

## Kacie Paxton

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**From:** Rodney Dial  
**Sent:** Monday, May 3, 2021 3:53 PM  
**To:** Kacie Paxton  
**Cc:** Ruben Duran  
**Subject:** Bockhorst Email.

Kacie, if appropriate.... please feel free to pass on to the Assembly that the Manager did not put his salary increase in the budget; that I requested that the Finance Director include it as a placeholder should the Assembly desire to approve the request.

Thank you  
Rodney

## Glenn Brown

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**From:** Ruben Duran  
**Sent:** Tuesday, April 6, 2021 11:28 AM  
**To:** Ruben Duran  
**Cc:** Glenn Brown  
**Subject:** Employment Contract  
**Attachments:** Contact renewal.pdf; Manager Salary Survey 4 3 21.pdf

Mayor and Assembly

As part of my annual evaluation, I am requesting a new employment contract effective July 1, 2021. I have attached my request along with salary information provided by the Human Resources office. The Borough Clerk will ensure that the agenda statement provides the necessary notification that will allow for the Assembly to take action following the executive session. I am also providing the information to the Borough Attorney.

Ruben A. Duran  
Borough Manager  
Ketchikan Gateway Borough  
(907) 228-6625



# KETCHIKAN GATEWAY BOROUGH

1900 First Avenue Ste 210 • KETCHIKAN, ALASKA 99901

• 907/228-6625 • fax 907/228-6684

[www.kgbak.us](http://www.kgbak.us)

OFFICE OF THE BOROUGH MANAGER

To: Mayor and Assembly Members

From: Ruben Duran, Borough Manager

Subject: Contract Renewal

Date: April 6, 2021

The current employment contract for my position expires on December 18, 2021. I am requesting the Assembly provide a new contract effective July 1, 2021.

## **Current Contract**

Base Salary:	\$129,218
Deferred Retention Incentive:	<u>12,922</u>
Total Annual Compensation:	\$142,140

The deferred retention incentive has been annually budgeted and deposited into a separate Borough account and will be paid in December 2021.

I requested that the Human Resource office research the compensation for my position and they have provided information from the Alaska Municipal League 2020 salary survey as well as their evaluation for a senior manager with over 40 years municipal experience. An extract of the information is attached.

**Alaska Personnel Retirement System (PERS):** I waived my participation in the retirement system which is a savings to the Borough of \$19,900, annually. (14 percent net employer contribution).

During this contract period, the last merit increase received was April 2019 at three percent.

## **Proposed Contract**

1. Fulfill requirements of current contract to include the payment of the Deferred Retention Incentive effective July 1, 2021 and establish a contract.
2. Increase annual compensation to \$175,000 and eliminate the Deferred Retention Incentive.
3. Increase Personal Time Off (PTO) accrual from 30 days to 36 days annually.
4. Maintain the six month severance.
5. Maintain health insurance.
6. Maintain waiver of participation in the PERS.

**Action Requested**

Assembly direct the Borough Attorney to prepare a new employment contract for the Borough Manager with the changes requested in the proposed contract, to be considered at the next regular meeting of the Assembly.



Source: Alaska Municipal League Salary Survey 2020									
Municipality	Position	Annualized Salary	Population						
City of Ketchikan	City Manager	\$219,996	8,157						
City & Borough of Juneau	City Manager	\$175,282	32,113						
City of Kodiak	City Manager	\$156,312	5,942						
Bristol Bay Borough	Manager	\$150,000	879						
City of Kenai	City Manager	\$143,998	7,790						
Aleutians East Borough	Administrator	\$142,085	2,959						
City of Soldotna	City Manager	\$137,000	4,333						
City of Nome	City Manager	\$136,510	3,667						
City of Valdez	City Manager	\$136,510	4,353						
Kodiak Island Borough	Borough Manager	\$134,992	13,819						
City of Palmer	City Manager	\$133,500	6,268						
City of Bethel	City Manager	\$132,600	6,135						
City & Borough of Sitka	Administrator	\$130,000	8,652						
City of Cordova	City Manager	\$126,006	2,360						
Municipality of Anchorage	Mayor form of government		298,908						
City of Fairbanks	Mayor form of government		32,506						
Ketchikan Gateway Borough	\$142,139		13,843						
Information provided by Borough Human Resources Administrator Karolyn Hallmann, email dated 4/1/2021									
Bockhorst 2017 term salary	144,200 (69.33/hr.)								
+3% annually over 5 years=	\$167,167 (\$80.37)								
Your current base salary 129,218 (\$62.12/hr.) and the deferred retention bonus (\$12,922) = \$142,140 annually .									
My suggested range: \$75.15/hr. - annual \$156,312 (+ 9% from current salary) to \$84.27/hr. - annual \$175,282 (+ 18.9% from current salary).									
City and Borough of Juneau FY20 (determined by Assembly)	\$84.27/hr. - annual \$175,282								
Kodiak Island Borough FY20 (comparable population, budget)	\$64.90/hr. - annual \$134,992								
City of Kenai FY20 (contract, less population)	\$69.23/hr. - annual \$143,998								
City of Ketchikan FY20 (contract) annual	\$220,000								
City of Kodiak FY20 \$75.15/hr. - annual \$156,312									
Karolyn Hallmann, HR Administrator									
907/228-6672 direct phone									

## Glenn Brown

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**From:** Ruben Duran  
**Sent:** Wednesday, June 2, 2021 2:18 PM  
**To:** Ruben Duran  
**Cc:** Glenn Brown  
**Subject:** Response to Contract offer  
**Attachments:** Borough Manager Job Description.pdf; Contract letter to Assembly 2021.pdf; Employment Contract.pdf

Mayor and Assembly,

Attached is my letter responding to your contract offer with an alternative offer. I have provided copy of this email to the Borough Attorney in order for him to prepare to discuss it with you at the Executive Session on June 7<sup>th</sup>.

Ruben A. Duran  
Borough Manager  
Ketchikan Gateway Borough  
(907) 228-6625



# KETCHIKAN GATEWAY BOROUGH

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OFFICE OF THE BOROUGH MANAGER

June 1, 2021

Mayor and Assembly

The Borough Attorney has provided me with a draft of a proposed contract based on the information provided to him by the Mayor. I have indicated that I would provide him with my response to your counter offer on a new contract. This letter will not only respond to the offer but also indicate an alternative contract to consider.

Current Counter Offer from the Assembly in the order provided in the draft contract.

1. Three year agreement: July 1 2021-June 30, 2023
2. 90 day notice of resignation requirement by the Manage. No notice requirement for termination by the Assembly.
3. No severance pay for termination by the Assembly
4. Annual Salary: \$160,000. Assembly may review salary at least annually prior to adoption of fiscal year budget.
5. Leave Provision: Paid Time Off, PTO, increased to 36 days per year.
6. Retirement Benefits. Manager is not include in any retirement benefit system.

Response:

1. A three year agreement may be acceptable with additional structure added to the contract. With the regular changes of assembly members due to term limits, members choosing not to seek reelection or voting outcome, the annual increase in salary will need to be included in the contract. The control that the Assembly retains is the ability to terminate without cause if the performance is not adequate. Therefore increases in salary would be stated in the contract for each year which will be outlined in paragraph 4, below.
2. The 90 day notice of resignation is counter to good management practice. Once a resignation is provided, the effectiveness of the manager is substantially diminished. A 60 day notice is typical in the profession. In addition, the Borough enjoys the benefit of an Assistant Borough Manager position to cover any gap while the Assembly recruits a new manager. I request the termination notice be amended to 60 days.
3. The lack of severance pay leaves me vulnerable to the changes in the Assembly makeup and demeanor. Currently, my contract requires a six month severance pay for termination by the Assembly. I request the six month severance be included in the contract.
4. Annual Salary: My request for \$175,000 annual salary was based the combination of the market for this position in Alaska and my decades of experience. Also, as previously stated in paragraph 1, the uncertainty of increases due to the regular reconstitution of the Assembly membership is too great. As a compromise, I offer the following:

- a. The starting salary will be \$165,000 with salary increases included in the contract.
  - i. Annual Salary
    - 1. July 1, 2021: \$165,000
    - 2. July 1, 2022 \$170,000 (3 percent increase)
    - 3. July 1, 2023 \$175,000 (3 percent increase)
- 5. The PTO of 36 days annually is acceptable
- 6. The waiver of the retirement benefits remains in place. Under the current contribution rate of 22 percent the savings to the Borough are:
  - 2021: \$36,300
  - 2022: \$37,400
  - 2023: \$38,500
- 7. Retention Incentive paid on July 1, 2021 for full contract period of December 19, 2016 through December 18, 2021 in the amount of \$62,003.07 as projected by the Finance Department.
- 8. The annual evaluation date will be considered by the end of the fiscal year. This provides the Assembly time after the budget is adopted, to have the review.

I have drafted the contract and provided a copy to the Borough Attorney.

Sincerely

A handwritten signature in cursive script, appearing to read "Ruben A. Duran".

Ruben Duran  
Borough Manager



**EMPLOYMENT AGREEMENT**  
**Between the**  
**KETCHIKAN GATEWAYBOROUGH ASSEMBLY**  
**And**  
**Ruben Duran, Borough Manager**

**THIS EMPLOYMENT AGREEMENT is made and entered into this June 21, 2021 by and between the Ketchikan Gateway Borough Assembly (hereinafter ASSEMBLY) and Ruben Duran (hereinafter MANAGER).**

**RECITALS**

- A. The **ASSEMBLY** wishes to employ the services of Ruben Duran as Borough Manager of the Ketchikan Gateway Borough. The **MANAGER** wishes to enter into employment at the same time.
- B. The **ASSEMBLY** and **MANAGER** desire to provide for certain procedures, benefits, and requirements regarding the employment of **MANAGER** by the Ketchikan Gateway Borough (hereinafter Borough).

NOW, THEREFORE, for and in consideration of the terms, covenants, conditions, and provisions contained herein, and/or attached and incorporated herein and made a part hereof, the parties hereto agree as follows:

**Section1: Agreement to Perform.** The **ASSEMBLY** agrees to employ the **MANAGER** and the **MANAGER** agrees to perform the duties of the Borough Manager of the Ketchikan Gateway Borough as specified in the job description included as Exhibit A attached hereto and incorporated herein by this reference.

**Section 2: Term of the Contract.** This agreement shall be for a term of three years commencing on July 1, 2021, and terminating 3 years later unless the **MANAGER** resigns or is terminated prior to the end of the term.

**Section 3: Compensation and Annual Review.**

- a. The **ASSEMBLY** agrees to pay the **MANAGER** for services rendered at a salary of \$165,000 (One Hundred Sixty-Five Thousand dollars) per annum paid semi-monthly beginning on July 1, 2021, increasing the salary to \$170,000 on

July 1, 2022 and increasing the salary to \$175,000 on July 1, 2023. The **ASSEMBLY** agrees to review **MANAGER'S** performance and salary at least annually prior to adoption of the fiscal year budget. The **MANAGER** is hereby authorized to schedule a request for performance evaluation on the Assembly agenda by the end of the fiscal year. The compensation of **MANAGER** may not be decreased except as provided in Section 4.

- b. The annual compensation for the **MANAGER** will be adjusted in the same percentage as the non-represented employees such as a COLA.
- c. The **ASSEMBLY** agrees to pay the **MANAGER** on July 1, 2021, the Retention Incentive Bonus provided for in Section 3 (b) of the original employment contract between the Borough and the **MANAGER** dated November 4, 2016. The amount to be paid to the **MANAGER** is \$62,003.07 as projected by the Borough Finance Department.

**Section 4: *Reduction in Compensation.*** In the event the **ASSEMBLY** at any time without **MANAGER'S** consent reduces his salary or other financial benefits, except to the same degree as a reduction for all employees, or except for noncompliance by the **ASSEMBLY** with the terms of Section 7 hereof, **MANAGER** may, at his option, deem that he has been "terminated" within the meaning of this Agreement, and shall be entitled to the severance payments provided for under Section 6 of this Agreement.

**Section 5: *Hours of Work.*** In accordance with Section B, as provided in Section 3.15.170 of the Ketchikan Gateway Borough Code (Borough Code) the **MANAGER** shall work the hours necessary to perform required duties without overtime compensation or compensatory leave.

**Section 6: *Termination and Severance.*** This agreement may be terminated as follows:

- a. **Termination and Severance Payment.** **MANAGER** acknowledges and agrees that he will serve at the pleasure of the **ASSEMBLY** and that he may be removed at any time, by the **ASSEMBLY** with or without cause. In the event he is terminated by the **ASSEMBLY**, or the **ASSEMBLY** requests his resignation, the Borough agrees to pay him a lump sum cash payment equal to the value of 100% of his accrued leave, less required deductions, including taxes, plus six (6) months' salary. This right to severance payment shall not apply in the event of his death or physical or mental inability to perform his duties as Borough Manager, if he is convicted of an unlawful act in the discharge of his duties or a crime involving dishonesty, or if he voluntarily resigns not at the request of the **ASSEMBLY**.
- b. **Voluntary Resignation.** If **MANAGER** voluntarily resigns, he shall be entitled to payment of an amount equal to the value of 100% of accrued leave, less required deductions, including taxes; however, if the **MANAGER** fails to give sixty (60) days' written notice of resignation all unused leave shall be forfeited.



**Section 7: Membership Dues, Conferences, and Training.** The **ASSEMBLY** agrees to cooperate in providing the **MANAGER** with professional training and growth by providing funding for the following

- a. The Borough will provide membership dues and admission fees for ICMA, AMAA if requested. Membership dues to other appropriate professional groups are subject to review and approval annually by the **ASSEMBLY** during the budget process.
- b. Reasonable and necessary costs associated with the **MANAGER'S** travel, training, and attendance at official meetings, educational seminars and programs, conferences and professional development as such are reviewed and approved annually by the **ASSEMBLY** during the budget process.

**Section 8: Leave provisions.** Paid time off (PTO), paid holidays, unexpected absences, death in the family, military leave, and court leave shall be as provided by Borough Code. Provided, however, that the **MANAGER** shall accrue PTO at the rate of 36 (thirty-six) days per year. PTO shall be used for absences in excess of two (2) hours.

**Section 9: Retirement Benefits.** The position of Borough Manager is not included in any retirement benefit system at the time of execution of this Employment Agreement. The **ASSEMBLY** shall not be obligated to provide for any retirement benefits for the **MANAGER** apart from allowing the **MANAGER** to participate, on a voluntary basis, in deferred compensation opportunities available to borough employees.

**Section 10: Health Benefits.** The **MANAGER** shall receive the same health insurance benefits as that in effect for non-represented Borough employees.

**Section 11: Other Benefits.** Except as otherwise specifically addressed in this Employment Agreement, the **MANAGER** shall receive the same fringe benefits to which other regular Borough employees are entitled under the Borough Code. To the extent that there is a conflict or inconsistency between the terms of this Employment Agreement and the Borough Code, the terms of this Employment Agreement shall prevail.

**Section 12: Miscellaneous.**

- a. **Terminology.** Whenever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter gender,

- b. **Paragraph Headings.** The headings of the several sections and subsections contained herein are for convenience only and do not define, limit or construe the contents of such sections and subsections.
- c. **Successor and Assigns.** Except as otherwise provided herein, the covenants, agreements and obligations herein contained shall extend to bind and inure to the benefit not only of the parties hereto but their respective personal representatives, heirs, successors and assigns.
- d. **Severability.** In the event any provision of this agreement is adjudicated or held to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

**WHEREFORE** the parties have entered into this Employment Agreement the date and year first written at the City of Ketchikan; Alaska.

Dated: \_\_\_\_\_

**Ruben Duran, Borough Manager**

**KETCHIKAN GATEWAY BOROUGH  
ASSEMBLY**

Dated: \_\_\_\_\_

**Rodney Dial, Borough Mayor**

**ATTEST:**

\_\_\_\_\_  
**Kacic Paxton  
Borough Clerk**

**APPROVED AS TO FORM**

\_\_\_\_\_  
**Glenn Brown  
Borough Attomey**



**KETCHIKAN GATEWAY BOROUGH****JOB DESCRIPTION**POSITION: **BOROUGH MANAGER**APPROVED BY: EFFECTIVE DATE: 8/30/02REPORTS TO: **BOROUGH ASSEMBLY**STATUS: EXEMPT  
NON-REPRESENTEDDEPARTMENT: **MANAGER'S OFFICE**

Ketchikan Gateway Borough job descriptions are a management tool to help organize duties and provide employees with the employer's expectations with regard to a specific job classification. The duties listed are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is a reasonable assignment for the position.

**JOB SUMMARY:**

The Borough Manager is the chief administrative officer of the Borough and is responsible for the proper administration of all Borough affairs, as prescribed by state and local law and as directed by the Borough Assembly.

**ESSENTIAL JOB FUNCTIONS:**

- Supervise and control, directly and indirectly, all departments, officers and employees, except the Borough Clerk and Borough Attorney.
- Appoint, suspend or remove Borough employees, except for the Borough Clerk and the Borough Attorney.
- Directly supervise the Manager's Office staff and department heads.
- Establish administrative policies and procedures for Borough staff and operations.
- Prepare or cause to be prepared an annual budget, including the Ketchikan Gateway Borough School District, and capital improvement plan and submit to the Borough Assembly. Execute the budget and capital improvement program, as adopted by the Borough Assembly.
- Supervise enforcement of the Borough's Code of Ordinances.
- Carry out directives of the Borough Assembly.
- Make or cause to be made monthly financial reports and such other reports as are

**BOROUGH MANAGER**

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required by the Borough Assembly.

- Exercise custody over all real and personal property of the Borough.
- Represent the Borough with other local government entities and/or higher levels of government.
- Communicate with a variety of diverse groups, including citizens, employees, elected officials and representatives from other public agencies.
- Negotiate contracts within parameters established by the Borough Assembly.
- Perform related duties as directed by the Assembly.

**PHYSICAL ACTIVITIES INCLUDE:**

Must be able to hear. Specific vision abilities include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus. Ability to use hands to finger, handle, or operate objects, tools, or controls; reach with hands and arms; climb or balance; stoop, kneel, crouch; and taste or smell. Each of the listed activities also requires standing, sitting, walking, bending, and stooping.

Writing by hand and using a personal computer. Long hours in front of computer screen. Attending breakfast, lunch and dinner-time meetings throughout the year. Frequent travel, using air and/or water transportation, to out-of-town meetings and functions.

**QUALIFICATIONS:**

Self motivated with strong organizational and planning skills. Effective management skills, including ability to communicate and work effectively with all levels of staff. Ability to supervise effectively and coordinate available resources for an effective operation. Ability to perceive and analyze problems, develop alternatives, and make or recommend sound decisions. Demonstrated effective oral and written communication skills.

Requires extensive knowledge of laws related to local government and personnel. Demonstrated knowledge of modern budgetary principles and practices. Expertise in financial management aspects of local government including capital improvement program planning, taxation philosophy, bonding alternatives and limits, traditional and innovative revenue sources, and experience providing traditional municipal services within a framework of conservative fiscal values.

Knowledge of labor law, including positive experience in personnel administration and a



**BOROUGH MANAGER**

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reputation for dealing fairly and effectively with union and non-union employees.

Knowledge of airport operations and administration and land use and management issues desirable.

Familiarity with contract administration and government purchasing.

Ability to use personal computer and telephone.

**SPECIAL QUALIFICATIONS AND MANAGEMENT STYLE**

- ✓ Exercises an eclectic management style drawing from all doctrines and schools of management technique to produce the most desirable results.
- ✓ Sets a good example through conduct and work habits.
- ✓ Motivates and develops staff.
- ✓ Encourages and promotes positive customer (citizen) service and appropriate response.
- ✓ Adaptable personality and skills to work openly and effectively with all persons, including those who possess diverse opinions and perspectives on the role of local government.
- ✓ Supports the concept that all citizens and elected officials should have access to information.
- ✓ Responsive to concerns and inquiries of citizens and elected officials. Follow through is important.
- ✓ Delegates while accepting ultimate responsibility.
- ✓ Balances pro-development philosophy with care and sensitivity toward conservation issues.
- ✓ Makes timely decisions, and when necessary, defends or explains the reasons for decisions.
- ✓ Works cooperatively with and responds to appointed and elected officials, staff, and the community.
- ✓ Committed to a team approach in working with staff by communicating, sharing information readily and participating in problem solving.
- ✓ Able to stand up to the elected body when necessary. Is forthright in words and actions but not adversarial. Accepts the decisions of the majority and carries them forward assertively.

**PERSONAL CHARACTERISTICS:**

The Manager must be an assertive, intelligent, high-energy person who is a good listener. The Manager must be able to express ideas and relate information clearly and effectively and provide objective advice about controversial matters. A sense of humor is invaluable.

**BOROUGH MANAGER**

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The Manager must practice public openness and process and be of unquestioned personal and professional integrity. The Manager must project a professional presence in manner, appearance, and behavior and be willing to devote substantial amounts of time to meetings and activities occurring beyond normal office hours.

The public exposure of this position, the nature of the community and the scope of the issues require an individual who is comfortable in the public forum and who is able to communicate on an open, honest basis with all groups. The Borough Manager must be politically sensitive and non-partisan.

**EDUCATION AND EXPERIENCE:**

Graduate of an accredited four-year college or university with a major in public or business administration.

Minimum of five (5) years experience as an administrator in municipal government is desired.

**Any combination of related education and/or related experience will be considered if the candidate possesses the demonstrated ability.**

## Glenn Brown

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**From:** Karolyn Hallmann  
**Sent:** Friday, June 4, 2021 12:42 PM  
**To:** Glenn Brown  
**Subject:** FW: Manager Salary figures - updated

Karolyn Hallmann, HR Administrator  
907 | 228-6672 direct phone

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**From:** Karolyn Hallmann  
**Sent:** Thursday, April 1, 2021 1:35 PM  
**To:** Ruben Duran <rubend@kgbak.us>  
**Subject:** RE: Manager Salary figures - updated

Bockhorst 2017 term salary 144,200 (69.33/hr.)  
+3% annually over 5 years = 167,167 (80.37/hr.)

Your current base salary 129,218 (\$62.12/hr.) and the deferred retention bonus (\$12,922) = \$142,140 annually .

My suggested range: \$75.15/hr. – annual \$156,312 (+ 9% from current salary) to \$84.27/hr. – annual \$175,282 (+ 18.9% from current salary)

City and Borough of Juneau FY20 (determined by Assembly) \$84.27/hr. – annual \$175,282  
Kodiak Island Borough FY20 (comparable population, budget) \$64.90/hr. – annual \$134,992  
City of Kenai FY20 (contract, less population) \$69.23/hr. – annual \$143,998  
City of Ketchikan FY20 (contract) annual \$220,000  
City of Kodiak FY20 \$75.15/hr. – annual \$156,312

Karolyn Hallmann, HR Administrator  
907 | 228-6672 direct phone

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**From:** Ruben Duran <rubend@kgbak.us>  
**Sent:** Thursday, April 1, 2021 1:29 PM  
**To:** Karolyn Hallmann <karolynh@kgbak.us>  
**Subject:** RE: Manager Salary figures

Thank you. Could you modify your email to reflect my salary to include my base salary and the deferred retention bonus (which is in my current contract)? Please check my math.

Ruben A. Duran  
Borough Manager  
Ketchikan Gateway Borough  
(907) 228-6625

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**From:** Karolyn Hallmann <karolynh@kgbak.us>  
**Sent:** Thursday, April 1, 2021 12:05 PM  
**To:** Ruben Duran <rubend@kgbak.us>  
**Subject:** Manager Salary figures

Bockhorst 2017 term salary 144,200 (69.33/hr.)  
+3% annually over 5 years = 167,167 (80.37/hr.)

Your current base salary 129,218 (\$62.12/hr.) and the deferred retention bonus of \$12,922 totals \$142,140 annually. if you propose @ 150,000 (\$72.12/hr.) = 5.5% increase

My suggested range: \$75.15/hr. – annual \$156,312 (+17.3% from current salary) to \$84.27/hr. – annual \$175,282 (+23.3 26.2% from current salary)

City and Borough of Juneau FY20 (determined by Assembly) \$84.27/hr. – annual \$175,282  
Kodiak Island Borough FY20 (comparable population, budget) \$64.90/hr. – annual \$134,992  
City of Kenai FY20 (contract, less population) \$69.23/hr. – annual \$143,998  
City of Ketchikan FY20 (contract) annual \$220,000  
City of Kodiak FY20 \$75.15/hr. – annual \$156,312

Karolyn Hallmann, HR Administrator  
907|228-6672 direct phone



## Glenn Brown

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**From:** Cynna Gubatayao  
**Sent:** Friday, June 4, 2021 12:58 PM  
**To:** Glenn Brown  
**Subject:** FW: Retention Incentive Bonus

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**From:** Cynna Gubatayao  
**Sent:** Monday, May 17, 2021 7:16 AM  
**To:** Maureen Crosby <maureenc@kgbak.us>  
**Subject:** FW: Retention Incentive Bonus

Good morning,

Could you or Jonathan prepare this information for me? I don't know what you're working on, but giving it to Jonathan is also fine if you'd like. I don't think he'll have much budget stuff this week. By this Friday would be fine.

Thanks

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**From:** Ruben Duran  
**Sent:** Monday, May 17, 2021 7:09 AM  
**To:** Cynna Gubatayao <cynnag@kgbak.us>  
**Subject:** Retention Incentive Bonus

Cynna,  
Welcome back. The requested information is not needed until after the May 17<sup>th</sup> meeting so no rush. As part of my negotiations for a new contract I will need the accrued amount of the Retention Incentive bonus. The Assembly will likely request the details for each year. As for the amount for December 2021, I would suggest you estimate the amount p

Ruben A. Duran  
Borough Manager  
Ketchikan Gateway Borough  
(907) 228-6625

## Glenn Brown

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**From:** Cynna Gubatayao  
**Sent:** Friday, June 4, 2021 1:10 PM  
**To:** Glenn Brown  
**Subject:** FW: Book1.xlsx  
**Attachments:** Book1.xlsx

FYI – for the records request regarding retention.

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**From:** Maureen Crosby  
**Sent:** Friday, June 4, 2021 1:08 PM  
**To:** Cynna Gubatayao <cynnag@kgbak.us>  
**Subject:** Book1.xlsx

This is the spreadsheet that I did. I did not make copies of the backup.



**Ketchikan Gateway Borough  
Manager Incentive Accrual**

<b>Begin Date</b>	<b>End Date</b>	<b>Wages</b>	<b>Incentive 10.00%</b>	<b>FICA 6.20%</b>	<b>MED 1.45%</b>	<b>TOTAL Wages/Benefits</b>	
12/19/2016	6/30/2017	59,583.39	5,958.34	369.42	86.40	6,414.15	
7/1/2017	6/30/2018	115,346.34	11,534.63	715.15	167.25	12,417.03	
7/1/2018	6/30/2019	120,750.00	12,075.00	748.65	175.09	12,998.74	
7/1/2019	6/30/2020	125,454.00	12,545.40	777.81	181.91	13,505.12	
7/1/2020	8/15/2020	15,681.75	1,568.18	97.23	22.74	1,688.14	
8/16/2020	1/5/2021	53,997.52	5,399.75	334.78	78.30	5,812.83	
1/6/2021	5/5/2021	43,072.56	4,307.26	267.05	62.46	4,636.76	
5/6/2021	6/30/2021	21,536.28	2,153.63	133.52	31.23	2,318.38	59,791.16
7/1/2021	#####	64,608.84	6,460.88	400.57	93.68	6,955.14	
<b>TOTALS</b>			<u>62,003.07</u>	<u>3,844.19</u>	<u>899.04</u>	<u>66,746.30</u>	<u>66,746.30</u>

<b>TOTAL</b>	
<u>Wages/Benefits</u>	
6,414.15	FE
12,417.03	FE
12,998.74	FE
13,505.12	FE
1,688.14	FE
5,812.83	Primepay

**True Up  
Adjusting JE**

4,636.76		Primepay
2,318.38	<u>59,791.16</u>	Through June 4 Payperiods

<u>6,955.14</u>	
<u>66,746.30</u>	<u>66,746.30</u> Through Dec. 31, 2021

## Glenn Brown

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**From:** Jonathan Kelley  
**Sent:** Monday, May 17, 2021 9:53 AM  
**To:** Cynna Gubatayao  
**Subject:** Payroll Data - Manager and Assistant Manager.xlsx  
**Attachments:** Payroll Data - Manager and Assistant Manager.xlsx

Manager's Office Increases from FY 21 to FY 22

**FY 2021**

Entity	Position Description	Employee Name	Total Wages	FICA	Medicare	Workers Comp	Unemployment	PERS	Health Insurance	Total Employee Cost
101-12-000 - MANAGERS OFFICE	BOROUGH MANAGER	DURAN, RUBEN	125,470.43	7,347.00	1,978.82	526.98	1,364.71	38,707.63	29,448.00	204,843.57
101-12-000 - MANAGERS OFFICE	ASSISTANT BOROUGH MANAGER	THOMAS, DEANNA	96,890.13	6,007.19	1,404.91	406.94	968.90	29,890.60	29,448.00	165,016.67
			<b>222,360.56</b>	<b>13,354.19</b>	<b>3,383.73</b>	<b>933.92</b>	<b>2,333.61</b>	<b>68,598.23</b>	<b>58,896.00</b>	<b>369,860.24</b>

**FY 2022**

Entity	Position Description	Employee Name	Total Wages	FICA	Medicare	Workers Comp	Unemployment	PERS	Health Insurance	Total Employee Cost
101-12-000 - MANAGERS OFFICE	BOROUGH MANAGER	DURAN, RUBEN	174,997.13	7,347.00	2,696.96	629.99	1,859.97	53,986.61	33,900.00	275,417.66
101-12-000 - MANAGERS OFFICE	ASSISTANT BOROUGH MANAGER	VACANT ASSISTANT,	140,010.18	7,347.00	2,030.15	504.04	1,400.10	43,193.14	33,900.00	228,384.61
			<b>315,007.31</b>	<b>14,694.00</b>	<b>4,727.11</b>	<b>1,134.03</b>	<b>3,260.07</b>	<b>97,179.75</b>	<b>67,800.00</b>	<b>503,802.27</b>

**Increase from Prior Year**

<b>92,646.75</b>	<b>1,339.81</b>	<b>1,343.38</b>	<b>200.11</b>	<b>926.46</b>	<b>28,581.52</b>	<b>8,904.00</b>	<b>133,942.03</b>
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From: Jonathan Kelley  
Sent: Wednesday, April 21, 2021 11:53 AM  
To: Cynna Gubatayao  
Subject: Manager's Office Increases

Cynna,

As discussed, see below for increase in Borough Manager and Assistant Manager from FY 2021 to FY 2022. I wasn't sure how much data you needed so I just pulled everything for them in case that helps or in case you notice anything weird for either role. The large increase for Assistant Manager stems largely fro the discussion about adding \$20K to their salary. Let me know if I misunderstood that.

FY 2022

Entity	PosID/ EmpID	Home Entity	Position Description	FTE	Employee Name	Total Wages (For Reports)	FICA	Medicare	Workers Comp	Unemplo yment	PERS	IBEW Retirement	Health Insurance	Total Benefits	Total Wages and Benefits
101-12-000 - MANAGERS OFFICE	1354	101-12-000	BOROUGH MANAGER	1.00	DURAN, RUBEN	133,104.32	7,347.00	2,089.51	479.18	1,441.04	41,062.68	-	33,900.00	86,319.41	219,423.73
101-12-000 - MANAGERS OFFICE	tbd	101-12-000	ASSISTANT BOROUGH MA	1.00	VACANT ASSISTANT, BOROUGH MANAGER	117,607.72	7,291.68	1,705.31	423.39	1,176.08	36,281.98	-	33,900.00	80,778.44	198,386.16

FY 2021

Entity	PosID/ EmpID	Home Entity	Position Description	FTE	Employee Name	Total Wages (For Reports)	FICA	Medicare	Workers Comp	Unemplo yment	PERS	IBEW Retirement	Health Insurance	Total Benefits	Total Wages and Benefits
101-12-000 - MANAGERS OFFICE	1354	101-12-000	BOROUGH MANAGER	1.00	DURAN, RUBEN	125,470.43	7,347.00	1,978.82	526.98	1,364.71	38,707.63	-	29,448.00	79,373.14	204,843.57
101-12-000 - MANAGERS OFFICE	1016	101-12-000	ASSISTANT BOROUGH MA	1.00	THOMAS, DEANNA	96,890.13	6,007.19	1,404.91	406.94	968.90	29,890.60	-	29,448.00	68,126.54	165,016.67

-Jonathan

## Kacie Paxton

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**From:** Dan R Bockhorst <bockhorst@kpunet.net>  
**Sent:** Monday, May 3, 2021 2:39 PM  
**To:** Kacie Paxton  
**Subject:** Please Read the Attached Letter into the Record at Today's Assembly Meeting  
**Attachments:** 2021.05.03 Mayor and Assembly.pdf

Warning! This message was sent from outside your organization and we are unable to verify the sender.

Kacie: Please read the attached letter into the record during citizen comments at today's Assembly meeting.

Please confirm receipt of this email.

Thanks.  
Dan

May 3, 2021

Mayor and Assembly:

It's been brought to my attention that the Borough Manager has budgeted a \$50,000 (40%) annual raise for himself beginning July 1. That level of increase for any Borough employee at any time is outrageous. It's especially so in the economic climate we currently find ourselves.

How do you think other Borough employees will feel if you grant such an increase? While budgeting a 40% salary increase for himself, he budgeted a 3% increase for the Borough Attorney and Borough Clerk, and a 2% increase for the other 109 Borough employees.

You were elected to serve the citizens of Ketchikan. How do you think taxpayers and other local citizens will feel if you grant such an increase? You have a duty to be good stewards of the public treasury.

This matter was brought to my attention earlier today by a Borough employee. Since then, 3 other employees contacted me – all expressing concern and disappointment. Of course, they're uneasy about voicing their distress to you directly.

There is little or no transparency regarding this matter. Therefore, separately, I'm sending a copy of this note to our local news media and Borough department heads. I'm also asking the Borough Clerk to read this note into the record as part of public comments during your meeting today.

I am aware that some of you are concerned about the deficit in the Borough's Local Education Fund. To reduce or eliminate that deficit will require either higher taxes or cuts to school funding. The District's FY 2022 budget proposes no increase in the Borough's contribution for schools. How could any of you address the deficit with cuts or tax increases if you grant the proposed salary increase?



Dan Bockhorst

## Kacie Paxton

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**From:** Dan R Bockhorst <bockhorst@kpunet.net>  
**Sent:** Monday, May 3, 2021 3:06 PM  
**To:** tena; editor@sitnews.us; news@krbd.org; Alex Peura; Eddie Blackwood; Adam Thompson; Carlene Dixon; Cynna Gubatayao; Jerry Kiffer; Steve Rydeen; Deanna Thomas; Glenn Brown; Managers Office Group; Wendy Miller; Richard Harney; Amy Briggs; Morgan Barry; Kyan Reeve; Kacie Paxton  
**Subject:** Duties of the Mayor and Assembly -- Respect for Borough Taxpayers and Fairness to Employees  
**Attachments:** 2021.05.03 Mayor and Assembly.pdf

Warning! This message was sent from outside your organization and we are unable to verify the sender.

Please read the attached letter sent to the Mayor and Assembly earlier this afternoon. This letter is being sent to local news media and to all Borough Department heads (i.e., those 15 Borough employees listed on the Borough's website under the link for "Departments." In the name of transparency, respect for Borough taxpayers, and fairness to Borough employees, I feel that I had to address the matter in the attached letter.

Dan Bockhorst



May 3, 2021

Mayor and Assembly:

It's been brought to my attention that the Borough Manager has budgeted a \$50,000 (40%) annual raise for himself beginning July 1. That level of increase for any Borough employee at any time is outrageous. It's especially so in the economic climate we currently find ourselves.

How do you think other Borough employees will feel if you grant such an increase? While budgeting a 40% salary increase for himself, he budgeted a 3% increase for the Borough Attorney and Borough Clerk, and a 2% increase for the other 109 Borough employees.

You were elected to serve the citizens of Ketchikan. How do you think taxpayers and other local citizens will feel if you grant such an increase? You have a duty to be good stewards of the public treasury.

This matter was brought to my attention earlier today by a Borough employee. Since then, 3 other employees contacted me – all expressing concern and disappointment. Of course, they're uneasy about voicing their distress to you directly.

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Dan Bockhorst

## Kacie Paxton

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**From:** Dan R Bockhorst <bockhorst@kpunet.net>  
**Sent:** Monday, May 3, 2021 2:25 PM  
**To:** Rodney Dial; Jeremy Bynum; David Landis; Austin Otos; Judith L. Mcquerry; Amanda Pierce; Felix Wong; Sven Westergard  
**Cc:** Kacie Paxton  
**Subject:** Your Duties -- Respect for Borough Taxpayers and Fairness to Employees

Warning! This message was sent from outside your organization and we are unable to verify the sender.

Mayor and Assembly:

It's been brought to my attention that the Borough Manager has budgeted a \$50,000 (40%) annual raise for himself beginning July 1. That level of increase for any Borough employee at any time is outrageous. It's especially so in the economic climate we currently find ourselves.

How do you think other Borough employees will feel if you grant such an increase? While budgeting a 40% salary increase for himself, he budgeted a 3% increase for the Borough Attorney and Borough Clerk, and a 2% increase for the other 109 Borough employees.

You were elected to serve the citizens of Ketchikan. How do you think taxpayers and other local citizens will feel if you grant such an increase? You have a duty to be good stewards of the public treasury.

This matter was brought to my attention earlier today by a Borough employee. Since then, 3 other employees contacted me – all expressing concern and disappointment. Of course, they're uneasy about voicing their distress to you directly.

There is little or no transparency regarding this matter. Therefore, separately, I'm sending a copy of this note to our local news media and Borough department heads. I'm also asking the Borough Clerk to read this note into the record as part of public comments during your meeting today.

I am aware that some of you are concerned about the deficit in the Borough's Local Education Fund. To reduce or eliminate that deficit will require either higher taxes or cuts to school funding. The District's FY 2022 budget proposes no increase in the Borough's contribution for schools. How could any of you address the deficit with cuts or tax increases if you grant the proposed salary increase?

Dan Bockhorst

## Kacie Paxton

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**From:** Dan R Bockhorst <bockhorst@kpunet.net>  
**Sent:** Friday, May 7, 2021 9:31 PM  
**To:** tena; editor; news; Alex Peura; Eddie Blackwood; Adam Thompson; Carlene Dixon; Cynna Gubatayao; Jerry Kiffer; Steve Rydeen; Deanna Thomas; Glenn Brown; Managers Office Group; Wendy Miller; Richard Harney; Morgan Barry; Kyan Reeve; Kacie Paxton; Amy Briggs; Rodney Dial; David Landis; Sven Westergard; Amanda Pierce; Felix Wong; Judith L. Mcquerry; Austin Otos; Jeremy Bynum  
**Subject:** Part II – FY 2022 Borough Manager's Proposed Salary – Follow-Up to My Letter of May 3  
**Attachments:** Action Taken by Assembly on 2021.05.03 (2021.05.07).pdf

Warning! This message was sent from outside your organization and we are unable to verify the sender.

Since my letter of May 3, the Assembly has taken tentative action on the Manager's proposed FY 2022 compensation. The Assembly's deliberations, coupled with public comments on the matter by an Assembly Member after the meeting, show that clarification is warranted on several points. I address those points in the attachment.

I understand from friends that the Assembly Member referenced above is making prolific comments about the matter on social media sites. I've read only a few, but those I've seen demonstrate that the Assembly Member lacks awareness or understanding of some relevant points.

Moreover, all of the comments I've seen from that Assembly Member deal with the apparent deliberations, findings, and conclusions of the Assembly leading up to its preliminary action taken on May 3. Further, I've seen no disclaimer by the Assembly Member under KGBC 2.20.060(c) that his comments were his personal opinions.

Therefore, the lack of a disclaimer coupled with the specific nature of the statements suggest to me that the Assembly Member's comments represent the position of the Borough Assembly. Not only do the comments of the Assembly Member demonstrate a lack of awareness or misunderstanding of key facts, several of the Assembly Member's comments reflect poorly on the Assembly as a public body representing the citizens of Ketchikan.

Dan Bockhorst

May 7, 2021

**Part II – FY 2022 Borough Manager’s Proposed Salary – Follow-Up to My Letter of May 3**

by Dan Bockhorst

I was told by one elected Borough official that I caused division by widely distributing a copy of my May 3 letter to the Assembly. Another elected Borough official has made false and defamatory comments about me on social media because of my letter. A third Borough official told me that they have “lost quite a bit of respect” for me because of the way I handled the matter.

Those comments reflect the perceptions of those who made them. I don’t apologize for anything I did and would take the same action again if faced with the same circumstances.

The comments regarding my May 3 letter were by no means universally negative. I also received many positive remarks about my letter.

Mayor Dial took the time to write a lengthy note to me the other day (just after midnight!). Mayor Dial was courteous, explained his views on the matter, candidly told me he didn’t agree with some of the things I had said, but thanked me for my comments. That was professional and much appreciated.

I won’t speculate about how other elected Borough officials might view my comments.

I’m a strong believer in transparency in government. During the time I was the Ketchikan Borough Manager, I wrote standards to ensure that the Borough budget and other financial documents promoted transparency and accountability, were easy to understand, and provided trust and confidence. I wanted those standards to be given great weight. Therefore, I proposed to the Assembly that it enact an ordinance instituting those standards in law. The Assembly did so by adopting Ordinance Number 1777S2. The standards are codified in KGBC 4.05.015, a copy of which appears below.

**4.05.015 Fiscal objectives and standards.**

(a) Objectives. Appropriation ordinances, budgets, accounting, and financial reporting, including determinations under KGBC 2.35.050 and AS 14.14.060 regarding school funding, should:

- (1) Promote transparency and accountability;
- (2) Strive to provide information for citizens, taxpayers, students, teachers, parents, and others in a readily understandable form;
- (3) Provide trust and confidence in the completeness of reporting of the finances of the borough and school district; and
- (4) Facilitate effective supervision of the borough.

My letter of May 3 to the Assembly had one purpose. I wanted to shine a bright light on a proposal to adopt a budget that included an outrageous salary increase for the Borough Manager. The table of “Ketchikan Gateway Borough Wages and Benefits by Department” in the proposed FY 2022 budget

shows the Manager’s total wages at \$174,997.13; his total benefits at \$100,420.53; and his total wages and benefits at \$275,417.66. A copy of the table showing the heading and the line item for the Borough Manager follows; the table for all 112 Borough employees appears on pages 163 and 164 of the proposed budget.

Ketchikan Gateway Borough Wages and Benefits by Department FY 2022					
Department	Position Description	FTE	Total Wages	Total Benefits	Total Wages- Benefits
MANAGERS OFFICE	BOROUGH MANAGER	1.00	174,997.13	100,420.53	275,417.66

At least two elected Borough officials have claimed that the budget was never intended to give the Manager that salary and benefits – it was just a placeholder to allow room for negotiation of a new contract. A “placeholder” of \$174,997.13 seems to be a peculiar number – if the number were a simple proxy, why not \$175,000?

Further, when most employers negotiate a contract, they probably wouldn’t disclose beforehand what upper limit they’d be willing to pay. The better course, in my view, would be to start on the fiscally conservative (but reasonable) side and work up from there.

If necessary, a supplemental appropriation would be readily attainable (it wouldn’t even be necessary as already-appropriated funds could be redirected). Almost any line item can be changed in a proposed budget (school funding is a notable exception) and almost any figure can be shifted to another purpose once the budget is adopted.

(Until now, I never considered the prospect that the \$174,997.13 figure might be the low-end figure to open negotiations.)

The FY 2021 (current year) wages and benefits for employees are found on pages 173 – 178 of the current budget. The figures for the Borough Manager are shown below.

Ketchikan Gateway Borough Wages & Benefits by Department FY 2021					
Department	Position Description	FTE	Total Wages	Total Benefits	Total Compensation
MANAGERS OFFICE	BOROUGH MANAGER	1.00	125,470.43	79,373.14	204,843.57

In addition to his salary, the Borough Manager is entitled to an amount equivalent to 10% of his salary which is placed in a “longevity incentive compensation account” to be paid upon the completion of his initial five-year term. That figure does not appear in the budget.

A comparison of the proposed 2022 wage and benefits table to the same table for the current year, shows a \$49,526.70 (39.5%) increase in wages, \$21,047.39 (26.5%) increase in benefits, and \$70,571.09 (34.5%) increase in total compensation.

The 17-page document dated April 27, titled “Fiscal Year 2022 Budget and Capital Program Overview,” signed by the Borough Manager, addresses three elements relevant to the issue at hand: wages, the recent Borough employee compensation study, and proposed appropriations in the entire office of the Borough Manager. That information is presented below. I’ve highlighted portions that I consider relevant. A copy of the entire overview is available in the May 3 Assembly meeting packet.

Regarding Wages and the Employee Compensation Study, page 4 of the 2022 budget overview states:

4. The Borough conducted a compensation study in FY 2020. Initial implementation was contemplated for the FY 2021 budget, but because of the pandemic and economic uncertainty, none of the recommended increases were included last year. Due to market conditions and the inability to fill vacancies, the Assembly previously authorized an increase for certain utility positions. The only position addressed in this budget is the Assistant Manager position. Due to an upcoming vacancy, an assumed increase is budgeted. Depending on recruitment results, additional Assembly action may be required.

Regarding the Increase in Administration Costs, page 6 of the overview states:

- The increase in Administration consists of:
  - An increase of \$128,578, or 17.1% in the Manager’s Office for assumptions relating to the manager’s contract renewal and recruitment for the Assistant Manager position. Additional Assembly action is required before the assumptions are effective.

To be clear regarding my May 3 note, I carefully combed the proposed FY 2022 Budget and did not find anything that specifically states the proposed increase in the Manager’s salary and benefits for FY 2022. The only way I found it was by comparing the wages and benefits for FY 2021 to those for FY 2022.

How many members of the public and how many Borough elected officials are likely to know how to determine such a change? That’s not intended to disparage the public or elected officials. Rather, it’s

that the budget is complex and formatted in a manner that doesn’t always lend itself to such comparisons. In one instance addressed later in this letter, it is necessary to reach back to an Assembly meeting packet from April 20, 2015, to make comparisons.

Consider carefully whether the above description of the budget presentation meets the standards in KGBC 4.05.015 – is it transparent, is it easy to understand, and does it promote trust and confidence?

In terms of what’s included in the budget and how it’s presented, it’s important to know that the Manager alone has the duty in State law (AS 29.20.500(3)) and Borough law (KGBC 4.05.020(a)) to prepare and submit a proposed budget to the Assembly. Thus, the Manager cannot escape full responsibility for the degree of clarity and transparency of the information contained in the budget and the budget overview.

It takes many months to develop a large budget involving many tens of millions of dollars like that of the Borough. This year’s proposed budget is 166 pages and proposes expenditures and transfers out amounting to \$55,571,511.

Borough staff spend a great deal of time assisting in the preparation of the budget. From time to time, the Borough Assembly gives direction to the Borough Manager about the budget, but any direction by the Assembly must be given openly, in public, and during a formal meeting of the Assembly. I repeat an important point noted above – the Manager has the exclusive duty and responsibility to prepare the budget reflecting the standards in KGBC 4.05.015.

Ask yourself whether, this year, the budget was handled in a manner that serves the transparency and accountability standards listed in Borough Code.

Another point to consider. One Assembly Member has made numerous false and disparaging remarks about me on social media. Those comments reflect poorly on the Assembly, and worse on the Assembly Member who made the remarks.

For example, in one post, the Assembly Member states: “what Bockhorst forgot to mention in his letter is that the Assembly has final say over raises, not the manager.” That’s an absurd statement which distracts from the issue. My letter to the Assembly is unambiguous concerning the Assembly’s role.

Here are three examples where, in my one-page letter, I recognized the role of the Assembly in making the final determination (emphasis added):

1. In the second paragraph, I wrote: “How do you think other Borough employees will feel if you grant such an increase?”
2. In the third paragraph, I stated: “How do you think taxpayers and other local citizens will feel if you grant such an increase? You have a duty to be good stewards of the public treasury.”
3. In the last paragraph, I wrote: “How could any of you address the deficit with cuts or tax increases if you grant the proposed salary increase?”

The Assembly’s Member’s social media comments discredit that Assembly Member and do not reflect well on the Assembly as a whole. It shows that the Assembly Member either isn’t paying attention to important matters or is purposefully trying to distract the public’s attention from the real issue.

Moreover, the Assembly Member showed a lack of civility in his comments above and other comments. Is that how the Assembly Member treats others who voice opinions different from his? I am a constituent of that Assembly Member, the Mayor, and all other Assembly Members. The Assembly Member’s personal attack and lack of respect are beneath the office he holds and do not reflect well on our areawide governing body – the Assembly.

Moreover, the Assembly Member’s written comments on social media demonstrate a surprisingly poor grasp of important facts about the action taken by the Assembly on Monday.

The Assembly Member compared my compensation as the Ketchikan Borough Manager more than 4 years ago, to that of the current Borough Manager. On this point, the Assembly Member stated:

Bockhorsts [sic] salary when he retired as Borough Manager was \$148,000. currently [sic] the manager is making \$126,000.”

First, the Assembly Member expressed no awareness of the longevity bonus for the current Borough Manager that I mentioned earlier. Considering that incentive, the Manager’s current compensation, excluding benefits, is \$138,017.47 – not \$126,000.

If that wasn’t disclosed to the Assembly during its May 3 executive session involving negotiation of a new employment contract, it’s a major problem. Without disclosure, what, if any, increase would the Assembly have offered?

The Assembly Member also publicly claimed that I was paid \$148,000 per year as Borough manager. That’s a slight (but insignificant) exaggeration; I received a salary of \$144,212 in my final year. However, what is significant is that I received that salary level only because I voluntarily reduced my benefits to \$43,283. Benefits are certainly an important form of compensation. My total compensation package including salary and benefits during the last of my nine years as Borough Manager was \$187,495.

To be sure, that’s a lot of money. Thus, my comments here shouldn’t be construed as a complaint or lack of satisfaction about my compensation. In fact, as noted below, I voluntarily declined any increase in compensation during my last year as Borough Manager because, in part, I considered myself to have been amply compensated.

Another significant factor that weighed on my decision to forego any salary increase was the fact that the Borough was facing fiscal difficulties due to a poor economy (albeit far less severe than today) which constrained the salaries of other Borough employees. Since their salaries were depressed due to a downturn in the local economy, I couldn’t, in good conscience, seek any increase in compensation for



my last full year of employment. (See page 452 of the Assembly meeting packet for April 20, 2015, where it states, “Given fiscal circumstances facing the Borough, the Borough Manager is not seeking any increase in compensation for FY 2016.”)

In contrast to my total compensation of \$187,495, the Manager’s current compensation package is \$218,350.45 (comprised of \$125,470.43 in salary, \$79,373.14 in benefits on that salary, \$12,547.04 in a longevity bonus, and \$959.84 in benefits on that bonus). The current Manager’s proposed increase – assuming he would continue to receive the longevity incentive bonus – would raise his compensation package by roughly \$27,000 to a new total of about \$245,000 annually.

No doubt, the current Manager has had a lengthy career in local government, as have I. By the end of my last year as Borough Manager, I had 40 years of experience in local government in Alaska.

I hope this letter brings much needed transparency and clarity to the topic of the Manager’s proposed compensation for FY 2022.

Cordially,



Dan Bockhorst

Sent to:

- Mayor and Assembly
- Borough Department Heads
- Local News Media

## Kacie Paxton

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**From:** Cynna Gubatayao  
**Sent:** Sunday, May 16, 2021 3:10 PM  
**To:** Cynna Gubatayao  
**Cc:** Kacie Paxton; Ruben Duran; Glenn Brown; Deanna Thomas  
**Subject:** FW: COLA History  
**Attachments:** COLA History.pdf; Agenda Statement FY 2021 Non-Rep COLA Resolution.pdf

Dear Mayor and Assembly,

I received a request for recent COLA history and remembered seeing the e-mail below, which was distributed when you were considering a retroactive COLA for non-reps. If revised to include the retroactive COLA for non-reps which you adopted at the November 2, 2020 meeting, the total COLAs granted to the different employee groups from FY 2011 through FY 2021 is as follows:

IBEW 19.5%  
APEA 16.5%  
MMP 16.5%  
IBU 18.0%  
Non-Reps 13.5%

For your convenience, I have also attached the agenda statement that accompanied the resolution for the FY 2021 retroactive COLA which provides history and background that you may find useful.

Cynna

Cynna Gubatayao  
Finance Director  
Ketchikan Gateway Borough  
907-228-6620

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**From:** Kacie Paxton <kaciep@kgbak.us>  
**Sent:** Monday, November 2, 2020 9:46 AM  
**To:** Kacie Paxton <kaciep@kgbak.us>  
**Cc:** Ruben Duran <rubend@kgbak.us>; Glenn Brown <glennb@kgbak.us>; Deanna Thomas <deannat@kgbak.us>; Cynna Gubatayao <cynnag@kgbak.us>; Jenni Fox <jennif@kgbak.us>; Peter Amylon <petera@kgbak.us>  
**Subject:** FW: COLA History

Mayor and Assembly Members:

An Assembly Member requested a comparison spreadsheet showing the COLAs received by represented employees and non-represented employees over recent years. Attached is a spreadsheet compiled by Assistant Manager Thomas that lists those figures for all unions and non-reps from FY 2011 through present.

The spreadsheet will also be laid on the table at tonight's Assembly meeting.

Kacie Paxton  
Borough Clerk, Ketchikan Gateway Borough  
Public Information Officer, Ketchikan EOC

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**From:** Deanna Thomas  
**Sent:** Monday, November 2, 2020 9:38 AM  
**To:** Kacie Paxton <[kaciep@kgbak.us](mailto:kaciep@kgbak.us)>  
**Subject:** COLA History

Deanna Thomas,  
Assistant Borough Manager

Ketchikan Gateway Borough  
1900 First Avenue Suite 210  
Ketchikan, AK 99901

Phone: (907) 228-6633  
Fax: (907) 228-6684



	<u>COLA FY21</u>	<u>COLA FY20</u>	<u>COLA FY19</u>	<u>COLA FY18</u>	<u>COLA FY17</u>	<u>COLA FY16</u>	<u>COLA FY15</u>	<u>COLA FY14</u>	<u>COLA FY13</u>	<u>COLA FY12</u>	<u>COLA FY11</u>	<u>Total COLA Since FY 2011</u>
IBEW	3.00%	1.50%	0%	0%	1.50%	1.50%	1.50%	3.00%	1.50%	3.00%	3.00%	<b>19.50%</b>
APEA	3.00%	1.50%	0%	0%	0%	0%	1.50%	3.00%	1.50%	3.00%	3.00%	<b>16.50%</b>
MMP	3.00%	1.50%	0%	0%	0%	0%	1.50%	1.50%	3.00%	3.00%	3.00%	<b>16.50%</b>
IBU	3.00%	1.50%	0%	0%	0%	0%	1.50%	3.00%	3.00%	3.00%	3.00%	<b>18.00%</b>
Non-Rep	0.00%	1.50%	0%	0%	0%	0%	1.50%	1.50%	1.50%	1.50%	3.00%	<b>10.50%</b>



## Assembly - Regular

9. c.

**Meeting Date:** 11/02/2020

**Submitted By:** Kacie Paxton

**Department:** Clerk

**Approved for Submittal:** Cynna Gubatayao, Finance Director  
Deanna Thomas, Asst Manager  
Ruben Duran, Manager

**Approved as to form:** Glenn Brown,  
Borough Attorney

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### Information

#### TITLE

Resolution 2877 Providing a 3 Percent Cost-of-Living Adjustment for All Non-Represented Benefited Borough Employees

#### RECOMMENDED ACTION

"I move to adopt Resolution 2877, providing a 3 percent cost-of-living adjustment for all non-represented benefited Borough employees."

#### SUMMARY OF ISSUE

Resolution 2877 would provide a cost-of-living adjustment (COLA) for all benefited non-represented Borough employees retroactive to July 1, 2020. At its meeting on October 20, the Borough Assembly provided four-hands direction to staff to bring back a cost-of-living adjustment for non-represented employees.

Between December 2017 and March 2018, the Ketchikan Gateway Borough Assembly approved four collective bargaining agreements with the Alaska Public Employees Association (APEA), Inlandboatmen's Union of the Pacific (IBU), International Organization of Masters, Mates and Pilots (MMP), and International Brotherhood of Electrical Workers (IBEW). The terms of those agreements provided for no guaranteed COLAs in FY 2019, a 1.5 percent COLA in FY 2020 and a 3 percent COLA in FY 2021.

In an attempt to maintain internal pay equity, management recommended that the same FY 2021 COLA terms be extended to all benefited, non-represented Borough employees, including the contracted employees: the Borough Manager, Clerk and Attorney. In accordance with that recommendation, staff placed Resolution 2845 before the Assembly on May 4, 2020. The resolution would have provided the same COLA (3%) to the Borough's 34 non-represented employees as was provided in contract to the 71 employees who are covered by collective bargaining agreements. The Borough Assembly considered Resolution 2845, and rejected the resolution at that time due to economic uncertainty related to the COVID-19 pandemic.

The estimated cost of the proposed COLA for non-represented employees in FY 2021 is \$116,586, of which \$83,869 would be paid by the General Fund. A breakdown of the costs per fund is outlined in the fiscal impact portion of this agenda statement.

With the exception of 17 IBEW represented employees, the Assembly did not authorize a COLA for four years between the calendar years of 2014 and 2018 for its other 89 regular, benefited employees.



Between January 2016 and January 2020, the Western Consumer Price Index (CPI) rose 13.8 percent. The Urban Alaska CPI is only updated twice a year. Due to the COVID-19 pandemic, data collection by personal visit for the CPI program has been suspended since March 16, 2020. Current information is based on August and September. Average prices increased 0.8 percent during those two months, down 1.5 percent from a year ago.

The effective date for Resolution 2877 is contingent on the Assembly adoption of a companion supplemental budget amendment (Ordinance 1937), which is on this agenda for introduction. If Ordinance 1937 is adopted, staff estimates the COLA would be implemented within a matter of weeks.

**Additional Wage Information:**

In accordance with the Borough Strategic Plan, the Borough contracted with Gallagher Benefit Services, Inc. to conduct a compensation study. The contractor presented initial results of the study at the 2020 Assembly Policy Session. The final report, attached to this agenda item, found that the Borough's actual salaries were 29 percent lower than benchmark organizations. Gallagher found that the Borough's health insurance benefits, on the other hand, were aligned with the market.

Borough management had initially planned to include funding in the Draft FY 2021 Borough Budget to adjust wages as recommended by Gallagher. Due to the current fiscal crisis, management has removed funding for those wage adjustments. Management did, however, recommend a COLA for all regular benefited Borough employees, including non-represented staff, in an effort to avoid further worsening the pay inequities existing within the Borough as identified by the Gallagher study.

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**Fiscal Impact**

**Amount Budgeted:**

**Expenditure Required:**

**Appropriation Required:** 116,586.81

**Additional Fiscal Information:**

The COLA authorized would require a supplemental budget appropriation, which is being introduced at the November 2, 2020 Assembly meeting. The cost of the proposed COLA would be \$116,586.81. The funding sources are outlined below:

- General Fund: \$83,869
- Airport Enterprise Fund: \$15,696
- Wastewater Fund: \$3,014
- South Tongass: \$5,599
- North Tongass: \$8,407

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**Attachments**

Resolution 2877

Exhibit A: Non-Represented Schedule of Pay Classifications

Exhibit B: Non-Represented Wage Scale

Compensation Study

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## Kacie Paxton

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**From:** Glenn Brown  
**Sent:** Monday, June 14, 2021 4:48 PM  
**To:** Kacie Paxton; Peter Amylon  
**Subject:** FW: Manager Contract - Existing Contract  
**Attachments:** 16-094 Borough Manager.pdf

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**From:** Glenn Brown <glennb@kgbak.us>  
**Sent:** Monday, May 17, 2021 5:36 PM  
**To:** Glenn Brown <glennb@kgbak.us>  
**Cc:** Cindy Montgomery <cindym@kgbak.us>  
**Subject:** Manager Contract - Existing Contract

Mayor and Assembly, as a follow-up to my email earlier today, I received a request from one member for a copy of the manager's existing contract for reference. That document is attached.

Glenn

Glenn J. Brown  
Borough Attorney  
Ketchikan Gateway Borough  
(907) 228-6632  
Cell (267) 303-4630

# KETCHIKAN GATEWAY BOROUGH ABSTRACT OF FILING

## CLERK'S OFFICE

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I certify that the following described document was filed in the Office of the Borough Clerk on November 4, 2016.

Karen Paster  
Clerk or Deputy Clerk

LAW400  
Record Series

11/4/2016  
Date Processed

Act+6  
Retention

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**BOROUGH DOCUMENT NO. 16-094**

**Employment Agreement between KGB and Ruben Duran dated November 4, 2016, for the position of Borough Manager effective December 19, 2016; authorized by assembly November 4, 2016; Salary \$110,000 effective December 19, 2016 - 5 pages**

**EMPLOYMENT AGREEMENT**  
**Between the**  
**KETCHIKAN GATEWAY BOROUGH ASSEMBLY**  
**And Ruben Duran, Borough Manager.**

**THIS EMPLOYMENT AGREEMENT** is made and entered into this 4<sup>th</sup> day of November, 2016, by and between the **Ketchikan Gateway Borough Assembly** (hereinafter **ASSEMBLY**) and **Ruben Duran** (hereinafter **MANAGER**).

**RECITALS**

- A. The **ASSEMBLY** wishes to employ the services of Ruben Duran as Borough Manager of the Ketchikan Gateway Borough. The **MANAGER** wishes to enter: into employment at the same time:
- B. The **ASSEMBLY** and **MANAGER** desire to provide for certain procedures, benefits, and requirements regarding the employment of **MANAGER** by the **Ketchikan Gateway Borough** (hereinafter **Borough**).

**NOW, THEREFORE**, for and in consideration of the terms, covenants, conditions, and provisions contained herein, and/or attached and incorporated herein and made a part hereof, the parties hereto agree as follows:

**Section 1:**    *Agreement to Perform.* The **ASSEMBLY** agrees to employ the **MANAGER** and the **MANAGER** agrees to perform the duties of the Borough Manager of the Ketchikan Gateway Borough as specified in the job description included as Exhibit A attached hereto and incorporated herein by this reference.

**Section 2:**

*Term of the Contract.* This agreement shall be for a term of five years commencing on December 19, 2016, and terminating 5 years later unless the **MANAGER** resigns or is terminated prior to the end of the term. Thereafter the provisions of this agreement shall continue in full force and effect from year to year if a majority of the Assembly approves such extension at least 90 days before the end of the initial five year term The provisions of this agreement shall remain the same during any extensions unless both parties agree in writing to amend any or all of the provisions of the agreement.

Provided, however, that increases in salary pursuant to Section 3 shall be deemed as amendments to this agreement without requiring a written amendment.

**Section 3:**     *Compensation and Annual Review.* (a)The **ASSEMBLY** agrees to pay the **MANAGER** for services rendered at a salary of \$110,000 (One Hundred Ten Thousand dollars) per annum paid semi-monthly beginning on December 19, 2016. The Borough Assembly agrees to review **MANAGER'S** performance and salary at least annually prior to adoption of the fiscal year budget. The **MANAGER** is hereby authorized to schedule a request for performance evaluation on the Assembly agenda for the second regular meeting in April of each year. The compensation of **MANAGER** may not be decreased except as provided in Section 4.

(b) In addition to the salary provided under this section, the Assembly shall place an amount equal to 10 % of the Manager's salary into a longevity incentive compensation account. These funds shall be paid to the Manager in the event that the Manager completes their initial five year term. Provided, however, that if the Manager voluntarily resigns, or is convicted of an unlawful act in the performance of his duties or a crime involving dishonesty prior to the end of the five year term, this incentive compensation shall be forfeit and shall be retained by the Assembly. If the Assembly terminates the Manager before the end of the term, or if the Manager is unable to continue to perform the duties of manager due to death or physical or mental inability, the balance of the incentive compensation shall be paid to the Manager upon termination.

**Section 4:**     *Reduction in Compensation.* In the event the **ASSEMBLY** at any time without **MANAGER'S** consent reduces his salary or other financial benefits, except to the same degree as a reduction for all non-union employees, or except for noncompliance by the **ASSEMBLY** with the terms of Section 7 hereof, **MANAGER** may, at his option, deem that he has been "terminated" within the meaning of this Agreement, and shall be entitled to the severance payments provided for under Section 6 of this Agreement.

**Section 5:**     *Hours of Work.* In accordance with Section B, as provided in Section 3.15.170 of the Ketchikan Gateway Borough Code (Borough Code) the **MANAGER** shall work the hours necessary to perform required duties without overtime compensation or compensatory leave.

**Section 6:**



***Termination and Severance.*** This agreement may be terminated as follows:

- (a) Termination and Severance Payment. **MANAGER** acknowledges and agrees that he will serve at the pleasure of the Assembly and that he may be removed at any time by the Assembly with or without cause. In the event he is terminated by the Assembly, or the Assembly requests his resignation, the Borough agrees to pay him a lump sum cash payment equal to the value of 100% of his accrued leave, less required deductions, including taxes, plus six months' pay if within the first year of employment; five months' pay if within the 2<sup>nd</sup> year of employment; four months' pay if within the 3<sup>rd</sup> year of employment; three months' pay if within the 4<sup>th</sup> year of employment; two months' pay if within the 5<sup>th</sup> year of employment; and one month's pay if the contract is not extended after the 5<sup>th</sup> year of employment. This right to severance payment shall not apply in the event of his death or physical or mental inability to perform his duties as Borough Manager, if he is convicted of an unlawful act in the discharge of his duties or a crime involving dishonesty, or if he voluntarily resigns not at the request of the Assembly.
- (b) Voluntary Resignation. If **MANAGER** voluntarily resigns, he shall be entitled to payment of an amount equal to the value of 100% of accrued leave, less required deductions, including taxes; however, if the **MANAGER** fails to give ninety (90) days' written notice of resignation all unused leave shall be forfeited.

**Section 7:** ***Membership Dues, Conferences, and Training.*** The **ASSEMBLY** agrees to cooperate in providing the **MANAGER** with professional training and growth by providing funding for the following:

- (a) The Borough will provide membership dues and admission fees for ICMA, AMAA if requested. Membership dues to other appropriate professional groups are subject to review and approval annually by the **ASSEMBLY** during the budget process.
- (b) Reasonable and necessary costs associated with the **MANAGER'S** travel, training, and attendance at official meetings, educational seminars and programs, conferences and

professional development as such are reviewed and approved annually by the **ASSEMBLY** during the budget process.

**Section 8:**     *Leave provisions.* Paid time off (PTO), paid holidays, unexpected absences, death in the family, military leave, and court leave shall be as provided by Borough Code. Provided, however, that the **MANAGER** shall begin initially with a PTO balance of 80 hours and shall accrue PTO at the rate of 30 (thirty) days per year. PTO shall be used for absences in excess of two (2) hours.

**Section 9. Retirement Benefits.** The position of Borough Manager is not included in any retirement benefit system at the time of execution of this Employment Agreement. The **ASSEMBLY** shall not be obligated to provide for any retirement benefits for the **MANAGER** apart from allowing the **MANAGER** to participate, on a voluntary basis, in deferred compensation opportunities available to borough employees.

**Section 10:**   *Health Benefits.* The **MANAGER** shall receive the same health insurance benefits as that in effect for non-represented Borough employees .

**Section 11:**   *Other Benefits.* Except as otherwise specifically addressed in this Employment Agreement, the **MANAGER** shall receive the same fringe benefits to which other regular Borough employees are entitled under the Borough Code. To the extent that there is a conflict or inconsistency between the terms of this Employment Agreement and the Borough Code, the terms of this Employment Agreement shall prevail.

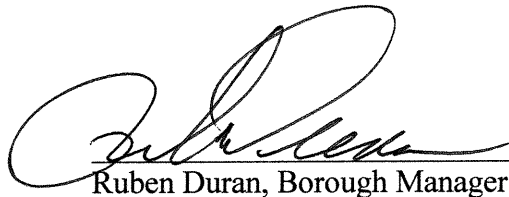
**Section 12: Miscellaneous.**

- (a)    **Terminology.** Whenever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter gender.
- (b)    **Paragraph Headings.** The headings of the several sections and subsections contained herein are for convenience only and do not define, limit or construe the contents of such sections and subsections.

- (c) Successors and Assigns. Except as otherwise provided herein, the covenants, agreements and obligations herein contained shall extend to bind and inure to the benefit not only of the parties hereto but their respective personal representatives, heirs, successors and assigns.
- (d) Severability. In the event any provision of this agreement is adjudicated or held to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.


**WHEREFORE** the parties have entered into this Employment Agreement the date and year first written at the City of Ketchikan; Alaska.

Dated: November 4, 2016

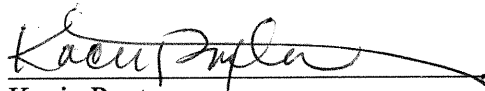
  
Ruben Duran, Borough Manager

KETCHIKAN GATEWAY BOROUGH ASSEMBLY


Dated: 11/4/2016

  
David Landis  
Borough Mayor

ATTEST:

  
Kacie Paxton  
Borough Clerk

APPROVED AS TO FORM:

  
Scott A. Brandt-Erichsen  
Borough Attorney

**Kacie Paxton**

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**From:** heather muench <heymommaktn@yahoo.com>  
**Sent:** Monday, May 17, 2021 7:16 AM  
**To:** Kacie Paxton; Judith L. Mcquerry; Felix Wong; Austin Otos; Sven Westergard; David Landis; Rodney Dial; Amanda Pierce; Jeremy Bynum  
**Subject:** Manager's Pay Increase

Kacie, Please read my comments into the record at tonight Assembly meeting.

Thank you, Heather

Dear Assembly Members and Mayor,

I object to the proposed \$50,000 pay increase budgeted for the Borough Manager. This is a difficult time for many families in the Borough and this proposed increase for one employee is unacceptable.

The Borough has a recent employee compensation study that has been shelved due to budget concerns. An increase in the Manger's pay should be part of an overall look at pay increases for all employees when financially appropriate for the Borough to do so.

I support the return of the \$150,000 cut from the school district's budget as this is money the school district needs to help educate our children.

Thank you,

Heather Muench

228 Martin Street Ketchikan

907-821-5372

## Kacie Paxton

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**From:** Michael Speciale <mspeciale@apea-aft.org>  
**Sent:** Friday, May 14, 2021 9:00 AM  
**To:** Kacie Paxton  
**Cc:** Robert Stamm  
**Subject:** Letter to Mayor and Assembly  
**Attachments:** Letter to Ketchikan Gateway Borough.pdf

Warning! This message was sent from outside your organization and we are unable to verify the sender.

Good morning Clerk Kacie Paxton,

My name is Michael, Field Representative for APEA/AFT. Please find a letter to the Mayor and Assembly attached. We ask that this be distributed through your office via appropriate channels. Robert Stamm, Assistant Manager for IBEW Local 1547 in Ketchikan, will also be prepared to read this letter into the record during the Monday, May 17, 2021 Assembly Meeting beginning at 5:30pm. We are asking that this time be granted on the agenda. I am reaching out to you, as it is my understanding, that your office can facilitate delivery of this letter and appropriate queuing to occur on Monday. If we need to send the letter directly to the Mayor and Assembly please let myself or Robert know, asap. Robert is being cc'd here. I will be inaccessible after 10:00am today, for the remainder of the business day, so please feel free to reach out to Robert if need be. Thank you in advance for your time and help concerning this matter.  
Michael

Cordially,  
Michael C Speciale  
Southeast Field Representative



Alaska Public Employees Association/  
American Federation of Teachers  
211 4<sup>th</sup> St. #306  
Juneau, AK, 99801  
(907) 586-2334

THIS EMAIL AND ANY FILES TRANSMITTED WITH IT ARE CONFIDENTIAL AND INTENDED SOLELY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHOM THEY ARE ADDRESSED. IF YOU ARE NOT THE INTENDED RECIPIENT OF THIS MESSAGE OR IF YOU HAVE RECEIVED THIS EMAIL IN ERROR PLEASE IMMEDIATELY ALERT THE SENDER BY REPLY EMAIL AND THEN DELETE THIS MESSAGE AND ANY ATTACHMENTS.





Rodney Dial  
Mayor Ketchikan Gateway Borough  
1900 Fist Avenue  
Ketchikan, AK 99901

Honorable Mayor and esteemed members of the Ketchikan Gateway Borough Assembly,

WE write today on behalf of the bargaining unit members we represent within the Borough. The Alaska Public Employees Association Local 6137, International Brotherhood of Electrical Workers Local 1547, and Inlandboatmen's Union are gravely concerned with the Borough's current direction regarding the proposed FY 22 Detail Budget. Specifically, we believe the 17.1% budget increase slated to occur within the Managers office (page 14) and the 24.9% scheduled increase towards wage within that same office (page 19), is ill-timed and irascible in nature towards our membership, aka your employees!

We urge you to consider the ask made of your employees in late 2020. In short, not only did you ask them to remain stagnate, and not fully engaging in the negotiation process, but also to stomach a 3% COLA increase for non-represented employees. Our members, in good faith, endured these asks and actions taken by the Borough because at that time they were viewed as equitable. Now with these additional details coming to light, of double digit increases, our viewpoint is swiftly moving in the direction of lamentable! We have not a direct ask of you this evening other than one of simple recognition. Our collective membership demands acknowledgment and respect for the jobs they perform.

Respectfully presented and submitted by,

Robert Stamm  
Assistant Business Manager  
IBEW Local 1547

Jeff Kasper  
SE Regional Manager/Political Director  
APEA/AFT

Earling Walli  
Regional Director – Alaska Region  
IBUP

## Kacie Paxton

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**From:** Cynna Gubatayao  
**Sent:** Friday, June 4, 2021 5:41 PM  
**To:** Cynna Gubatayao  
**Cc:** Ruben Duran; Glenn Brown; Kacie Paxton  
**Subject:** Assembly Member Information Request

Good Afternoon Mayor and Assembly,

I received the request below from an Assembly member:

Please validate the following for the Manager: "The waiver of the retirement benefits remains in place. Under the current contribution rate of 22 percent the savings to the Borough are: 2021: \$36,300 2022: \$37,400 2023: \$38,500." My understanding is that there is still a financial liability for the Borough even with a waiver. Is it possible to get the actual figures available for Monday's meeting for the savings by not having the Borough Manager participate in the retirement system?

The Borough Manager's position was removed from PERS in August 2010. Removal of the position from PERS means the employee in the position is no longer eligible for PERS benefits, but the Borough is still responsible for a 'Past Service Cost' contribution which goes to pay the unfunded liability of the PERS system. The FY 2021 PSC rate is 18.23%, increasing to 18.31% in FY 2022. I have not seen the document the statement above was pulled from, but working backwards, I calculate the net savings to the Borough as \$6,221 for 2021; \$6,273 for 2022; and \$6,458 for 2023 (using the same PSC rate as FY 2022).

Cynna

Cynna Gubatayao  
Ketchikan Gateway Borough  
Finance Director  
Ph: 907-228-6620

## Kacie Paxton

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**From:** Dan R Bockhorst <bockhorst@kpunet.net>  
**Sent:** Sunday, June 6, 2021 11:02 PM  
**To:** Rodney Dial; Jeremy Bynum; David Landis; Austin Otos; Judith L. Mcquerry; Amanda Pierce; Felix Wong; Sven Westergard  
**Cc:** Kacie Paxton  
**Subject:** Agenda Item 12 - 2021.06.07 Meeting  
**Attachments:** 2021.06.06 Compensation.pdf; 2021.06 OMA.pdf

Warning! This message was sent from outside your organization and we are unable to verify the sender.

Mayor and Assembly Members:

Attached are two one-page letters. The first concerns disparate treatment of Borough employees pertaining to compensation. It relates directly to Item 12 of your agenda for tomorrow's assembly meeting (i.e., "Executive Session to Discuss Terms of Borough Manager Contract . . ."). By copy of this email, I am asking the Borough Clerk to read this letter into the record during Citizen Comments, Item 3 of the agenda.

The second letter also addresses Agenda Item 12. It is intended to invite an examination of concerns regarding the way the executive session appears to be structured. The second letter is not intended to be read into the record.

Dan Bockhorst

June 6, 2021

Mayor and Assembly Members:

Compensation for Borough employees is being poorly handled. For the second year, implementation of a salary compensation study has been sidelined due to severe fiscal impacts caused by the pandemic. To shelve the compensation study for all employees because of fiscal conditions, is unfortunate but understandable. However, it's quite a different matter to deny adjustments for 110 Borough employees because of fiscal concerns but allow substantial raises for two other Borough employees despite those same fiscal concerns. In this case, funds for salary increases of 39.5% for the manager and 44.5% for the assistant manager are included in the FY 2022 budget.

Borough laws, state laws, and dicta from the Alaska Supreme Court strongly advocate transparency and accountability in the Borough budget. Yet, the 39.5% raise for the manager was veiled. There's no mention of it in the manager's 17-page overview of the budget. In fact, the budget overview states regarding the compensation study, "The only position addressed in this budget is the Assistant Manager position." Moreover, funding for the raise can be detected only by comparing budget documents for the coming fiscal year to the present fiscal year – a cumbersome exercise which is not intuitive.

On May 3, you granted the manager a 12.5% raise and increase in paid time off. You directed that a new contract with those terms be submitted for your consideration at the May 17 meeting. Instead, now, more than a month later, the manager wants to meet with you in closed session to "share his expectations for contract terms."

Regrettably, while the manager wants to share his expectations with you in a venue where the public is barred, those expectations have not been revealed to the citizens of Ketchikan. Once again, respect for laws and court dicta commanding transparency and accountability is not evident in this latest development.

Dealing in the shadows is untenable, it must stop to avoid erosion of trust in our Borough government. Louis D. Brandeis famously said in 1913, "Sunlight is said to be the best of disinfectants." On average, rain falls in Ketchikan 221.8 days per year. We can use more sunshine.



Dan Bockhorst

June 6, 2021

Mayor and Assembly Members:

A proposition has been placed on the agenda for your June 7 meeting calling for an executive session “to discuss the terms of the Borough Manager contract.” The authority cited for the session is KGBC 2.10.160(b)(2)(a), “labor negotiations regarding borough employees.”

The agenda statement says, “It is anticipated that the Borough Manager would be included in a portion of the executive session to share his expectations for contract terms with the Assembly.” While you’re allowed to discuss the terms of the proposed contract in closed session, I don’t believe Mr. Duran can join you.

Mr. Duran’s relationship to the Borough in the matter is not that of the Borough manager as portrayed in the agenda statement. Rather, in that instance, Mr. Duran is a private individual attempting to incorporate “his expectations for contract terms” in a new employment contract with the Borough.

That distinction is important. Mr. Duran is promoting his own interests in the effort, not those of the Borough. To “share his expectations for contract terms with the Assembly” in executive session would constitute contract negotiations between a prospective contractor and the Assembly in closed session. Such is not permitted by the Borough’s laws regarding open meetings (KGBC 2.10.160) or Alaska’s Open Meetings Act (AS 44.62.310 - 44.62.319).

KGBC 2.10.160(b)(2)(a) permits “labor negotiations regarding borough employees” to be held in closed session (emphasis added). The law uses the preposition “regarding” not “with.” That distinction is reinforced by KGBC 2.10.160(c)(2) which states, “Action may not be taken at the executive session, except to give direction to an attorney or labor negotiator regarding the handling of a specific legal matter or pending labor negotiations.” Mr. Duran is certainly not a labor negotiator serving the Borough in the negotiation of his own contract.

KGBC 2.10.190(f) establishes the rule that the laws regarding executive sessions “shall be construed narrowly . . . .” In other words, the terms of KGBC 2.10.160(c)(2) in the paragraph immediately above must be read literally – not broadly interpreted. A narrow construction does not allow the Assembly to negotiate with Mr. Duran in closed session.

Lastly, the agenda statement indicates, “Following the executive session, it is expected that the attorney would assist the manager in drafting the contract to bring back for Assembly approval” (emphasis added). Here again, in this matter Mr. Duran is acting as a private individual, not the Borough manager. The Borough attorney serves the Borough, not the private individual, Mr. Duran. Further, to avoid any possibility of conflict of interest, the Borough attorney cannot represent both parties simultaneously.



Dan Bockhorst



Location	Position	2019*	2020	Population	Type
City of Ketchikan	City Manager/KPU	\$ 195,576	\$ 219,996	8,157	Home
City & Borough of Juneau	City Manager		\$ 175,282	32,227	Home
City of Kodiak	City Manager		\$ 156,312	5,942	Home
Bristol Bay Borough	Manager		\$ 150,000	879	Second
City of Kenai	City Manager	\$ 140,004	\$ 143,998	7,790	Home
Ketchikan Gateway Borough	Borough Manager		\$ 142,139	13,843	Second
Aleutians East Borough	Administrator		\$ 142,085	2,959	Second
City of Soldotna	City Manager		\$ 137,000	4,333	First
City of Valdez	City Manager	\$ 139,380	\$ 136,510	3,847	Home
City of Nome	City Manager		\$ 136,510	3,667	First
Kodiak Island Borough	Borough Manager	\$ 135,000	\$ 134,992	13,819	Second
City of Palmer	City Manager		\$ 133,500	6,268	Home
City of Bethel	City Manager	\$ 133,896	\$ 132,600	6,135	Second
City of Sitka	Administrator	\$ 129,996	\$ 130,000	8,652	Home
City of Seward*	City Manager	\$ 126,000	\$ 127,550	2,773	Home
City of Cordova	City Manager		\$ 126,006	2,360	Home
City of Petersburg*	City Manager	\$ 120,996	\$ 122,484	3,136	Home
Average		\$ 140,106	\$ 143,939		
Median		\$ 134,448	\$ 136,510		
20th Percentile			\$ 130,520		
80th Percentile			\$ 148,800		
		2017	2020		
Previous KGB Manager with CPI		\$ 144,200	\$ 149,710		
Previous KGB Manager with US-I		\$ 144,200	\$ 153,486		

Sources:

Alaska Municipal League Salary Survey 2020

\* *Ralph Andersen & Associates Jan 2019; calculated for 2020*

		2019	2020	Population
City of Tukwila, WA	City Administrator	\$ 179,568	\$ 181,777	20,196
City of Port Angeles, WA	City Manager	\$ 149,064	\$ 150,897	19,832
City of Tualatin, OR	City Manager	\$ 134,700	\$ 136,357	27,527

Inflation 2019-2020 1.230%

Alaska CPI 2017-2020 3.821%

<https://live.laborstats.alaska.gov/cpi/index.cfm>

US Inflation (US-I) 2017-2020 6.440%

US Inflation (US-I) 2017-2021 7.890%

US Inflation (US-I) 2020-2021 1.390%

<https://www.inflationtool.com/us-dollar/2017-to-present-value>

## Kacie Paxton

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**From:** Kacie Paxton  
**Sent:** Monday, May 10, 2021 10:20 AM  
**To:** Kacie Paxton  
**Cc:** Ruben Duran; Glenn Brown; Deanna Thomas; Jenni Fox  
**Subject:** Manager Contract to be Submitted to Assembly on June 21

Mayor and Assembly Members,

At the May 3<sup>rd</sup> Assembly meeting, the Assembly directed the manager to work with the attorney to bring back a new manager contract for Assembly review. Manager Duran has indicated that his response and contract will not be ready for the May 17 agenda, and the second meeting in June would be better suited.

The contract agenda item will be placed on the June 21<sup>st</sup> Assembly agenda.

*Kacie Paxton, MMC*

Borough Clerk, Ketchikan Gateway Borough  
Public Information Officer, Ketchikan Emergency Operations Center  
907.228.6604 [www.kgbak.us](http://www.kgbak.us)

## Kacie Paxton

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**From:** Glenn Brown  
**Sent:** Friday, June 11, 2021 3:06 PM  
**To:** Kacie Paxton  
**Cc:** Cindy Montgomery  
**Subject:** FW: Draft Contract  
**Attachments:** Draft Contract

Kacie, attached is my last email on the contract and what I believe is the final document. With this process closed, I will assert Attorney-Client privilege on my email of June 8, 2021 to the Mayor and Assembly, and individual replies to me from Assembly members in response to the June 8, 2021 email.

I believe this email and attachment is arguably responsive to Question No. 5

Glenn

Glenn J. Brown  
Borough Attorney  
Ketchikan Gateway Borough  
(907) 228-6635  
(C) (267) 303-4630

## Kacie Paxton

---

**From:** Glenn Brown  
**Sent:** Friday, June 11, 2021 8:19 AM  
**To:** Ruben Duran  
**Cc:** Cindy Montgomery  
**Subject:** Draft Contract  
**Attachments:** 2021-2024 Borough Manager Contract v.3 FINAL 6.8.21.docx

Ruben, attached please find the draft contract prepared in accordance with the direction received from the Assembly at Monday's executive session. It appears from the draft you emailed to me on June 9 draft that we are down to the lone remaining issue of the timing of the longevity payment accruing under the current contract. In discussing it with the Assembly, the consensus direction I received was that the choice was the full accrual paid at its current due date in December, or a payment at commencement of the new contract (July 1) at its then-accrued amount.

Glenn

Glenn J. Brown  
Borough Attorney  
Ketchikan Gateway Borough  
(907) 228-6635  
(C) (267) 303-4630

**EMPLOYMENT AGREEMENT**  
**Between the**  
**KETCHIKAN GATEWAY BOROUGH ASSEMBLY**  
**and Ruben Duran, Borough Manager**

**THIS EMPLOYMENT AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the **Ketchikan Gateway Borough Assembly** (hereinafter **ASSEMBLY**) and **Ruben Duran** (hereinafter **MANAGER**).

**RECITALS**

A. The **ASSEMBLY** wishes to continue to employ the services of Ruben Duran as Borough Manager of the Ketchikan Gateway Borough. The **MANAGER** wishes to continue his employment at the same time.

B. The **ASSEMBLY** and **MANAGER** desire to provide for certain procedures, benefits, and requirements regarding the employment of **MANAGER** by the **Ketchikan Gateway Borough** (hereinafter **Borough**).

**NOW, THEREFORE**, for and in consideration of the terms, covenants, conditions, and provisions contained herein, and/or attached and incorporated herein and made a part hereof, the parties hereto agree as follows:

**Section 1:**     **Agreement to Perform.** The **ASSEMBLY** agrees to employ the **MANAGER** and the **MANAGER** agrees to perform the duties of the Borough Manager of the Ketchikan Gateway Borough as specified in the job description included as Exhibit A attached hereto and incorporated herein by this reference.

**Section 2:**     **Term of the Contract.** This agreement shall be for a term of three (3) years commencing on July 1, 2021, and terminating three (3) years later unless the **MANAGER** resigns or is terminated prior to the end of the term. Thereafter the provisions of this agreement shall continue in

full force and effect from year to year if a majority of the Assembly approves such extension at least 90 days before the end of the initial three-year term. The provisions of this agreement shall remain the same during any extensions unless both parties agree in writing to amend any or all of the provisions of the agreement. Provided, however, that increases in salary pursuant to Section 3 shall be deemed as amendments to this agreement without requiring a written amendment.

This agreement is intended to supersede the agreement of the parties dated November 4, 2016.

**Section 3: Compensation and Annual Review.**

(a) The **ASSEMBLY** agrees to pay the **MANAGER** for services rendered at a salary of One Hundred and Sixty Thousand Dollars (\$160,000) per annum paid semi-monthly beginning on July 1, 2021. The **ASSEMBLY** agrees to review **MANAGER'S** performance and salary at least annually prior to adoption of the fiscal year budget. The **MANAGER** is hereby authorized to schedule a request for performance evaluation on the Assembly agenda prior to the end of each fiscal year. The compensation of **MANAGER** may not be decreased except as provided in Section 4.

(b) The annual compensation for the **MANAGER** will be adjusted in the same percentage as the non-represented employees such as a COLA.

The **ASSEMBLY** agrees to pay the **MANAGER** on December 19, 2021 the longevity incentive compensation payment provided for in Section 3(b) of the employment contract between the Borough and the **MANAGER** dated November 4, 2016. The amount to be paid to the **MANAGER** is \$62,003.07 as projected by the Borough Finance Department.

**Section 4: Reduction in Compensation.** In the event the **ASSEMBLY** at any time without **MANAGER'S** consent reduces his salary or other financial benefits, except to the same degree as a reduction for all non-union employees, or except for noncompliance by the **ASSEMBLY** with the terms of Section 7 hereof, **MANAGER** may, at his option, deem that he has been "terminated" within the



meaning of this Agreement, and shall be entitled to the severance payments provided for under Section 6 of this Agreement.

**Section 5:**      **Hours of Work.** In accordance with Section 3.15.170(b) of the Ketchikan Gateway Borough Code (Borough Code) the **MANAGER** shall work the hours necessary to perform required duties without overtime compensation or compensatory leave.

**Section 6:**      **Termination and Resignation.** This agreement may be terminated as follows:

- (a) Termination and Severance Payment. **MANAGER** acknowledges and agrees that he will serve at the pleasure of the **ASSEMBLY** and that he may be removed at any time by the **ASSEMBLY** with or without cause. In the event he is terminated by the **ASSEMBLY**, or the **ASSEMBLY** requests his resignation, the Borough agrees to pay him a lump sum cash payment equal to the value of 100% of his accrued leave, less required deductions, including taxes, plus three (3) months' salary. This right to severance payment shall not apply in the event of his death or physical or mental inability to perform his duties as Borough Manager, if he is convicted of an unlawful act in the discharge of his duties or a crime involving dishonesty, or if he voluntarily resigns not at the request of the **ASSEMBLY**.
- (b) Voluntary Resignation. If **MANAGER** voluntarily resigns, he shall be entitled to payment of an amount equal to the value of 100% of accrued leave, less required deductions, including taxes; however, if the **MANAGER** fails to give ninety (90) days' written notice of resignation all unused leave shall be forfeited.

**Section 7:**      **Membership Dues, Conferences, and Training.** The **ASSEMBLY** agrees to cooperate in providing the **MANAGER** with professional training and growth by providing funding for the following:

- (a) The Borough will provide membership dues and admission fees for ICMA, AMAA if

requested. Membership dues to other appropriate professional groups are subject to review and approval annually by the **ASSEMBLY** during the budget process.

- (b) Reasonable and necessary costs associated with the **MANAGER'S** travel, training, and attendance at official meetings, educational seminars and programs, conferences and professional development as such are reviewed and approved annually by the **ASSEMBLY** during the budget process.

**Section 8:**    **Leave provisions.** Paid time off (PTO), paid holidays, unexpected absences, death in the family, military leave, and court leave shall be as provided by Borough Code. Provided, however, that the **MANAGER** accrue PTO at the rate of thirty-six (36) days per year. PTO shall be used for absences in excess of two (2) hours. The **MANAGER'S** balance of accrued PTO existing at the commencement of this agreement shall carry forward.

**Section 9. Retirement Benefits.** The position of Borough Manager is not included in any retirement benefit system at the time of execution of this Employment Agreement. The **ASSEMBLY** shall not be obligated to provide for any retirement benefits for the **MANAGER** apart from allowing the **MANAGER** to participate, on a voluntary basis, in deferred compensation opportunities available to borough employees.

**Section 10: Health Benefits.** The **MANAGER.** shall receive the same health insurance benefits as that in effect for non-represented Borough employees.

**Section 11: Other Benefits.** Except as otherwise specifically addressed in this Employment Agreement, the **MANAGER** shall receive the same fringe benefits to which other regular Borough employees are entitled under the Borough Code. To the extent that there is a conflict or inconsistency between the terms of this Employment Agreement and the Borough Code, the terms of this Employment Agreement shall prevail.

**Section 12: Miscellaneous.**

- (a) Terminology. Whenever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter gender.
- (b) Paragraph Headings. The headings of the several sections and subsections contained herein are for convenience only and do not define, limit or construe the contents of such sections and subsections.
- (c) Successors and Assigns. Except as otherwise provided herein, the covenants, agreements and obligations herein contained shall extend to bind and inure to the benefit not only of the parties hereto but their respective personal representatives, heirs, successors and assigns.
- (d) Severability. In the event any provision of this agreement is adjudicated or held to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

**WHEREFORE,** the parties have entered into this Employment Agreement the date and year first written at the City of Ketchikan, Alaska.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Ruben Duran, Borough Manager

**KETCHIKAN GATEWAY BOROUGH ASSEMBLY**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Rodney Dial, Borough Mayor

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Kacie Paxton, Borough Clerk

\_\_\_\_\_  
Glenn Brown, Borough Attorney

**Kacie Paxton**

---

**From:** Glenn Brown  
**Sent:** Tuesday, May 11, 2021 8:14 AM  
**To:** Ruben Duran  
**Subject:** Draft Contract 2021-2024  
**Attachments:** 2021-2024 Borough Manager Contract v.2.docx

Ruben, though this won't be moving forward for the next few meetings, I wanted to get a draft in circulation. This rendition has been reviewed with the Mayor and the terms were reviewed by phone with two Assembly members. It reflects their recollections of the May 3<sup>rd</sup> executive session discussions. It has not been circulated more broadly – awaiting your input.

Glenn

Glenn J. Brown  
Borough Attorney  
Ketchikan Gateway Borough  
(907) 228-6635  
(C) (267) 303-4630

**EMPLOYMENT AGREEMENT**  
**Between the**  
**KETCHIKAN GATEWAY BOROUGH ASSEMBLY**  
**And Ruben Duran, Borough Manager**

**THIS EMPLOYMENT AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the **Ketchikan Gateway Borough Assembly** (hereinafter **ASSEMBLY**) and **Ruben Duran** (hereinafter **MANAGER**).

**RECITALS**

A. The **ASSEMBLY** wishes to continue to employ the services of Ruben Duran as Borough Manager of the Ketchikan Gateway Borough. The **MANAGER** wishes to continue his employment at the same time.

B. The **ASSEMBLY** and **MANAGER** desire to provide for certain procedures, benefits, and requirements regarding the employment of **MANAGER** by the **Ketchikan Gateway Borough** (hereinafter **Borough**).

**NOW, THEREFORE**, for and in consideration of the terms, covenants, conditions, and provisions contained herein, and/or attached and incorporated herein and made a part hereof, the parties hereto agree as follows:

**Section 1:**     *Agreement to Perform.* The **ASSEMBLY** agrees to employ the **MANAGER** and the **MANAGER** agrees to perform the duties of the Borough Manager of the Ketchikan Gateway Borough as specified in the job description included as Exhibit A attached hereto and incorporated herein by this reference.

**Section 2:**     *Term of the Contract.* This agreement shall be for a term of three (3) years commencing on July 1, 2021, and terminating three (3) years later unless the **MANAGER** resigns or

is terminated prior to the end of the term. Thereafter the provisions of this agreement shall continue in full force and effect from year to year if a majority of the Assembly approves such extension at least 90 days before the end of the initial three-year term. The provisions of this agreement shall remain the same during any extensions unless both parties agree in writing to amend any or all of the provisions of the agreement. Provided, however, that increases in salary pursuant to Section 3 shall be deemed as amendments to this agreement without requiring a written amendment.

This agreement is intended to supersede the agreement of the parties dated November 4, 2016.

**Section 3:**                *Compensation and Annual Review.* The **ASSEMBLY** agrees to pay the **MANAGER** for services rendered at a salary of \$160,000 (One Hundred Sixty Thousand dollars) per annum paid semi-monthly beginning on July 5, 2021. The Borough Assembly agrees to review **MANAGER'S** performance and salary at least annually prior to adoption of the fiscal year budget. The **MANAGER** is hereby authorized to schedule a request for performance evaluation on the Assembly agenda for the second regular meeting in April of each year. The compensation of **MANAGER** may not be decreased except as provided in Section 4.

**Section 4:**            *Reduction in Compensation.* In the event the **ASSEMBLY** at any time without **MANAGER'S** consent reduces his salary or other financial benefits, except to the same degree as a reduction for all non-union employees, or except for noncompliance by the **ASSEMBLY** with the terms of Section 6 hereof, **MANAGER** may, at his option, deem that he has been "terminated" within the meaning of this Agreement, and shall be entitled to the severance payments provided for under Section 6 of this Agreement.

**Section 5:**            *Hours of Work.* In accordance with Section 3.15.170(b) of the Ketchikan Gateway Borough Code (Borough Code) the **MANAGER** shall work the hours necessary to perform required duties without overtime compensation or compensatory leave.

**Section 6:**            *Termination and Resignation.* This agreement may be terminated as follows:



(a) Termination. **MANAGER** acknowledges and agrees that he will serve at the pleasure of the Assembly and that he may be removed at any time by the Assembly with or without cause. In the event he is terminated by the Assembly, or the Assembly requests his resignation, the Borough agrees to pay him a lump sum cash payment equal to the value of 100% of his accrued leave, less required deductions, including taxes.

(b) Voluntary Resignation. If **MANAGER** voluntarily resigns, he shall be entitled to payment of an amount equal to the value of 100% of accrued leave, less required deductions, including taxes; however, if the **MANAGER** fails to give ninety (90) days' written notice of resignation all unused leave shall be forfeited.

**Section 7:** *Membership Dues, Conferences, and Training.* The **ASSEMBLY** agrees to cooperate in providing the **MANAGER** with professional training and growth by providing funding for the following:

- (a) The Borough will provide membership dues and admission fees for ICMA, AMAA if requested. Membership dues to other appropriate professional groups are subject to review and approval annually by the **ASSEMBLY** during the budget process.
- (b) Reasonable and necessary costs associated with the **MANAGER'S** travel, training, and attendance at official meetings, educational seminars and programs, conferences and professional development as such are reviewed and approved annually by the **ASSEMBLY** during the budget process.

**Section 8:** *Leave provisions.* Paid time off (PTO), paid holidays, unexpected absences, death in the family, military leave, and court leave shall be as provided by Borough Code. Provided, however, that the **MANAGER** accrue PTO at the rate of 36 (thirty-six) days per year. PTO shall be used for absences in excess of two (2) hours. The **MANAGER'S** balance of accrued PTO existing at

the commencement of this agreement shall carry forward.

**Section 9: Retirement Benefits.** The position of Borough Manager is not included in any retirement benefit system at the time of execution of this Employment Agreement. The **ASSEMBLY** shall not be obligated to provide for any retirement benefits for the **MANAGER** apart from allowing the **MANAGER** to participate, on a voluntary basis, in deferred compensation opportunities available to borough employees.

**Section 10: Health Benefits.** The **MANAGER** shall receive the same health insurance benefits as that in effect for non-represented Borough employees.

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- (a) Terminology. Whenever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter gender.
- (b) Paragraph Headings. The headings of the several sections and subsections contained herein are for convenience only and do not define, limit or construe the contents of such sections and subsections.
- (c) Successors and Assigns. Except as otherwise provided herein, the covenants, agreements and obligations herein contained shall extend to bind and inure to the benefit not only of the parties hereto but their respective personal representatives, heirs, successors and assigns.
- (d) Severability. In the event any provision of this agreement is adjudicated or held to be

invalid or unenforceable, the remaining provisions shall remain in full force and effect.

**WHEREFORE** the parties have entered into this Employment Agreement the date and year first written at the City of Ketchikan, Alaska.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Ruben Duran, Borough Manager

**KETCHIKAN GATEWAY BOROUGH ASSEMBLY**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Rodney Dial, Borough Mayor

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Kacie Paxton, Borough Clerk

\_\_\_\_\_  
Glenn Brown, Borough Attorney

## Kacie Paxton

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**From:** Glenn Brown  
**Sent:** Friday, June 11, 2021 3:00 PM  
**To:** Kacie Paxton  
**Cc:** Cindy Montgomery  
**Subject:** FW: Draft Contract 2021-2024  
**Attachments:** Draft Contract 2021-2024; Supplement to No. 5.pdf; 2021-2024 Borough Manager Contract.docx

Kacie, things are happening quickly now. These two emails and the attached document can be added to the Responses to Bockhorst Records Request No. 5. I will likewise now supplement with the most recent round of documents since, it appears, we have a contract. If you recall, I was awaiting assent from the requisite number of Assembly members.

Glenn

Glenn J. Brown  
Borough Attorney  
Ketchikan Gateway Borough  
(907) 228-6635  
(C) (267) 303-4630

**EMPLOYMENT AGREEMENT**  
**Between the**  
**KETCHIKAN GATEWAY BOROUGH ASSEMBLY**  
**And Ruben Duran, Borough Manager**

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is terminated prior to the end of the term. Thereafter the provisions of this agreement shall continue in full force and effect from year to year if a majority of the Assembly approves such extension at least 90 days before the end of the initial three-year term. The provisions of this agreement shall remain the same during any extensions unless both parties agree in writing to amend any or all of the provisions of the agreement. Provided, however, that increases in salary pursuant to Section 3 shall be deemed as amendments to this agreement without requiring a written amendment.

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commencement of this agreement shall carry forward.

**Section 9: Retirement Benefits.** The position of Borough Manager is not included in any retirement benefit system at the time of execution of this Employment Agreement. The **ASSEMBLY** shall not be obligated to provide for any retirement benefits for the **MANAGER** apart from allowing the **MANAGER** to participate, on a voluntary basis, in deferred compensation opportunities available to borough employees.

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- (d) Severability. In the event any provision of this agreement is adjudicated or held to be

invalid or unenforceable, the remaining provisions shall remain in full force and effect.

**WHEREFORE** the parties have entered into this Employment Agreement the date and year first written at the City of Ketchikan, Alaska.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Ruben Duran, Borough Manager

KETCHIKAN GATEWAY BOROUGH ASSEMBLY

Dated: \_\_\_\_\_

\_\_\_\_\_  
Rodney Dial, Borough Mayor

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Kacie Paxton, Borough Clerk

\_\_\_\_\_  
Glenn Brown, Borough Attorney

## Glenn Brown

---

**From:** Glenn Brown  
**Sent:** Tuesday, May 11, 2021 5:18 AM  
**To:** Rodney Dial  
**Subject:** Re: Draft Borough Manager Contract

Got it. Thanks. I'll make that change.

Glenn

Glenn J. Brown  
Borough Attorney  
Ketchikan Gateway Borough  
(907) 228-6635  
(C) (267) 303-4630

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**From:** Rodney Dial <rodneyd@kgbak.us>  
**Sent:** Monday, May 10, 2021 10:54:43 PM  
**To:** Glenn Brown <glennb@kgbak.us>  
**Subject:** Re: Draft Borough Manager Contract

*Hello Glenn,*

Looks great with one exception. I believe the Assembly wanted to give Ruben 36 days of PTO, three per month. The contract shows 30.

Thank you for doing this

*Rodney Dial*  
*Mayor*  
*Ketchikan Gateway Borough*  
rodneyd@kgbak.us  
907-220-6861

---

**From:** Glenn Brown <glennb@kgbak.us>  
**Sent:** Monday, May 10, 2021 10:20 AM  
**To:** Rodney Dial <rodneyd@kgbak.us>  
**Cc:** Cindy Montgomery <cindym@kgbak.us>  
**Subject:** Draft Borough Manager Contract

Mayor, though this sounds like this will not move forward immediately, I prepared a new employment contract for the manager per the terms you related to me. I likewise reviewed the terms in a phone call with Judith as you suggested.

Once you confirm the terms of the draft, I will share with Ruben for his review. It would be good to have this queued up and ready to go for Assembly approval in late June or thereafter.

Glenn

Glenn J. Brown  
Borough Attorney  
Ketchikan Gateway Borough  
(907) 228-6635  
(C) (267) 303-4630

## Kacie Paxton

---

**From:** Jeremy Bynum  
**Sent:** Friday, June 4, 2021 4:15 PM  
**To:** Cynna Gubatayao  
**Subject:** Retirement Benefits

Cynna,

Please validate the following for the Manager: "The waiver of the retirement benefits remains in place. Under the current contribution rate of 22 percent the savings to the Borough are: 2021: \$36,300 2022: \$37,400 2023: \$38,500." My understanding is that there is still a financial liability for the Borough even with a waiver. Is it possible to get the actual figures available for Monday's meeting for the savings by not having the Borough Manager participate in the retirement system?

Jeremy Bynum  
Assembly Member  
Ketchikan Gateway Borough