

CITY OF VALDEZ

PHYSICIAN RETENTION AGREEMENT

THIS PHYSICIAN RETENTION AGREEMENT (hereinafter “Agreement”) is made by and between John Cullen (hereinafter “Physician”) and the City of Valdez, Alaska (hereinafter the “City”) and is entered into on the ____ day of _____, 2026. Physician and City are each individually referred to herein as a “Party” and collectively as the “Parties.”

WHEREAS, the provision of reliable high-quality medical services is of great importance to the health and wellbeing of the City’s citizens; and

WHEREAS, the City has determined that an insufficient number of physicians presently serve the community, and the high turnover rate of physicians practicing within the City is detrimental to the health and wellbeing of the City’s citizens; and

WHEREAS, retaining highly capable physicians to practice in the City requires competitive pay and benefits; and

WHEREAS, the City desires to aid in the retention of physicians by offering a financial incentive in addition to regular pay and benefits; and

WHEREAS, offering a financial incentive is necessary to compete in the marketplace for the purpose of retaining skilled physicians practicing medicine in the City; and

WHEREAS, Physician has accepted employment to practice medicine on a full-time basis in the City and intends to continue practice within the City in accord with Physician’s employment contract.

NOW, THEREFORE, in consideration of the mutual covenants set out in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties agree as follows:

1. TERMS AND CONDITIONS

a. Physician shall maintain full-time employment practicing medicine within the City for the term of this Agreement. Full-time employment is defined as an average of forty (40) paid working hours per week. Periodic time spent practicing medicine outside the City for the purposes of gaining/maintaining competency is allowable as long as the Physician maintains full-time employment within the City.

b. Physician shall provide coverage at Providence Valdez Medical Center

within the scope of Physician's hospital privileges and for services upon terms agreed upon between Physician and Providence Valdez Medical Center.

c. Physician shall at all times comply with the terms of any agreement(s) with his or her employer. The City shall have the right to review any such agreement(s) with the understanding that the contents of any such agreement will be kept confidential from the public as required by such agreements or by law.

d. Nothing in this Agreement shall be interpreted as preventing Physician from acquiring an ownership interest in a medical practice.

e. This Agreement does not entitle Physician to any compensation for employment prior to the execution of this Agreement.

f. Execution of a Memorandum of Agreement with Physician's employer to facilitate administration of the program is a prerequisite to execution of this Agreement.

2. COMPENSATION

The City will compensate Physician as follows:

a. The City shall pay Physician up to twenty (20) quarterly retention payments in the amount of Fifteen Thousand Dollars (\$15,000) at the beginning of every three (3) months until the Physician reaches sixty (60) months of full-time employment from the date of execution of this Agreement. In the event Physician fails to work as a full-time employee practicing medicine in the City for the entire quarter after receiving a quarterly payment, the quarterly payment shall be repaid on a prorated basis at a daily rate equal to quarterly compensation divided by the number of days in the quarter.

b. Compensation under this Agreement is subject to appropriation of funds by the City Council.

3. TERM

This Agreement shall become effective on the date it is executed and shall remain in effect for a period of five (5) years.

4. TERMINATION

a. If either Party fails to perform any provisions herein, that Party shall be in default. The Party not in default may, by written notice, provide notice of the default. If the default is not cured within thirty (30) days or as otherwise agreed to in writing by the parties, then the non-defaulting party may terminate this Agreement in whole or in part for failure to perform. In such event, the defaulting Party shall be liable for damages, as well

attorney's fees arising out of or related to the default.

b. If Physician discontinues work as a full-time employee practicing medicine within the City for any reason, this Agreement may be terminated by the City.

c. The City may at its sole discretion terminate this Agreement upon the occurrence of any of the following events:

i. the denial, suspension, revocation, termination, restriction, or voluntary relinquishment of the professional license or privileges of Physician at Providence Valdez Medical Center;

ii. the death or inability of Physician to perform normal and ordinary duties as a physician due to sickness or accident for ninety (90) consecutive days;

iii. the termination or revocation of Physician's drug enforcement agency number; or

iv. the exclusion of Physician from participation in the Medicare, Medicaid, or other government health program.

5. SOLE BENEFIT OF PARTIES

This Agreement is for the sole benefit of the Physician and the City. Nothing in this Agreement is intended to confer any rights or remedies on any third party.

6. LIABILITY

In no event, whether as a result of breach of contract, tort liability, or otherwise, shall either party or its agents or employees be liable to the other party for indirect, economic, or consequential damages of any nature.

7. NOTICES

Notice under this agreement shall be given in writing and may be hand delivered, sent by U.S. Mail, or faxed as follows:

If to Physician:

John Cullen
P.O. Box _____
Valdez, Alaska 99686

If to City:

City of Valdez
P.O. Box 307
Valdez, Alaska 99686
ATTN: City Manager

A party may change the address to which or official to whom notice is to be given by giving notice of such change to the other party.

8. GOVERNING LAW/JURISDICTION

This Agreement shall be governed by, interpreted, and enforced in accordance with the laws of the State of Alaska and the laws of the United States, as applicable. The venue for all litigation arising out of or relating to this Agreement shall be Valdez, Alaska. The parties hereto irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of Alaska and waive any defense of *forum non conveniens*.

9. NO WAIVER OF IMMUNITIES

In no event shall the language of this Agreement constitute or be construed as a waiver or limitation for either Party's rights or defenses with regard to each Party's applicable sovereign, governmental, or official immunities and protections as provided by federal and state constitutions or laws.

10. SEVERABILITY

In the event any provision of this Agreement is held to be unenforceable or invalid for any reason, this Agreement shall remain in full force and effect and enforceable in accordance with its terms disregarding such unenforceable or invalid provision.

11. ASSIGNMENT

Physician may not assign or transfer any of Physician's rights, duties, or obligations under this Agreement, in whole or in part, without the prior written consent of the City.

12. ENTIRE AGREEMENT

This Agreement represents the entire agreement and understanding between the Parties relative to the recruitment and retention of physicians. All previous or contemporaneous contracts, representations, promises, and conditions relating thereto are superseded.

13. MODIFICATION, AMENDMENT, WAIVER

No modification, amendment, or waiver of any of the provisions of this Agreement

shall be effective unless in writing specifically referring hereto and authorized by both parties.

14. FEES AND EXPENSES CAUSED BY BREACH

The City is entitled to receive actual reasonable attorneys' fees and other expenses incurred by the City by reason of the breach of this Agreement by Physician.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date first above mentioned.

[SIGNATURES TO FOLLOW]

Physician

Signature

Name

Date

Mailing Address

City, State, Zip Code

City of Valdez, Alaska, Authorized

Dennis Fleming, Mayor

Date

Attested:

Sheri L. Pierce, MMC, City Clerk

Date

Approved as to Form:

Brena, Bell & Walker, P.C.
Jake. W. Staser