

## SEPARATION AGREEMENT AND MUTUAL RELEASE

This Separation Agreement and Mutual Release ("Agreement") is entered into by the City of Palmer ("City") and Stephen Jellie ("Employee"), referred to herein collectively as the "Parties." Nothing contained in this Agreement shall constitute an admission, acknowledgement or acceptance of wrongdoing or of liability by either of the Parties named and represented in this Agreement.

### RECITALS

WHEREAS, Employee is employed by City as City Manager; and

WHEREAS, Employee is entitled to certain rights, and holds certain responsibilities pursuant to his employment agreement, and under the Palmer Municipal Code and Alaska Statutes; and

WHEREAS, Employee and City desire to conclude Employee's employment with the City; to provide for the orderly transition to a new City manager, and enter into a full, complete, and final settlement and release of any and all claims that have been asserted, or that could have been asserted by Employee, arising from or related to his employment with City and separation from employment.

NOW, THEREFORE, in consideration of the promises and releases contained herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, Employee and City agree as follows:

1. The parties agree that Employee's employment is terminated by mutual agreement effective October 9, 2024.

2. Employee does hereby release and fully discharge City, its officials, officers, employees, agents, attorneys, insurers, sureties, shareholders, successors and assigns, past and present, individually and in their representative capacities; and, City does hereby release and fully discharge Employee, his agents, representatives, advisors, heirs and assigns, herein collectively referred to as the "Released Parties", from any and all claims, demands, liabilities, damages, actions, causes of action, or disputes ("Claims"), whether presently known or unknown, which include, but are not limited to, any and all Claims whether arising out of contract, tort, statute, regulation or otherwise, in law or equity, including all Claims for compensatory, special, liquidated and punitive damages, penalties, costs, expenses and attorney's fees, and other types of loss or losses, arising or alleged to have arisen or which may arise hereafter, from any and all acts or omissions of and by Released Parties occurring prior to the effective date of the Agreement but excluding the promises made in this Agreement. This Agreement includes without limitation any, each and all Claims relating in any manner whatsoever to Employee's employment with City, Employee's rights, privileges, benefits and treatment as an employee of City, and Employee's termination of employment with City effective October 9, 2024, and the mutual decision of City and Employee that the interest of the Parties would be best served by Employee withdrawing from further employment with City, under the terms and conditions set forth in this Agreement.

3. Without limiting the generality of the foregoing provisions and statements of Paragraph 1, it is Employee's intent to release and fully discharge the Released Parties from all Claims asserted in or which might have been asserted against any of the Released Parties, and

arising under the common law of the State of Alaska or other states, all Claims arising under federal common law, and all Claims which are now or which might be recognized in any such jurisdiction. This includes without limitation all claims for wrongful discharge, constructive discharge, wrongful termination of employment, breach of contract, retaliation, age discrimination, emotional distress, wage and hour claims, whistleblowers, punitive damages, and from all claims for alleged violations of federal, state, and local statutes and ordinances, and all amendments, regulations and decisions applicable to such statutes.

4. The Employee agrees to the following continuing obligations:

- a. Employee will refrain from hiring or terminating any City employees between the date of this agreement and Employee's last day of employment unless such action is concurred in by the City Mayor or approved by the City Council;
- b. Between the date of this agreement and Employee's last day of employment Employee will refrain from entering into any contracts or terminating any contracts on behalf of the City for amounts greater than \$10,000 unless the action is concurred by the City Mayor or approved by the City Council;
- c. Employee shall cooperate with the City in conducting any proceedings occurring either before or after separation from employment where Employee is required as a witness, or the City requires information from Employee to effectively conduct its business. Employee shall be reimbursed actual expenses, if any, incurred in fulfilling this obligation.

5. In consideration for Employee's release of all claims as stated in Paragraphs 2 and 3 above, and Employee's agreement to comply with the provisions of paragraph 4 above, City shall pay Employee the amount to which Employee would be entitled under section 3(A) of Employee's July 22, 2024 contract of employment if Employee were terminated by the City Council for convenience as of October 9, 2024, less required federal and state withholding and deductions. The foregoing severance payment is consideration for this Agreement.

6. Employee agrees not to take any action or make any statement that is disparaging of or designed to undermine the reputation of the City, including but not limited to its officials, its employees, or job applicants, past, present and future.

7. In consideration thereof, City agrees that if contacted by a potential employer as to Employee's suitability for employment, that City will disclose, as stated above, that "City and Employee reached a mutual decision that his employment terminated due to a difference in management styles".

8. Employee warrants he has not assigned or transferred any claim or part or portion of any claim released herein.

9. The intention of Employee being to fully, completely and forever settle, compromise, release and discharge all Claims against the Released Parties, Employee hereby agrees that he will not by himself, or in concert with others, maintain or cause to be maintained any demands, actions, lawsuits, arbitrations, or any other proceedings against the Released Parties in any capacity whatsoever as a result of or pertaining to the Claims released and discharged herein.

10. Employee acknowledges that neither City, nor any agent or attorney of City, has made any promises, representations or warranties whatsoever, express or implied, not contained

herein, concerning the subject matter or any facts material hereto, to induce him to execute this Agreement, and Employee acknowledges that he has not executed this Agreement in reliance upon any such promises, representations, or warranties not contained herein.

11. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the Parties.

12. The Parties agree that this Agreement sets forth completely the terms of the Parties' Agreement and understanding, and that this Agreement cannot be modified without the express written consent of all Parties.

13. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of Alaska. In any litigation relating to the interpretation or enforcement of this Agreement, the venue shall be the Superior Court for the State of Alaska at Palmer, and the prevailing party shall be entitled to its costs and attorney's fees.

14. In the event that any provision of this Agreement or compliance by any of the Parties with any provision of this Agreement shall constitute a violation of any law, then such provision, to the extent only that it is so in violation, shall be deemed ineffective and unenforceable and shall be deemed separable from the remaining provisions of this Agreement, which provisions shall remain binding on the Parties.

15. Employee affirms that Employee has carefully read the Agreement and has signed it as Employee's free and voluntary act, without undue pressure or coercion being placed on Employee.

Dated at Palmer, Alaska this 10<sup>th</sup> day of October, 2024.

City

Employee

By

  
Steve Carrington, City Mayor

By

  
Stephen Jellie

Attest:

  
Shelly Acteson  
City Clerk

Date 10/10/24