

**EMPLOYMENT AGREEMENT (CITY MANAGER) BETWEEN THE
CITY OF ORLAND AND PETER R. CARR**

The City of Orland (City), by and through its duly elected City Councilmembers (Council), located at 815 Fourth St., Orland, CA 95963, and Peter R. Carr (City Manager), in consideration of the mutual promises made herein, agree (Agreement) as follows:

ARTICLE 1. TERM OF EMPLOYMENT

Section 1.01. Term.

City hereby employs City Manager and City Manager hereby accepts employment with City as City Manager (Parties) for a period of three (3) years, commencing May 25, 2024 and ending May 24, 2027. Parties agree that not less than 180 days prior to the end of this term they will meet and confer to discuss extension of this Agreement.

Section 1.02. “Employment Term” – Defined.

As used herein, the phrase “employment term” refers to the entire period of employment of City Manager by City hereunder, whether terminated earlier as hereinafter provided or extended by mutual agreement between City and City Manager.

ARTICLE 2. DUTIES AND OBLIGATIONS OF CITY MANAGER

Section 2.01. Duties and Obligations.

City Manager shall serve as the City’s City Manager during the term of employment. In the capacity of City Manager, City Manager shall do and perform all services, acts or things necessary or advisable to manage and maintain the business of City, subject at all times to the policies set by City, Orland Municipal Code (OMC) Chapter 2.12, and in accordance with all applicable law.

Section 2.02. Faithful Performance.

City Manager agrees that to the best of his ability and experience he will at all times faithfully, loyally and conscientiously perform all of the duties and obligations required of him either expressly or implicitly by the terms of this Agreement.

Section 2.03. Outside Employment.

(a) City Manager shall devote his entire production time, ability and attention to the business of City during the term of this Agreement; provided, however, upon approval by the Council, that City Manager may undertake outside employment that does not interfere with the

duties and responsibilities of City Manager's position. Any consideration of outside employment shall be presented to the City Council for prior review.

(b) This Agreement shall not be interpreted to prohibit City Manager from making passive personal investments or conducting private affairs if those activities do not materially interfere with the services required under this Agreement.

ARTICLE 3. OBLIGATIONS OF CITY

Section 3.01. Compensation, Benefits, Expenses.

City shall provide City Manager with the compensation, incentives, benefits, and expense reimbursement specified elsewhere in this Agreement.

Section 3.02. Indemnification for City Losses.

City shall indemnify City Manager for all losses sustained by City Manager as a direct consequence of the discharge of his duties on City's behalf.

Section 3.03. Performance Evaluations.

City Manager shall receive annual performance evaluations by the Council.

Section 3.04. Independent Authority; Limitation.

Pursuant to pertinent state and local law, City Manager has the right to exercise his independent authority, subject to the general direction of the City Council.

ARTICLE 4. COMPENSATION OF CITY MANAGER

Section 4.01. Compensation.

(a) As compensation for the services to be rendered by City Manager hereunder, City shall pay City Manager the sum of \$173,000.00 per year for the first year of this agreement, \$176,460.00 per year for the second year of this agreement (a 2% increase), and \$180,000.00 per year for the third year of this agreement (a 2% increase).

(b) City Manager's salary shall in no event be reduced during the term of this Agreement except as included in a general salary reduction applied to City employees for whom the City Council has the authority to set salaries. In the event of such salary reduction, it shall be at the same percentage applied to other employees.

Section 4.02. Management Leave.

City Manager shall be entitled to receive 80 hours of Management Leave annually which shall accrue monthly. In consideration of this benefit, City Manager agrees to release and waive any and all claims or potential claims which did accrue or may have accrued for overtime compensation or any other such claims under the Fair Labor Standards Act or the California Labor Code from the date of City Manager's initial hire date through the date of this contract.

ARTICLE 5. CITY MANAGER BENEFITS

Section 5.01. Vacation.

City Manager shall be entitled to annual vacation time each year at the rate of 160 hours per year. Vacation time shall accrue monthly. Total accumulated vacation time shall not exceed 240 hours. Vacation time shall not accrue beyond 240 hours for the length of this Agreement. Any such vacation time beyond 240 hours shall be lost.

Section 5.02. Other Benefits.

City Manager shall receive medical insurance, retirement benefits and all other fringe benefits in amounts and types equal to those of City department heads and subject to change as department head benefits may change.

Use of the City Manager's personal motor vehicle for City-related transportation shall be reimbursed at the applicable IRS rate.

City Manager shall submit itemized monthly expense reports and shall be reimbursed for City-related expenses.

ARTICLE 6. TERMINATION OF EMPLOYMENT

Section 6.01. Termination as City Manager for Cause.

The City Manager's status as such and all rights under this Agreement hereunder may be terminated by the Council at any time upon a material breach of this Agreement, for the commission of a felony, for a crime involving moral turpitude or for any conduct bringing substantial discredit to the City. The Council shall not terminate this Agreement pursuant to this section until a written statement of grounds for termination has first been served upon the City Manager. The City Manager shall then be entitled to a meaningful hearing with the Council and shall have the right to have a representative of his choice at said hearing. The hearing with the Council shall be the City Manager's exclusive right to any hearing otherwise required by law. The hearing process shall be governed by the provisions of the OMC.

Section 6.02. Early Termination without Cause.

Notwithstanding any other provision of this Agreement, the Council, in its discretion, shall have the option to terminate this Agreement at any time during the term hereof, or upon any extension thereof; provided, however, that if the Council does terminate this agreement, without cause, prior to the expiration of the three (3) year term, the Parties agree that the effective date of such termination shall be 180 days from the date of notice of such termination (notice period). The Council reserves the right to require the City Manager to continue to provide services under this Agreement for up to 90 days during the 180 day notice period. The Council also reserves the right to reject such services during all or part of the 180 day notice period. Upon such rejection, if any, however, the City shall pay to City Manager salary only (no other benefits) through the end of the notice period. This provision shall not be construed to extend the term of this Agreement.

Section 6.03. Effect on Compensation if Early Termination.

In the event that this Agreement is terminated early, and subject to Section 6.02, City Manager shall be entitled to the compensation and benefits earned by and vested in him prior to the date of termination as provided for in this Agreement, computed pro rata up to and including that date.

Section 6.04. Termination by City Manager.

The City Manager shall provide City with at least 30 days' notice of termination of this Agreement.

ARTICLE 7. GENERAL PROVISIONS

Section 7.01. Affiliation – Professional and Local Associations.

During the term of this Agreement and any extensions thereof, City Manager shall maintain membership in good standing in the International City Management Association (ICMA) and shall subscribe to and act in accordance with the Associations' ethics codes. City agrees to pay the costs of such membership. City Manager shall also maintain membership in good standing in the City Manager's Department of the League of California Cities.

City Manager is expected to participate in City functions but is not expected to become a member of one or more community organizations. City will consider payment for one such membership upon presentation of such to the Council.

Section 7.02. Notices.

Any notices to be given by either party to the other shall be in writing and may be transmitted either by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notice shall be addressed to the City at 815 Fourth St, Orland, CA 95963.

Mailed notice shall be addressed to the City Manager at the mailing address then on file with the City Clerk's office. Each party may change their address by written notice in accordance with this section. Notices delivered personally shall be deemed communicated as of the date of actual receipt; mailed notices shall be deemed communicated as of the date of mailing.

Section 7.03. Attorney Fees.

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney fees. This provision shall be construed as applicable to the entire contract.

Section 7.04. Agreement an Entirety.

This Agreement supersedes any and all other agreements, either oral or written, between the Parties with respect to the employment of City Manager by City, and contains all of the covenants and agreements between the parties with respect to that employment in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, and which are not embedded herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

Section 7.05. Non-Waiver.

The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power be for all or any other times.

Section 7.06. Effect of Invalidity.

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

Section 7.07. Applicability – California Law and Venue.

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for enforcement shall be the County of Glenn, California.

Section 7.08. Construction with the Orland Municipal Code.

The terms of this Agreement are deemed additional terms and conditions of employment not inconsistent with any provisions of Chapter 2.12 of the OMC, as set forth at OMC section 2.130. In the event of any inconsistency, however, the terms of this Agreement shall prevail over the terms of the OMC.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year last below written.

Dated: _____

City of Orland
Chris Dobbs, Mayor

Dated: _____

City Manager
Peter R. Carr

Approved as to form,
Gregory P. Einhorn, City Attorney