

**EMPLOYMENT AGREEMENT FOR COUNTY MANAGER**  
**Effective July 14, 2021**

This **EMPLOYMENT AGREEMENT** (this "Agreement") is entered into by and between the **INCORPORATED COUNTY OF LOS ALAMOS** ("Employer" or "County") and **STEVEN LYNNE** ("Employee"), an individual who has education, training, and experience in local government management and who, as a member of the American Institute of Certified Public Accountants, is subject to its Code of Ethics. Hereafter, Employee and Employer are collectively referred to as the "Parties."

**I. DUTIES AND RESPONSIBILITIES**

1.1 Beginning July 14, 2021, Employee shall serve and perform the duties of the County Manager as specified in the County Charter of the Incorporated County of Los Alamos, applicable provisions of the County Code, the job description adopted by Employer, and to perform other legally permissible and proper duties and functions as assigned.

1.2 Employee and Employer acknowledge and agree that matters related to personnel at all levels are operational in nature and within the purview of the County Manager, and that decisions relating to personnel are the responsibility of the County Manager, except as otherwise provided for in the County Charter.

1.3 Employee, as the County Manager, shall be an ex-officio, but non-voting, member of the Board of Public Utilities.

**II. PERFORMANCE GOALS**

2.1 Employee shall report to the County Council in accordance with the County Charter and County Code.

2.2 The County Council, in consultation with Employee, shall, within ninety (90) days after the effective date of this Agreement, establish Employee's performance goals and objectives in writing. Written performance goals and objectives shall be updated at least annually and shall reflect relative priorities among the established performance goals and objectives.

2.3 The County Council shall review and evaluate the performance of Employee at or around the beginning of each fiscal year and at least once annually. Said annual review and evaluation shall reflect Employee's attainment of the goals and performance objectives established under Paragraphs 2.2 above, or the attainment of goals and objectives set for the office in the preceding year if new goals and objectives were not developed. The evaluation shall take into consideration the relative priorities among those goals and objectives. At the time of the performance evaluation, the Council Chair shall provide Employee with a written summary of the evaluation with an overall rating of one of the following: (1) unsatisfactory/needs improvement, (2) meets expectations, (3) exceeds expectations, or (4) far exceeds expectations, and provide Employee with an adequate opportunity to discuss his performance evaluation with the County Council.

2.4 Concurrent with the performance evaluation at or around the beginning of the Fiscal Year and annually thereafter, if the County Council determines that Employee's overall rating is unsatisfactory/needs improvement, Employee shall not receive a merit-based increase in his annual base salary. If the County Council determines that the Employee's overall rating is meets expectations, Employee shall receive a one percent (1%) merit-based increase to his annual base salary. If the County Council determines that the Employee's overall rating is exceeds expectations, then Employee shall receive a two percent (2%) merit-based increase to his annual base salary. If the County Council determines that the Employee's overall rating is far exceeds expectations, then Employee shall receive a three percent (3%) merit-based increase to his annual base salary. However, if Employer does not provide for merit-based pay increases in its annual budget for general county employees for a Fiscal Year, Employer is not required to provide Employee a merit-based increase to Employee's annual base salary for that Fiscal Year.

2.5 In addition to, and distinct from, the merit-based increases to annual base salary provided for Paragraphs 2.3 and 2.4 above, Employee shall be provided a cost of living (sometimes alternatively referred to as a cost of labor or any other similar type of structure adjustment) increase to his annual base salary in amount equal to the cost factor applied to the salary structure of general County employees for the Fiscal Year. However, if Employer does not provide a cost of living increase to general County employees by increasing the salary structure by a cost factor in its annual budget for a Fiscal Year, Employer is not required to provide Employee a cost of living increase to Employee's base salary as provided here for that Fiscal Year.

2.6 Employer shall not reduce Employee's base salary, compensation or other benefits of Employee under this Agreement except to the degree such reduction is applied to all Department Heads of Employer.

2.7 Nothing in this section shall preclude Employee from receiving an additional pay increase at any time based on performance, a desire of Employer to retain Employee, or as otherwise deemed appropriate by Employer. Any such increase in the annual base salary that exceeds the increase in annual base salary as provided for in Paragraphs 2.3, 2.4, and 2.5 above, shall be approved by County Council. However, any increase in benefits provided for in this Agreement shall be approved only by an Amendment to this Employment Agreement.

### **III. TERM OF EMPLOYMENT: RENEWAL**

3.1 Employee shall serve at the pleasure of the Employer, and nothing herein shall be taken to prevent, limit or otherwise interfere with the right of the Employer to suspend or terminate Employee at any time as provided for in the Charter subject only to the provisions of Section 6 of this Agreement.

### **IV. COMPENSATION, LEAVE AND BENEFITS**

4.1 Employee shall be paid an annual base salary of TWO HUNDRED TWENTY-FIVE THOUSAND FIVE HUNDRED NINETY-THREE DOLLARS (\$225,593.00), payable bi-weekly or in the same installments as other employees of Employer. Salary payments shall be subject to federal and state income tax withholding, and all withholding authorized by Employee or required by law. Employee shall be an employee of Employer and is entitled to all benefits, at Employee's option, as are available to other full-time employees of Employer as set forth in its Personnel Rules and Regulations, as well as the benefits specified herein, but Employee shall not be entitled to duplication of any benefit.

4.2 Employee shall accrue annual leave at the highest rate provided to any other non-public safety employee of Employer. Such leave shall be governed by Employer's Personnel Rules and Regulations.

4.3 Employee shall be entitled to sick leave accrued at the rates and subject to the same limits as those for full time regular employees under Employer's policies. Upon termination of this Agreement for any reason, other than retirement, by either party, Employee shall not be paid or receive any credit for any unused sick leave credited or accrued.

4.4 It is in the best interest of both Employer and Employee that Employee take at least seven (7) consecutive calendar days of leave annually, utilizing at least five (5) days of accrued annual leave. Employee must take this leave each calendar year. Except in cases of emergency, leave must be scheduled in advance, with notice to the Council Chair.

4.5 Employee acknowledges that serving as the County Manager requires Employee to devote a great deal of time outside normal office hours. Employee shall have discretion in setting Employee's work hours.

4.6 The provisions of County Personnel Rules and Regulations to the contrary notwithstanding, Employee shall not accrue compensatory time and shall be entitled to no compensation or benefits by reason thereof.

4.7 Employee's annual and sick leave balances accrued as an employee prior to entering this Agreement shall carry forward.

4.8 Beginning with the first paycheck dated in August of 2021, Employee shall be paid a monthly vehicle allowance of \$425.00 per month.

## **V. RETIREMENT**

5.1 Employee shall participate in Employer's retirement and pension plan(s), the Los Alamos County Employee Pension Plan ("LACEPP") and the New Mexico Public Employee Retirement Association ("PERA") plan, in accordance with the policies of Employer. Employer shall pay contributions into such plans on Employee's behalf as provided by the plans.

5.2 In addition to Employer's contributions to PERA described above, Employer in accordance with Los Alamos County Resolution No. 19-13, shall "pick-up" an amount of the Employee's required contribution equal to 5% of the Employee's annual base salary and pay such amount to PERA on the Employee's behalf and reduce the Employee's direct required contribution by an equal amount. To the extent required by Internal Revenue Code Section 414(h)(2) for Employee's contributions to PERA, and New Mexico Statutes Chapter 10, Section 11-5, the County shall be responsible for making contributions as follows:

This "pick-up" shall make for a total employer contribution of 14.80% of Employee's annual base salary. As a result of the contributions "picked-up" by the Employer, the Employee shall contribute 9.65% of Employee's annual base salary. The provisions of this paragraph are subject to the rules governing PERA and are subject to change to assure conformance with PERA rules or in the event the contributions required by PERA change.

5.3 In addition to any other contributions to retirement or pension plans, Employer agrees to contribute an amount equal to five (5%) percent of Employee's base salary on Employee's behalf to the ICMA 457 Retirement Plan. Employee may make a one-time election at the inception of this agreement to forgo this retirement contribution and instead have an additional five percent (5%) added to initial salary base.

5.4 The ownership of all contributions made by Employee to any of the Employer's retirement or pension plans, and such additional amounts made by Employer to PERA and ICMA 457 on Employee's behalf under Sections 5.2 and 5.3 of this Agreement, shall immediately vest in Employee subject to the rules and regulations of each plan.

## **VI. TERMINATION OF EMPLOYMENT**

6.1 The parties may mutually terminate this Agreement in writing at any time and on any terms as the Parties shall agree.

6.2 Employee may terminate this Agreement at any time by providing at least sixty (60) calendar days' notice, in writing, to the County Council. Should Employee terminate this Agreement in this manner, Employee shall not be entitled to any compensation or payment other than Employee's base salary (subject to all federal and state income tax withholding and all withholding required by law or authorized by Employee) and other benefits accrued through the date of termination. The date of termination shall be sixty (60) days from the date notice is received or such other date as the Parties agree.

6.3 The County Council may terminate this Agreement unilaterally, without cause, at any time and for any reason. Employee may be placed on paid administrative leave by the County Council pending approval of termination by County Council. The date of termination shall be the date determined and approved by County Council. If the County Council terminates this Agreement under this paragraph 6.3, Employee shall be entitled to severance pay of an amount equal to one hundred eighty (180) calendar days base salary which shall be subject to all federal and state income tax withholding and all withholding required by law or authorized by Employee. In addition, Employee shall be paid an amount equal to the premiums required to maintain Employer provided insurance under COBRA for a period of ninety (90) days. Employer shall not be required to make any contributions to any retirement or pension plan on any sum paid under this Paragraph 6.3. Acceptance of this payment by Employee shall be deemed to be acceptance of liquidated damages and a release, indemnification, and a promise to hold harmless the Employer, the County Council, and Employer's employees from any claim by Employee arising under this Agreement or arising from or during Employee's employment with Employer.

6.4 The County Council may terminate this Agreement for cause at any time. Employee may be placed on paid administrative leave pending approval of termination by County Council. The date of termination shall be the date of delivery of the written termination notice. For purposes of this Agreement, "cause" shall include, but not be limited to, (a) embezzlement, theft, larceny, material fraud, or other acts of dishonesty; (b) material violation by Employee of any of Employee's obligations under this Agreement that is not cured within thirty (30) days after written notice to Employee of such material violation, provided however, that such notice need not be given more than once in any twelve (12) month period; (c) conviction of or entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse effect on Employee's ability to carry out Employee's duties under this Agreement or upon the reputation of the Employer; (d) conduct involving moral turpitude; (e) gross insubordination or repeated insubordination after written warning by the County Council through its Chair; or (f)

material and continuing failure by Employee to perform the duties of the County Manager, in a quality and professional manner for at least sixty (60) days after receipt of written warning from the County Council through its Chair. Upon termination for cause, Employer's sole and exclusive obligation shall be to pay to or on behalf of Employee the base salary earned through the date of termination (subject to all federal and state income tax withholding and all withholding required by law or authorized by Employee) and retirement or pension contributions calculated on the base salary earned through the date of termination and Employee shall not be entitled to any compensation after the date of termination.

6.5 This Agreement shall automatically terminate upon the death of Employee. Upon the death of Employee his estate and/or beneficiaries shall be entitled to all benefits accrued and payments due to an Employee of Employer, as well as Employee's base salary (subject to all federal and state income tax withholding and all withholding required by law or authorized by Employee), retirement and pension plan Employer contributions, and benefits through date of death, but this Agreement shall not require Employer to pay any additional sums and no other obligation to Employee, his heirs, representatives or assigns shall be created by this Agreement. This paragraph is not intended, and shall not be construed, to limit Employer's liability, if any, under the New Mexico Workers' Compensation Act.

6.6 If Employee is incapacitated for more than ninety (90) days such that Employee cannot fulfill Employee's responsibilities hereunder, Employer may terminate this Agreement with written notice to Employee. Upon such termination Employer shall pay to Employee Employee's base salary earned through the date of termination (subject to all federal and state income tax withholding and all withholding required by law or authorized by Employee), and retirement and pension plan employer contributions, through date of termination. Employee shall be entitled to all benefits available to an Employee of Employer under its then-current rules and regulations, but Employee shall not be entitled to any additional compensation or payment under this Agreement. This paragraph is not intended, and shall not be construed, to limit Employer's liability, if any, under the New Mexico Workers' Compensation Act and is intended by the Parties to be in compliance and conformance with the Americans with Disabilities Act.

For purposes of section 6.6, Employee shall be incapacitated such that he cannot fulfill his responsibilities hereunder if Employee (1) has been declared legally incompetent by a Final Court Decree (the date of such decree being deemed to be that date on which the disability occurred), (2) has received disability insurance benefits from any disability income insurance policy maintained by the Employer for a period of three (3) consecutive months (the date of disability being deemed to be that date on which the third consecutive payment is received), or (3) has been found by a licensed New Mexico physician to be disabled pursuant to a Disability Determination. A "Disability Determination" means a finding that Employee, because of a medically determinable disease, injury, or other mental or physical disability, is unable to perform substantially all of his regular duties for the Employer, and that such disability is determined or reasonably expected to last at least ninety (90) days. The date of any physician's written opinion conclusively finding Employee to be disabled is the date on which the disability shall be deemed to have occurred.

6.7 Employee may treat this Agreement as terminated under paragraph 6.3, above, if (1) Employer reduces Employee's base salary or other benefits in a greater percentage than is generally reduced for Employer's department heads at that time, or (2) Employer is in violation of any term of this Agreement. Provided, however, that Employee must first give written notice to the Employer of Employee's intention to treat this Agreement as terminated, state with specificity

the basis on which Employee deems this Agreement terminated and gives Employer thirty (30) days in which to cure the action or inaction upon which Employee bases this determination. If the action or inaction is one which cannot be reasonably cured within thirty (30) days of notice, the action or inaction shall be deemed cured if substantial action is taken by the Employer within the thirty (30) days. If the action or inaction is one which cannot be reasonably cured within thirty (30) days of receipt of the notice, then this Agreement shall be terminated, and Employee shall be entitled to all payments specified under paragraph 6.3 herein. The effective date of such termination shall be the date of Employee's notice. If the action or inaction is cured, Employee shall not be entitled to treat his employment as terminated.

6.8 Before Employer terminates this Agreement for any reason other than death or disability of Employee, the Council Chair shall request Employee's resignation. If Employee does not provide a signed, written resignation to the Chair within five (5) calendar days of the request (not counting the day of the request) then Employer may proceed to terminate Employee's employment hereunder. If Employee presents a signed, written resignation to the Council Chair within five (5) calendar days of the request (not counting the day of the request) then the Employee shall be deemed to have resigned under paragraph 6.3, above and shall be only entitled to those payments specified therein, provided that such resignation shall occur immediately.

## **VII. RESIDENCE REQUIREMENT**

7.1 Employee shall maintain residence within the Incorporated County of Los Alamos so long as this Agreement remains in force and effect unless Employee retires and has started pre-retirement leave, then this residency requirement is waived.

## **VIII. VEHICLE USE**

8.1 Employee shall be entitled to use of an Employer-furnished vehicle in accordance with Employer's policies or if Employee's personal vehicle is used for business use, Employee shall be entitled to mileage reimbursement in accordance with Employer's Travel Rules and Regulations.

## **IX. REIMBURSEMENT OF BUSINESS EXPENSES: PROFESSIONAL DEVELOPMENT**

9.1 Employer shall reimburse Employee for travel and out-of-pocket business expenses in accordance with the Employer's policies.

9.2 Employee, as part of Employee's duties as County Manager, shall annually present to County Council a budget consistent with budget policy and guidelines developed by the Employer. The proposed budget shall include funds to pay for the travel, subsistence and other business expenses of Employee for professional and official travel, meetings and occasions adequate to continue the professional development of Employee and to adequately pursue necessary, official, and other functions for the Employer including, but not limited to, the ICMA Annual Conference, the state league of municipalities, and such other national, regional, state, and local governmental groups and committees in which Employee participates. The proposed budget shall also include funds for travel and subsistence expenses of Employee for short courses, institutes and seminars as may be required as a condition of Employee's remaining in good standing with his professional licensing authorities as mutually agreed upon by Employee

and Employer. The proposed budget shall also include funds to pay for professional dues, memberships, and subscriptions of Employee necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for Employee's continued professional participation, growth and advancement, and for the good of the Employer as follows: professional dues for, memberships, and subscriptions for ICMA, GFOA, AICPA, International Economic Development Council, New Mexico Municipal League, National League of Cities, national associations for counties and county/city manager, and the Innovations Group. In addition, Employer shall pay, in an amount not to exceed TWO THOUSAND DOLLARS (\$2,000.00) annually, professional dues, memberships, and subscriptions to other professional associations or local chapters of civic organizations in which Employee wishes to participate and finds participation desirable to meet Employee's job requirements and expectations.

9.3 Employer shall pay for any budgeted travel, subsistence, and business expenses of Employee to which paragraph 9.2 refers, but Employer is not obligated to approve the budget as submitted or to approve any travel, subsistence, or business expenses inconsistent with Employer's policies.

## **X. OUTSIDE EMPLOYMENT**

10.1 The position of County Manager is a full-time position. Employee shall use Employee's best efforts and dedicate Employee's full time to the completion of job responsibilities of the County Manager. To this end, Employee shall not accept any other contemporaneous employment without the prior consent of the County Council. Occasional teaching, writing, consulting or military reserve service performed on Employee's time off shall not violate the terms of this paragraph and shall not require the prior consent of the County Council.

10.2 Employee shall not spend more than ten (10) hours per week in teaching, writing, consulting or other non-employer connected business without the prior approval of the County Council, which consent shall not be unreasonably withheld.

## **XI. INDEMNIFICATION**

11.1 Employee shall be entitled to all the immunities and indemnifications afforded by the New Mexico Tort Claims Act 41-4-1 et seq, NMSA 1978, and by liability insurance or self-insurance maintained by the Employer for the benefit of its employees.

11.2 To the extent that immunity or indemnification may not be afforded by the New Mexico Tort Claims Act or by liability insurance, except as otherwise prohibited by law, Employer shall indemnify Employee for acts and omissions allegedly arising out of his employment by Employer under those circumstances and to the same extent as currently allowed by Section 53-11-4.1 NMSA 1978 for a business corporation to indemnify its directors and officers. For purposes of implementing such indemnification, County Council shall be deemed to be the Board of Directors of the corporation, Employee shall be deemed to be an Officer of the corporation, the County shall be deemed to be the corporation and all references to shareholders shall be disregarded.

## **XII. BONDING**

12.1 Employer shall bear the full cost of any fidelity or other bond(s) required of Employee under any law or ordinance. Employee knows of no reason why Employee might not

qualify for any such bond.

### **XIII. NOTICES**

13.1 Notice under this Agreement shall be deemed given on the day personally delivered or three (3) days after deposit in the United States Mail, first class postage pre-paid, to a party at the address set forth below:

EMPLOYER: Incorporated County of Los Alamos  
Attn: Chair of the County Council  
1000 Central Ave.  
Los Alamos, New Mexico 87544

EMPLOYEE: Steven Lynne  
c/o County Manager's Office  
1000 Central Avenue, Suite 350  
Los Alamos, New Mexico 87544

An address may be changed by notification to the other party in writing delivered as specified for notices hereunder. Unless such notice is made, a party is entitled to rely on the address stated above.

### **XIV. GENERAL PROVISIONS**

14.1 This Agreement sets forth and establishes the entire understanding between Employer and Employee relating to the employment of Employee. Any prior discussions or representations by or between the Parties are merged into and rendered null and void by this Agreement.

14.2 Any amendment to this Agreement shall be effective only if evidenced by a writing, dated and signed by both Parties.

14.3 This Agreement is entered into under the laws of the State of New Mexico. Its laws shall govern the interpretation and enforcement of this Agreement.

14.4 Each party hereto has been advised of its right to representation by counsel of its own choosing.

14.5 The invalidity or partial invalidity of any provision, paragraph, sentence or clause in this Agreement shall not affect the validity of the remainder of the Agreement. In the event that any part of this Agreement is held to be invalid, the remaining provisions shall continue in full force and effect.

14.6 Insofar as the terms of this Agreement are different from or in contradiction or conflict with the personnel policies and procedures of the Employer, the terms of this Agreement shall control.

14.7 This Agreement is not assignable by either party.

14.8 This Agreement shall be binding upon the heirs, administrator, representatives and

assigns of Employee.

14.9 Waiver of a breach of any provision of this Agreement by either party shall not operate or be construed as a waiver of any subsequent breach by the other party.

14.10 All references to "days" herein shall be business days unless otherwise specified.

**IN WITNESS WHEREOF**, Employer has authorized this Agreement to be signed and executed on its behalf by the Chair of the County Council, and duly attested to by its County Clerk, and Employee has signed and executed this Agreement to be effective the day and year first above written.

**Attest:**

\_\_\_\_\_  
**Naomi D. Maestas**  
**Los Alamos County Clerk**

**By:** \_\_\_\_\_  
**Randall T. Ryti, Council Chair**                      **Date**

**EMPLOYEE:**

\_\_\_\_\_  
**Steven Lynne**