall not exercise the powers of the Municipal Administrator under Charter Section 4.04. Employee shall assume the office of Municipal Administrator on the Appointment Date. If the Appointment Date has not occurred by December 18, 2026, Employee shall assume the office on that date unless the

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Assembly provides otherwise. Employee hereby acknowledges receipt of a copy and review of Charter Section 4.01, which is attached and hereby incorporated by reference.

B. Employee understands that the Charter establishes that the Municipal Administrator shall serve at the pleasure of the Municipal Assembly. Employee agrees that she serves at the pleasure of the Assembly, that the Assembly is not required to establish cause for her removal or suspension, and that she has no property interest in or expectation of continued employment beyond that provided by the Charter. Employee further understands and agrees that any such removal or suspension must be in accordance with the procedures found in Charter Section 4.02 and that those procedures are the exclusive procedures applicable to her removal or suspension. Employee hereby acknowledges receipt of a copy and review of Charter Section 4.02, which is attached and hereby incorporated by reference.

C. Employee may terminate this Agreement for any reason, or no stated reason, upon giving ninety (90) calendar days written notice to the Assembly, delivered to the Mayor and the Municipal Clerk. In the event the Employee terminates this agreement under this paragraph, the Municipality shall pay the Employee her salary and accrued but unused vacation leave, to the date of the resignation (which means when Employee no longer works for the Employer), within the time required by AS 23.05.140. Any deduction from final pay of an amount owed by Employee to the Municipality shall be made only as authorized in a separate written agreement signed by the Employee and as otherwise permitted by Alaska law.

D. If the Assembly removes Employee under Charter Section 4.02, the Municipality shall pay Employee her salary through the effective date of the final resolution of removal and her accrued but unused vacation leave, within the time required by AS 23.05.140. This Agreement does not provide for severance pay.

Section 3

Salary and Performance Evaluation

A. The Municipality agrees to pay Employee for services rendered an annual base salary of TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$200,000.00), less applicable withholdings.

B. Employee may be eligible for a salary adjustment following their annual performance review, as approved by the Assembly. The annual performance review by the Assembly shall take place on the third Tuesday of April each calendar year.

C. As a contract employee, personnel policies found in Section 6 – Personnel Staffing and Compensation of the City and Borough of Sitka Personnel Policies Handbook do not apply to the Municipal Administrator position.

Section 4

Hours of Work

- A. As the Municipal Administrator, Employee is exempt from the provisions of the Fair Labor Standards Act ("FLSA") and shall not be paid overtime or be given compensatory time off for hours worked in excess of forty (40) per workweek.
- B. Employee is expected to work as many hours as necessary to fully perform all duties and responsibilities the position requires and as assigned by the Assembly.

Section 5

Vacation and Benefits

- A. Vacation Leave Accrual:
1. Upon Hire: Employee shall accrue forty (40) hours of vacation leave upon hire that may be used immediately.
 2. Per Pay Period: Employee shall accrue vacation leave thereafter at a rate of 5.85 hours per pay period. The per pay period accrual rate may be reviewed and adjusted at the annual April performance review based on Assembly approval.
- B. Employee shall request vacation leave with a reasonable lead time in writing to the Mayor with copies to all Assembly members. The Mayor will communicate approval or denial, subject to the concurrence of the Assembly.
- C. Except for the vacation leave available immediately at hire and accrual rates listed above, all other provisions of Section 8 of the City and Borough of Sitka Personnel Policies Handbook shall apply.
- D. Other Benefits and Insurance: Employer shall provide Employee with sick leave, life insurance, health insurance, retirement, and other benefits provided to other exempt employees as described in the City and Borough of Sitka Personnel Policies Handbook, subject to the eligibility requirements of each plan, including the Alaska Public Employees' Retirement System where applicable.
- E. Employee is authorized a moving allowance not to exceed \$10,000.00 to be reimbursed through payroll based on submission of documented receipts no later than ninety (90) days after the Start Date.
- F. Membership dues in professional organizations including the International City/County Management Association and the Alaska Municipal Management Association shall be paid by the Municipality within amounts appropriated in the annual budget. Travel may be required for conferences and other duties at the expense of the Municipality, in accordance with the Municipality's travel policies and within amounts appropriated in the annual budget.

Section 6 Indemnification

Employer agrees to defend and indemnify Employee in accordance with SGC Chapter 2.75, Defense and Indemnification of Officers and Employees. Employee hereby acknowledges receipt of a copy of and review of SGC Chapter 2.75, which is attached and hereby incorporated by reference.

Section 7 Other Terms and Conditions of Employment

A. During the life of this Agreement, the Assembly may determine new terms and conditions of employment are necessary from time-to-time based on the performance of the Employee or the needs of the Municipality, provided such terms and conditions are not inconsistent with any applicable federal, state, or local laws.

B. Any such changes or new terms and conditions of employment shall only be effective if approved by the Assembly and set out in a written amendment signed by the Employee and, at the direction of the Assembly, by the Mayor, attested by the Municipal Clerk.

C. The City and Borough of Sitka Personnel Policies Handbook, effective July 1, 2025, and as amended from time to time, applies to Employee to the extent provided in Sections 3.C, 5.C, and 5.D of this Agreement, or as the Assembly may later determine under this Section 7. In the event of a conflict, the following order of precedence applies: (1) applicable federal and state law; (2) the Charter; (3) the Sitka General Code; (4) this Agreement; and (5) the Personnel Policies Handbook.

Section 8 Conflicts of Interest

Employee understands and agrees that she is subject to Charter Section 17.01 and SGC Section 1.05.080 as to conflicts of interest. Employee hereby acknowledges receipt of a copy and review of the Charter Section 17.01 and SGC Section 1.05.080, which are attached and hereby incorporated by reference. In addition, Employee shall be sensitive to both actual and perceived conflicts of interest as the Municipal Administrator and the Employee's personal conduct including activities of members of the Employee's immediate family that are within her control which could similarly result in an actual or perceived conflict of interest. When in doubt, the Employee should consult with the Municipal Attorney in advance of any potential conflict before proceeding on the matter and shall make any disclosure required by Charter Section 17.01 or SGC Section 1.05.080 to the Assembly.

Section 9

General Provisions

A. No Assignment

Employee's services under this Agreement are personal, and Employee may not assign this Agreement or delegate the duties of the office of Municipal Administrator to any third party. This Section does not limit Employee's authority to direct municipal officers and employees and delegate tasks to them as permitted by the Charter and the Sitka General Code, or to engage contractors and consultants on behalf of the Municipality in accordance with the Municipality's procurement ordinances and appropriations.

B. Applicable Law and Venue

This Agreement shall be deemed to have been entered into and shall be construed and governed, without regard to conflict-of-laws principles, in accordance with the laws of the State of Alaska. Venue for any action arising under this Agreement shall be in the Superior Court for the State of Alaska, First Judicial District, at Sitka.

C. Waivers

Failure of either party to insist, in any one or more instances, upon the performance of any of the terms, covenants, or conditions of this Agreement or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future exercise of such right, but the obligation of the other party with respect to such future performance shall continue in full force and effect.

D. Severability

The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision or provisions were omitted.

E. Amendments

This Agreement may not be amended, modified, released, discharged, supplemented, interpreted, or changed in any manner except by written instrument approved by the Assembly and signed as provided in Section 7.B.

F. Headings

The headings utilized herein are provided as aids in referencing provisions of this Agreement, but shall not be utilized in interpretation, or construction of terms and conditions of it.

G. Entire Agreement

This Agreement contains the entire and only understanding or agreement between the parties in relation to the employment of the Employee as the Municipal Administrator. Any verbal or written representations, provision, undertakings or conditions hereof not contained in the wording of this Agreement shall be of no effect and shall not be binding on either party.

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H. Outside Activities

Employee shall not engage in outside employment, consulting, or business activity without the prior approval of the Assembly. Teaching, writing, and professional association activities that do not interfere with Employee's duties or create a conflict of interest do not require approval.

I. Return of Municipal Property

Upon separation from employment, Employee shall promptly return all municipal property, records, equipment, keys, and access credentials in her possession.

J. Residency

Employee shall establish her residence within the City and Borough of Sitka within [six (6)] months after the Start Date.]

[SIGNATURES AND ACKNOWLEDGEMENTS ON NEXT PAGE]

IN WITNESS WHEREOF, the City and Borough of Sitka, on a vote of its Assembly on the 13th day of October, 2026 appointing Employee as Municipal Administrator, has approved this Employment Agreement and directed it to be signed and executed on its behalf by its Mayor, duly attested by its Municipal Clerk, and signed by the Employee on this _____ day of October, 2026.

EMPLOYEE

Geraldine “Gerrie” Cotter

CITY AND BOROUGH OF SITKA

ATTEST:

Steven Eisenbeisz, Mayor

Sara Peterson, Municipal Clerk

SEAL:

Attachments:

Charter Sections 4.01 and 4.02

Charter Section 17.01 and SGC Section 1.05.080

SGC Chapter 2.75

Attachments

Section 4.01. Appointment, Qualifications, Compensation.

The assembly shall appoint a municipal administrator for an indefinite term and fix his compensation. The administrator shall serve at the pleasure of the assembly and be appointed solely on the basis of his executive and administrative qualifications. He/she need not be a resident of the municipality or state at the time of his/her appointment.

Section 4.02. Removal; Suspension.

The assembly may remove the administrator from office in accordance with the following procedures:

- (a) **Preliminary Resolution.** The assembly shall adopt by affirmative vote of a majority of its members a preliminary resolution which must state the reasons for removal; and may suspend the administrator for a period of not to exceed 30 days. A copy of the resolution shall be delivered promptly to the administrator.
- (b) **Public Hearing.** Within five days after a copy of the resolution is delivered, the administrator may file with the assembly a written request for a public hearing. The hearing shall be held at an assembly meeting not earlier than 10 days or later than 20 days after the request is filed. The administrator may file with the assembly a written reply not later than five days before the hearing.
- (c) **Final Resolution.** If the administrator has not filed a request for public hearing, the assembly may adopt a final resolution of removal, which may be made effective immediately, by an affirmative vote of a majority of its members, at any time after five days from the date when a copy of the preliminary resolution was delivered to the Administrator. If a public hearing is requested, final resolution may be adopted any time thereafter.
- (d) **Continuation of Salary.** The administrator shall continue to receive his/her salary until the effective date of a final resolution of removal. The action of the assembly shall not be subject to review by any court or agency.

Section 17.01. Personal Financial Interest.

- (a) **Prohibition.** No elected official may vote on any question on which he or she has a substantial financial interest. Any municipal officer, employee, or assembly member who has a substantial financial interest in any contract with the municipality or in the sale of any land, material, supplies or services to the municipality or to a contractor supplying the municipality shall make known that interest and shall refrain from participating in his capacity as a municipal officer, employee, or assembly member in the making of such sale or in the making or performance of such contract.
- (b) **Punishment.** Any municipal officer, employee or assembly member who conceals such financial interest or willfully violates the requirements of this section shall be guilty of malfeasance in office and shall forfeit his/her office or employment. Violation of this section with the knowledge expressed or implied of the person contracting with or making a sale to the municipality shall render the contract or sale to the municipality voidable by the administrator or the assembly.
- (c) **Additional Rules.** The assembly by ordinance may prescribe additional rules and penalties to prevent conflicts of interest.

§ 1.05.080. Conflict of interest.

- A. No member of the assembly, elected or appointed official, municipal employee or official may participate in official action in which the assembly person, elected official, employee or official has a substantial financial interest.
- B. If a member of the assembly or other municipal board or commission has a substantial interest in an official action, that member shall declare the substantial financial interest and ask to be excused from the vote on the matter.
- C. Upon a request made under subsection B of this section, the following procedure shall be followed:
 - 1. The presiding officer shall rule on the request by a member to be excused from the vote.
 - 2. The assembly, board or commission may override the decision of the presiding officer on the request to be excused by a majority vote.
- D. As used in this section, “substantial financial interest” means an expectation of receiving a nontrivial pecuniary or material benefit. A substantial financial interest of a person includes any substantial financial interest of that person’s immediate family. A person has a substantial financial interest in an organization in which that person has an ownership interest, or is a director, officer, or employee. A person has a substantial financial interest in a decision if a substantial financial interest of that person will vary with the outcome of the decision. A substantial financial interest does not include the following: a personal or financial interest which is not of the magnitude that would exert an influence on an average, reasonable person; a personal or financial interest of a type which is generally possessed by the public or a large class of persons to which that official or employee belongs; or an action or influence which would have an insignificant or conjectural effect on the matter in question.
- E. As used in this section, “immediate family” of a person means anyone related to that person by blood, marriage, or adoption or who lives in that person’s household.
(S.G.C. 1.04.080; Ord. 86-684 § 4, 1986; Ord. 04-27 § 4, 2004)

CHAPTER 2.75

DEFENSE AND INDEMNIFICATION OF OFFICERS AND EMPLOYEES**§ 2.75.010. Definitions.**

For the purpose of this chapter, the following words shall have the following meanings unless the context indicates otherwise:

“Claim” means a claim or lawsuit.

“Employee” means any person who is or has been employed in the service of the city and borough.

“Official” means any person who is serving or has served as an elected official of the city and borough and any person who is serving or has served as an appointed member of any board, commission, agency, or committee of the city and borough.

“Official duties” includes conduct, acts, and omissions done by an official or employee in the course and scope of their service to the city and borough.

(S.G.C. 2.10.010; Ord. 17-25 § 4, 2017)

§ 2.75.020. Defense and indemnification.

Subject to the conditions and requirements of this chapter, the city and borough shall provide to an official or employee legal defense and indemnification, including protection from any expenses connected with the defense, settlement, or payment of monetary damages, related to any claim filed against the official or employee, arising out of the good faith performance, purported performance, or failure of performance of official duties. This defense and indemnification shall be a condition of employment with the city and borough and shall be provided by the municipal attorney or the municipal attorney’s designee or through such insurance policy or self-insurance or similar program as the city and borough may establish.

(S.G.C. 2.10.020; Ord. 17-25 § 4, 2017)

§ 2.75.030. Exclusions – Determination to defend and indemnify.

A. The obligation of the city and borough to provide defense and indemnification shall not apply to any act taken in bad faith or any act outside the scope of service or employment, or to any claim brought by or on behalf of the city and borough. The following are examples of acts which will normally be deemed to have been taken in bad faith:

1. An act committed with the willful intention of causing injury or harm, or which was reckless or malicious in nature.
2. An act committed in willful violation of law.
3. An act committed while under the influence of alcohol or a controlled substance.

B. The municipal attorney shall determine whether an official or employee was

performing official duties in good faith, and whether an official or employee committed any act in bad faith. The municipal administrator shall make this determination regarding a claim against the municipal attorney.

- C. If, at the time the claim is initiated, the known facts are insufficient to allow for the determination under subsection B of this section, the city and borough may elect initially to provide defense only, reserving any final determination until such time as sufficient facts are available.
- D. The official or employee may appeal to the assembly an adverse determination under subsection B of this section.
(S.G.C. 2.10.030; Ord. 17-25 § 4, 2017)

§ 2.75.040. Conditions of defense and indemnification.

The continued obligation of the city and borough to provide defense and indemnification shall be subject to the following conditions:

- A. The official or employee shall cooperate fully with the city and borough and its counsel in handling or resisting the claim, including:
 - 1. Providing the municipal attorney, as soon as practicable after receiving notice of a claim: written notice of the claim, specifying the names of the officials or employees involved, the date, time, place and circumstances surrounding the incident or conduct giving rise to the claim, the names and addresses of all persons allegedly injured, the names and addresses of owners of allegedly damaged property, and the names and addresses of all witnesses;
 - 2. Cooperating with the city and borough and its counsel in making settlements of any lawsuits, and in enforcing any claim for subrogation against any persons or organizations that may be liable to the city and borough because of any damages or losses arising from the incident or conduct; and
 - 3. Attending interviews, depositions, hearings, and trials as requested, and assisting in securing and giving evidence and obtaining the attendance of witnesses.
- B. The city and borough reserves the sole right to control the defense of the claim and to compromise, settle, or defend the matter.
(S.G.C. 2.10.040; Ord. 17-25 § 4, 2017)

§ 2.75.050. Disqualification.

If any official or employee fails or refuses to meet the requirements of this chapter or elects to provide his or her own representation on any claim, this chapter shall be inapplicable and of no force and effect with respect to that claim.
(S.G.C. 2.10.050; Ord. 17-25 § 4, 2017)

§ 2.75.060. Conflict with provisions of insurance policies.

Nothing contained in this chapter shall be construed to modify or amend any provision of an insurance policy or any coverage through a self-insurance or joint insurance program. If there is a conflict between this chapter and the provisions of any such policies or coverage, the provisions of any such policies or coverage shall control.

(S.G.C. 2.10.060; Ord. 17-25 § 4, 2017)

§ 2.75.070. Pending claims.

This chapter shall apply to any pending claim against an official or employee and to any claim hereafter filed irrespective of the date of the events or circumstances giving rise to the claim.

(S.G.C. 2.10.070; Ord. 17-25 § 4, 2017)

§ 2.75.080. Union contracts.

If a collective bargaining unit contract covers any of the terms and conditions of this chapter, all employees under the contract shall be governed by the provisions of the contract. If there is a conflict between the provisions of such contract and this chapter, the provisions of the contract shall control.

(S.G.C. 2.10.080; Ord. 17-25 § 4, 2017)

§ 2.75.090. Volunteer workers.

The city and borough shall provide defense and indemnification to volunteer workers performing services on its behalf; provided, that such defense and indemnification:

- A. Shall be provided only to volunteer workers authorized in writing by the head of a municipal department to perform a particular scope of services to the city and borough;
- B. Shall cover only conduct, acts, and omissions undertaken in the course and scope of such authorized services; and
- C. Shall be subject to all other conditions and requirements of this chapter in the same manner as they apply to officials and employees.

(S.G.C. 2.10.090; Ord. 17-25 § 4, 2017)