

Offer Letter
Reappointment of Elizabeth Pauli-Bastian to the position of City Manager

The Tacoma City Council is pleased to continue your employment in the position of City of Manager. Pursuant to Tacoma City Charter section 3.1 the terms of your employment are that this an at-will position appointed by the Council. Every two-years thereafter the position is subject to reappointment by the Council consistent with section 3.1 of the Tacoma City Charter.

Salary and benefits parameters are set forth under the Tacoma Municipal Code (TMC). The following terms are offered for your continued employment:

1. Term: Reappointment is effective **May 16, 2023**, through **May 15, 2025**.
2. Salary: Annual salary will be **\$309,556** (equal to Step 1 in the current salary range for the position of City Manager).
3. Administrative Leave: **0** days.
4. Deferred Compensation (DC): City will pay your annual DC contributions in an amount equal to the maximum annual amount permitted under IRS Section 457 (currently \$23,000) and add to this amount the Age 50 Catch-up annual deferral contribution, currently equal to \$7,000 which may be adjusted by the IRS in 2023). Employer agrees your interest is 100 percent vested when biweekly deposits are made to the plan. Payments shall be made in bi-weekly installments through normal payroll processes. The City will pay all of the contribution amounts for 2025 by the end of January 2025.
5. Defined Contribution: City will match your contribution into an account created for you under the City's defined contribution supplemental benefit plan pursuant to IRS Section 401(a) and TMC 1.12.116B in an amount up to three percent (3%) of your salary. City will provide a one-time contribution of **\$20,000** into the account **prior to December 31, 2024**. Under all circumstances you shall be responsible for paying any and all federal or state taxes related to the transactions associated with this section.
6. Benefits: You will continue to receive the standard benefit package for employees of the City, including but not limited to PTO, medical, dental, and vision benefits, life insurance, long-term disability, as well as continue to be a member of the Tacoma Employees Retirement System. City shall defend, save harmless, and indemnify you as set forth in TMC 1.12.920 or successor sections, and the City shall pay the cost of any fidelity or bonds required for you to perform the duties of your position.
7. Parking: Employer provided parking space without charge.
8. Dues/Subscriptions/Professional Development: City will continue to budget for and to pay travel and subsistence expenses for your professional and official travel and meetings to continue your professional development and to adequately pursue necessary official functions for City, including payment of your professional dues (including membership in the Washington State Bar Association) and subscriptions to such national, regional, state, local governmental groups, and professional councils and committees thereof for which you serve as a member, provided such expenses are consistent with the City's policy and procedures for payment of employee expenses or any successor policies. This obligation shall include paying for continuing legal education expenses necessary to maintain a current license to practice law in the state of Washington.
9. Performance Review: Pursuant to City Charter section 3.1 your performance will be reviewed annually by the Council and the outcome of this review will be a public document. Your performance review shall be in accordance with specific criteria developed jointly by you and the Council. Said criteria may be amended, from time to time, as determined by the Council in

consultation with you. Further, the Council shall provide you with a written summary statement of its review, and you will be provided with an adequate opportunity to discuss said evaluation with the Council. You will be eligible for merit pay consideration annually, with compensation increases tied to performance outcomes. Any increase to your compensation shall be approved at a public meeting by an affirmative vote of not less than five Council members.

10. Residency: During the term of your appointment you shall reside within the City limits of Tacoma.
11. Exclusive Employment: You agree to remain in the exclusive employment of the City during the term of your appointment, and you will not become employed by any other employer during your appointment.
12. Severance: If you are terminated involuntarily, asked to resign, or otherwise end employment at the request of the Council (including as a result of a change of form of government) or should the Council not approve a successor employment agreement or otherwise continue your employment beyond May 15, 2025, you will be provided with twelve (12) months' severance pay at your then-current rate of pay and payment of one lump sum equivalent to the cost of paying twelve (12) months' worth of employee COBRA insurance premiums. Pursuant to 1.12.100.H., should your termination be the result of gross negligence, intentional acts which are not in the best interests of the City or interfere with the your ability to perform the duties of the position, acceptance of another position while still employed with the City, or conviction of a gross misdemeanor or felony offense then no severance payment will be granted.
13. City Charter and Municipal Code Controlling: Nothing contained in this continued offer of employment is intended to modify or supersede any provisions contained in the Tacoma City Charter or Tacoma Municipal Code, and any conflict between the provisions contained herein and the Tacoma City Charter or Tacoma Municipal Code shall be governed by the provisions set forth in the Tacoma City Charter or Tacoma Municipal Code.
14. Employee Termination of Agreement: This agreement may be terminated by you by giving written notice to the Council at least 30 days prior to the effective date of the termination.

Please indicate your continued acceptance of employment by signing below.

Sincerely,

Accepted by:

DocuSigned by:

Victoria Woodards
Mayor
Date: 05/20/2023

DocuSigned by:

Elizabeth Pauli-Bastian
City Manager
Date: 05/15/2023

Approved as to form:

DocuSigned by:

William Fosbre
City Attorney

cc: HR Personnel File