

**Employment Agreement  
Between Joseph F. Lisitano  
And  
City of Mesa**

This Employment Agreement (“Agreement”) is effective on January 4, 2021 by and between the City of Mesa, an Arizona municipal corporation (“Employer”) and Joseph F. Lisitano (“Employee”). Employer and Employee may be referred to individually as “Party” and collectively as “Parties.”

In consideration of the mutual covenants and undertakings set forth below, the Parties agree as follows:

**I. Term**

This Agreement shall become effective on January 4, 2021 and shall remain in full force and effect until terminated by either Party as provided for in this Agreement.

**II. Duties and Authority**

Employee agrees to perform the functions and duties of City Auditor, as specified in the Mesa City Charter, the Mesa City Code, and as directed by the Mesa City Council.

Employee understands and acknowledges that the City Auditor is an at-will position and serves at the pleasure of the Mesa City Council, pursuant to Section 401(E) of the Mesa City Charter.

**III. Compensation and Benefits**

- a. Base Pay: Employee will be paid an annual base salary of \$142,000 payable in installments at the same time and in the manner that other City of Mesa employees are paid.

Employee will be eligible for salary increases based upon merit and performance, as determined by the Mesa City Council. Employee will be eligible for cost of living increases as provided in the budget for other City of Mesa executive-level employees.

- b. One-Time Payment: Consistent with the one-time payment made to eligible City of Mesa employees, Employer will pay to Employee a one-time gross payment of \$2,000, applicable taxes and withholdings to be deducted, to be direct deposited on January 15, 2021 into Employee’s account on file with the City of Mesa payroll system.
- c. Deferred Compensation: Employer will pay \$15,000 per year into a defined contribution plan established by Employer on Employee's behalf. Payments will be made in equal amounts each pay period. Employee will designate the defined contribution plan.
- d. Arizona State Retirement System: Employer will be responsible for Employer’s contribution and Employee will be responsible for Employee’s contribution to the Arizona State Retirement System.

- e. Benefits and Life Insurance: Employee is entitled to the same benefits, including but not limited to sick leave, medical, dental, vision, and life insurance benefits provided to other City of Mesa executive-level employees.
- f. Vacation Leave: Employee shall accrue 17 hours of vacation leave per month.

The maximum accumulation of vacation leave is 240 hours. If Employee has accumulated more than 240 hours of vacation leave after December 31 of each year and has taken at least 40 hours of vacation leave during that calendar year, Employee will be paid for the excess vacation leave hours after December 31 of that year. The Parties agree that any annual vacation payout is considered a mandatory amount paid under an Employer policy to reduce Employee's accrued vacation leave balance to the prescribed maximum.

- g. Sick Leave: Upon retirement from the City of Mesa or death while employed at the City of Mesa, Employee is entitled to compensation for accumulated sick leave hours as follows:
  - 1. Consistent with the benefits offered to other City of Mesa full-time employees, Employee is entitled to compensation, at Employee's effective hourly rate of pay, for 50% of Employee's accumulated sick leave hours. Compensated sick leave hours under this Paragraph 1 shall not exceed 520 hours.
  - 2. In addition to Paragraph 1, Employee is also entitled to compensation, at Employee's effective hourly rate of pay, for a percentage of Employee's accumulated sick leave hours not compensated for under Paragraph 1 above. This percentage is calculated by dividing the number of full months (up to 120 months) employed as City Auditor, whether in an interim or permanent role, by 120 months. Compensated sick leave hours under this Paragraph 2 shall not exceed 520 hours.
- h. Automobile Allowance: Employer will pay \$4,800 per year, payable monthly (\$400 per month), as a vehicle allowance to be used to purchase, lease, or own, operate, and maintain a vehicle. Employer will reimburse Employee at the City of Mesa's standard mileage rate for any business use of the vehicle beyond the corporate boundaries of Maricopa County.

Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage upon such vehicle and said insurance shall be primary and Employer's insurance shall be secondary. Employee shall also be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and regular replacement of the vehicle.
- i. Communication Allowance: Employer will pay Employee \$960 per year, payable monthly (\$80 per month), as a communication allowance.

#### **IV. Liquidated Damages for Termination**

If Employee is terminated without cause, and in consideration for a full and complete release of all claims and causes of action against Employer, Employer agrees to pay Employee an amount equal

to six months' salary, calculated using Employee's salary at the time of termination. If, however, Employee is terminated because of a felony conviction or any criminal offense involving moral turpitude or because of his willful breach or habitual neglect of his duties under the Agreement, Employer shall have no obligation to pay this amount.

In the event Employee voluntarily resigns his position with Employer, Employee shall provide the Mesa Mayor and Mesa City Council a minimum of 30 days' written notice unless the Parties agree otherwise. If Employee voluntarily resigns, Employer will have no obligation to pay the sum set forth in this provision.

## **V. Other Terms and Conditions of Employment**

- a. Applicability of Mesa Personnel Rules: The Parties understand and agree that all terms and provisions in the Mesa Personnel Rules are applicable to Employee, unless inconsistent with the terms of this Agreement.
- b. Severability: The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. If any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by the Parties subsequent to the expungement or judicial modification of the invalid provision.
- c. Governing Law: This Agreement will be governed by and construed in accordance with the laws of the State of Arizona. The Parties agree that venue will be Maricopa County, Arizona.
- d. Complete Agreement: This represents the complete Agreement between the Parties. Any amendments to this Agreement must be in writing and signed by the Parties.

EMPLOYEE

\_\_\_\_\_  
Joseph F. Lisitano

\_\_\_\_\_  
Date

CITY OF MESA

\_\_\_\_\_  
John C. Giles  
Mayor

\_\_\_\_\_  
Date

Approved as to form:

\_\_\_\_\_  
James N. Smith  
City Attorney

\_\_\_\_\_  
Date