

EMPLOYMENT AGREEMENT

This Agreement is entered into this 20th day of February, 2026 by and between Jack Savo, Jr. (hereinafter "Manager") and the City of Dillingham, Box 889, Dillingham, AK 99576 (hereinafter "City").

1. Purpose. City agrees to employ Manager in the position of City Manager of the City of Dillingham, Alaska.

2. Term. The term hereof shall commence on February 20, 2026 and continue for three (3) years, subject to appropriation. Thereafter, the Agreement may be renewed upon such terms and conditions to which parties mutually agree.

3. Duties.

(A) The City Manager is the City's chief administrative officer and is responsible for fulfillment of the City Council's policy directives and enforcement of the Dillingham Municipal Code, incorporated into and made a part of this Agreement by reference, and other such duties as the City Council may require from time to time. The City Manager is also bound by the requirements of AS 29.20.500 which is also incorporated in this agreement by reference.

(B) Manager shall also comply with the procedures, standards, and directives now established or which may be established, from time to time, by the City.

(C) The employment provided for by this Agreement is full time and shall be the Manager's primary employment. The fair and impartial application of the employment duties is paramount, and in achieving such, Manager agrees not to direct or promote any other civic or employment activities, whether paid or volunteer, without first obtaining written permission from the City Council.

(D) The Manager's principal work location will be in the City offices in City Hall. This is not a remote work position.

4. Compensation.

(A) In consideration of Manager's performance under this Agreement, Manager shall be paid an annual salary of \$149,500 payable bi-weekly in equal installments.

(B) Any additional increases in compensation to Manager are dependent upon the results of an annual performance evaluation. Manager shall be responsible for notifying Council of the need for an evaluation reasonably close to

the anniversary date of this Agreement and for working with staff and Council to facilitate such evaluation.

(C) Manager shall not be entitled to overtime pay or compensatory time. Manager is expected to work the hours necessary to accomplish the goals and requirements of the position.

5. Benefits.

(A) Manager has the standard medical and dental benefits as provided to other City employees, including coverage for spouse and dependents, and is a participant in the State Public Employee Retirement System, with those benefits associated with that program.

(B) Manager will receive compensation for holidays recognized and outlined in the City of Dillingham Personnel Policy Section 5.20.

(C) Manager will accrue thirty (30) days of leave annually.

(D) The City agrees to pay for Manager to attend the Alaska Municipal Management Association (AMMA) conference as budgeted funds allow.

(E) The City agrees to pay annual membership dues to AMMA. Upon request, City may pay for membership to other similar municipal professional associations for Manager as budgeted funds allow.

(F) The City will provide Manager with access to a city-owned vehicle for City business use and for which the City pays for gas and maintenance.

6. Termination. Due to the nature of the City Manager position in that it involves dealing on behalf of the City in various fields and the involvement of the City Manager in many different projects, it is agreed that the City's business can only succeed if Manager and the City Council enjoy a working relationship based on mutual respect, trust, and positive attitudes. It may, therefore, be impossible to quantify "poor performance" or "just cause" for termination given these complexities which often involve personality factors, as opposed to legal or contractual factors. It is, therefore, the intent of the parties to provide for termination by either Employer or Employee without resorting to any determination of cause or any necessary explanation. Consistent with DMC, 2.21.020, termination of the contract shall be as follows:

(A) Manager Termination of Contract. Manager may terminate this Agreement for any reason, or no stated reason, upon giving 60 days written notice to the City. City reserves the right to waive the 60-day written notice or any part of and allow the Manager to terminate their employment at any time following the resignation and

pay the Manager's usual rate of pay for any time worked and the cash value of their accrued leave.

(B) City termination of Contract. City may terminate this Agreement for any reason, or no stated reason. City will pay Manager, in one lump sum at the time of separation, two (2) months' severance pay at Manager's usual rate of pay and the cash value of their accrued leave. For purposes of PERS reporting, employment will end the date Employee is no longer actively working for the City and no additional work time will accrue for retirement purposes. Leave time accrual will end the day Manager is no longer actively working for the City.

(C) If Manager is terminated because of a misdemeanor conviction of a crime of moral turpitude or any felony conviction, City is not obligated to pay severance or associated benefits under this section.

(D) Termination by Disability. This Agreement shall terminate upon Manager's disability or illness that renders Manager unable to perform Manager's duties if the disability should continue past the approved time under the Family Medical Leave Act and related provisions of the Personnel Regulations. Manager thereafter is no longer entitled to any compensation provided herein.

7. General Business Expenses: City shall reimburse Manager for reasonable employment-related expenses including travel expenses and subscriptions, subject to appropriation. Reimbursement for expenditures on behalf of the City shall not be paid unless reimbursement is sought in accordance with standard City procedures, including receipts, vouchers, and supporting material.

8. Confidentiality. Manager recognizes that the City Manager receives and has access to information of a confidential nature. Manager agrees any confidential information obtained as a result of the City Manager position will be maintained as confidential to the extent authorized by law.

9. Indemnification. City shall defend and save harmless Manager consistent with DMC § 2.03.090.

10. Conflict of Interest. Manager agrees to be fair and impartial in all dealings and to avoid any actions which create a conflict of interest or the appearance of a conflict of interest, or which might reasonably be interpreted as affecting the impartiality of the position of City Manager. Manager will avoid any action which adversely affects or appears to affect Manager's ability to perform the duties of City Manager.

11. Applicability of City Personnel Regulations. The City of Dillingham Code of Ordinances, Personnel Regulations and duly adopted policies as they may exist from time to time govern this Agreement, provided, however, that the provisions of this Agreement

take precedence in any area specifically addressed by this Agreement. For example, the termination provisions provided herein prevail over any personnel regulations.

12. Miscellaneous Provisions.

(A) Governing Law. This Agreement shall be governed by and construed under the laws of the State of Alaska and is subject to all applicable City Code provisions of the City of Dillingham.

(B) Jurisdiction. In the event that any action or suit is brought to enforce this Agreement the parties agree to be subject to exclusive jurisdiction in the Superior Court of Alaska and agree that in any such action venue shall lie exclusively in the Third Judicial District.

(C) Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes all prior negotiations. No other agreement, statement or promise made by or to any party, or any employee, officer, or agenda of any party, which is not contained in this Agreement shall be binding or valid.

(D) Partial Invalidity. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in force and effect and in no way be affected, impaired, or invalidated.

(E) Amendment. This Agreement may be amended only by a written document executed by the parties hereto.

13. Manager's Certification. Manager hereby certifies that he has received a copy of this Employment Agreement and the City Personnel Policies. He further certifies that he understands this Agreement, has been given a reasonable amount of time to review this Agreement, and that it fairly represents the agreement reached between the parties.

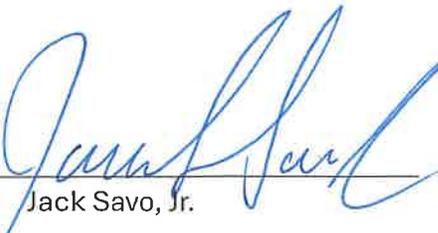
DATED this 20th day of February, 2026.

CITY OF DILLINGHAM

BY:


ALICE RUBY
Mayor

Mayor



Jack Savo, Jr.

ATTEST



Abigail Flynn
City Clerk