

**LAKE HAVASU CITY EMPLOYMENT CONTRACT  
CITY MAGISTRATE  
2025-2027**

This Employment Contract (“Contract”) is entered into June 10, 2025, by and between Lake Havasu City, an Arizona municipal corporation, acting by and through its duly authorized Mayor and City Council (“City”) and Mitchell Kalauli (“City Magistrate”), collectively referred to as the “Parties.” The Parties agree as follows:

1. Employment: City appoints City Magistrate and City Magistrate accepts appointment as presiding City Magistrate of the Municipal Court of City upon the terms and conditions of this Contract.
  
2. Term: This Contract and the term of employment commences on July 1, 2025, and continues in effect until June 30, 2027, unless terminated as provided in this Contract. City Magistrate’s performance may be reviewed, at minimum, every twelve (12) months during the course of this Contract. At least six (6) months prior to the expiration of the term, City and City Magistrate may begin negotiations for a new employment contract for the City Magistrate position. If it is the intent of the City not to enter into a new employment contract with City Magistrate, City agrees to provide notice of intent not to enter into a new employment contract with City Magistrate at least three (3) months prior to the expiration of the term.
  
3. Duties and Responsibilities: City Magistrate agrees to perform all duties and shall have all powers and authority granted to the City Magistrate in City Code Chapter 2.56, and as otherwise requested by City or provided for under applicable state law. City Magistrate shall devote the time necessary to the administration of the Municipal Court of City.
  
4. Management and Operation of Municipal Court: City Magistrate shall, at all times during the term of this Contract, comply with the rules, regulations and requirements of the Arizona Supreme Court and the Arizona Administrative Offices of the Court, and the City’s Human Resources policies, rules, and regulations in the administration of the court and employees assigned to the court in accordance with City Code Chapter 2.56.
  
5. Compensation: During the term of this Contract, City Magistrate will be compensated as follows:
  - 5.1. Annual salary in the amount of \$203,050.70 paid in accordance with City’s bi-weekly payroll schedule. For fiscal year 2026-2027, the annual salary is eligible for an annual wage adjustment equivalent to what is received by other City employees if the annual salary is below market determined by a salary survey performed by Human Resources and only in the event other City employees receive a wage adjustment.

5.2. The City Magistrate position is a FLSA exempt position, and is not eligible for overtime compensation; however, City Magistrate is expected to engage in those hours of work that are necessary to fulfill the obligations of the position.

5.3. City Magistrate requires the use of an automobile during employment with City. No vehicle allowance is provided for that purpose. If City Magistrate's duties require driving more than ten (10) miles from the Court address, City Magistrate is entitled to reimbursement of mileage at the IRS rate in effect at that time, or City Magistrate may use an available City vehicle for travel. Any insurance, maintenance or repairs, gas, or other cost of operation of City Magistrate's personal vehicle is the responsibility of City Magistrate. Each year during the term of this Contract, City Magistrate may be asked to provide the City with proof of automobile liability insurance including coverage for property damage, with minimum limits of \$100,000/\$300,000/\$25,000.

5.4. City Magistrate shall accrue paid time off and other leave benefits at his current rate as outlined in the City's operating policies and procedures. Leave is to be scheduled as City Magistrate deems most efficient for the proper operation of the Court. In addition, City Magistrate is entitled to the same regular benefits available to other non-public safety department directors of City, unless otherwise specifically provided for in this Contract.

5.5. City Magistrate shall be entitled to group health insurance provided and available to department director level employees of City.

5.6. Subject to budget restrictions, City agrees to pay for the reasonable travel, registration, and subsistence expenses of City Magistrate for professional and official travel, meetings, and occasions adequate to continue the professional development of City Magistrate. It is anticipated by the Parties that these expenses may include required continuing legal education mandated by the State Bar of Arizona, as well as the state bar dues on an annual basis owed to the State Bar of Arizona.

5.7. All payments of salary due to City Magistrate are subject to federal and state withholding taxes and such other sums as City is required by law to withhold or deduct from City Magistrate's salary.

6. Termination:

6.1. It is expressly understood by the Parties that this Contract will end by its terms if not specifically renewed. During the term of this Contract the Parties agree and acknowledge that the Contract may only be terminated for cause by the City Council, or if City Magistrate becomes disqualified to serve as a Judge in the courts of Arizona.

6.2. If the City acts to terminate this Contract "for cause," City shall give written notice to the City Magistrate that his termination is "for cause" setting forth with particularity the reasons for termination "for cause." The phrase "for cause" as used herein, refers to any of the following: (1) willful or persistent failure to perform City Magistrate duties and responsibilities; (2) material breach of this Contract or City policy that is not cured upon thirty (30) days written notice; (3) conduct that leads to a charge or conviction of a felony

criminal offense; (4) any conduct which leads to a charge or conviction of a misdemeanor offense involving a crime of dishonesty or moral turpitude; (5) any formal complaint filed by either the State Bar of Arizona or the Arizona Judicial Commission which results in a formal reprimand, suspension of license to practice law, or disbarment of the City Magistrate; or (6) incapacitation or disability that prevents the performance of City Magistrate duties and responsibilities.

7. Resignation/Retirement: If City Magistrate decides to resign or retire and voluntarily terminates this Contract as a result, City Magistrate must give the City a minimum of forty-five (45) days advance written notice, unless the Parties agree otherwise. City Magistrate shall cease to be entitled to any further salary or benefits on/after the effective date of resignation or retirement.

8. Notices: Written notices shall be effectively given when either served personally, on the day it is delivered and signed for by either party to this Contract; or forwarded by overnight, registered mail on the day the postal receipt is acknowledged by the receiving party.

9. Liability Insurance: City agrees to insure City Magistrate through its comprehensive insurance coverage presently in effect, against any tort or professional liability claim, demand, or other legal action, whether groundless or otherwise, arising out of the performance of City Magistrate's duties for City, with the exception of actions brought on behalf of City or criminal actions taken against City Magistrate. Any attorney's fees, court costs, or other litigation related expenses incurred in connection with the defense of the claim, demand, or lawsuit shall be paid for by City.

10. Indemnification: Beyond that required under Federal, State or Local Law, City shall defend, save harmless and indemnify City Magistrate against any obligation to pay money or perform or not perform an action, including without limitation, any and all losses, damages, judgments, interests, settlements, penalties, fines, court costs and other reasonable costs and expenses of legal proceedings including attorney's fees, and any other liabilities arising from, related to, or connected with any tort, professional liability claim or demand or any other threatened, pending or completed action, suit or proceeding, whether civil, administrative, arbitative or investigation, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of City Magistrate's duties as city magistrate or resulting from the exercise of judgment or discretion in connection with the performance of duties or responsibilities, unless the act or omission involved willful or wanton conduct. City Magistrate recognizes that City shall have the right to compromise and settle any claim or suit unless it is of a personal nature to City Magistrate. Further, City agrees to pay all reasonable litigation expenses of City Magistrate throughout the pendency of any litigation to which the City Magistrate is a party, witness or advisor to the City. Such expense payments shall continue beyond City Magistrate's service to the City as long as litigation is pending.

11. Bonding: City agrees to bear the full cost of any fidelity or other bonds required of City Magistrate under any law or ordinance.

12. Severability Clause: If any provision, or any portion, contained in this Contract is held unconstitutional, invalid, or unenforceable, the remainder of this Contract, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

13. Final and Entire Agreement of the Parties: This Contract represents the final and entire agreement and understanding between the Parties and that any representations, negotiations, offers, proposals, promises or prior agreements are intended by the Parties to be integrated and merged herein and to be superseded by this Contract. This Contract may only be modified or amended through a new written contract signed by the Parties and approved during a public meeting by the City Council.

14. Attorney's Fees: If any legal proceeding is brought for the enforcement of this Contract, or because of an alleged breach, default, or misrepresentation in connection with any provision of this Contract, or other dispute concerning this Contract, the successful or prevailing party shall be entitled to recover reasonable attorney's fees and other costs incurred in that proceeding, in addition to any relief to which it may be entitled.

15. Governing Law: This Contract is intended to be governed by and construed in accordance with Arizona law.

16. Jurisdiction and Venue: The Parties agree that any action brought by one party against the other arising out of an alleged breach, default, or misrepresentation in connection with any provision of this Contract, or any other dispute concerning this Contract, shall be brought in Mohave County Superior Court.

17. Conflicting City Code or Administrative Regulation: This Contract is not intended to conflict with any City code or administrative regulations currently in force with the City. Should a conflict arise between existing City codes or administrative regulations and this Contract, the Contract provisions will prevail.

18. Signatures:

LAKE HAVASU CITY:

CITY MAGISTRATE:

\_\_\_\_\_  
Cal Sheehy, Mayor

\_\_\_\_\_  
Mitchell Kalauli, City Magistrate

ATTEST:

APPROVE AS TO FORM:

\_\_\_\_\_  
Kelly Williams, City Clerk

\_\_\_\_\_  
Kelly Garry, City Attorney