

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into this ____ day of January 2022, by and between the City of Sonora, a California municipal corporation ("City") and Melissa Eades , an individual ("Employee"). City and Employee may individually be referred to herein as "Party" or collectively as "Parties." There are no other parties to this Agreement.

RECITALS

A. The current City Administrator has resigned her employment effective Friday, January 14, 2022. City requires the immediate services of a person with proven executive and administrative qualifications to fill the position of Interim Sonora City Administrator ("Interim City Administrator").

B. City, acting by and through the Sonora City Council ("City Council") has evaluated Employee's knowledge, experience, administrative skills and abilities and desires to hire and appoint Employee as Interim City Administrator pursuant to the terms of this Agreement.

C. The Parties desire to execute this Agreement pursuant to the authority of and subject to the provisions of California Government Code sections 53260 and 36506.

NOW, THEREFORE, in consideration of the mutual covenants entered into between the Parties and in consideration of the benefits that accrue to each, it is agreed as follows:

AGREEMENT

Section 1. Recitals. The recitals set forth above ("Recitals") are incorporated herein by this reference and made a part of this Agreement. In the event of any inconsistencies between the Recitals and Sections 1 through 15 of this Agreement, Sections 1 through 15 will prevail.

Section 2. Effective Date. This Agreement shall become effective once executed by both the City and Employee ("Effective Date").

Section 3. Appointment of Interim City Administrator, Duties and Term.

3.1. Appointment of Interim City Administrator and Duties. Commencing Wednesday, January 19, 2022, Employee shall serve as Interim City Administrator of City and shall be vested with the powers, duties, and responsibilities set forth in Chapter 2.48 of the Sonora Municipal Code ("S.M.C."), the City Administrator Job Description, and under California law. Employee shall further perform the functions and duties specified under the laws of the State of California, the S.M.C., the ordinances and resolutions of the City, and such other duties and functions as the City Council may from time-to-time assign. The City Council may also designate Employee as the chief executive of other City-related legal entities, such as a redevelopment agency, financing authorities, or joint powers authorities.

3.2. Employee's Obligations Employee agrees that she will comply with any and all City policies or requirements regarding background checks and fitness for duty examinations as soon as reasonably possible. Employee further agrees to comply with all other applicable laws, ordinances, regulations, and City rules and policies. Employee further agrees that she shall devote her productive time, abilities and attention as necessary to the full accomplishment of her duties and the City's business needs. Accordingly, Employee shall not hold secondary employment or engage in activities which conflict with, or present the appearance or possibility of conflicting with, City's legitimate business interests. As such, Employee agrees that Employee will notify the City Council in writing if Employee wishes to accept secondary employment sufficiently in advance to allow the City Council to determine whether there is the appearance of, or an actual conflict or potential conflict with the satisfactory performance of Employee's duties or the best interest of the City. Should the City Council make such a determination, Employee agrees that Employee will forgo the proposed secondary employment. Notwithstanding the foregoing, Employee shall have the right to volunteer for such nonprofit organizations as she may see fit, provided that such volunteer services shall not interfere with her duties on behalf of the City.

3.3. Exempt Employee. The general business hours for City employees are Monday through Friday, 8:00 a.m. to 4:00 p.m. However, it is recognized by the Parties that Employee is an exempt employee for purposes of the Fair Labor Standards Act of 1938 (29 U.S.C., § 201 et seq.). As such, Employee acknowledges that she shall not receive overtime or extra compensation for hours worked outside of the City's general business hours which are necessary to fulfill the duties of the Interim City Administrator's position, unless otherwise provided in this Agreement.

3.4. Hours of Work. The position of Interim City Administrator is an exempt position. As such, Employee shall not have set hours of work, as the Interim City Administrator is expected to be reasonably available at all times and work such hours as may be necessary to the full accomplishment of her duties. However, the Council recognizes the significant importance and priority that Employee places on her family and therefore, Employee shall have the right to participate in family, school and athletic activities and may flex her work schedule during the week to accommodate those activities, provided that participation in these activities does not interfere with Employee conducting required City business or attending necessary City events or meetings. If at any time the City Council believes that this flexible schedule is no longer in the City's best interest, they retain the right to review this provision and revoke this privilege.

It is recognized that the Interim City Administrator must devote additional time outside normal office hours to the business of the City, and to that end, Employee's work schedules each day and week shall vary in accordance with the work required to be performed. Employee's performance will be evaluated on accomplishments, not hours worked. For purposes of utilizing leave balances, Employee's work schedule shall be based upon a forty (40) hour work week and not an eight (8) hour day.

3.5 Term. The term of this Agreement shall be for six (6) months from the Effective Date ("Term"), subject to the provisions of Section 11 of this Agreement.

Section 4. At-Will Employment.

4.1. At Will. Employee is an at-will employee serving at the pleasure of the City Council as provided in Government Code section 36506. Accordingly, the City Council may terminate Employee's employment at any time, with or without cause.

Unless otherwise specified in this Agreement, Employee shall be bound by all the policies, rules and regulations of City now in force and effect applicable to Employee's position, and by all such other applicable policies, rules and regulations as may be hereafter implemented and called to her notice and will faithfully observe and abide by the same. No such policy, rule or regulation shall alter, modify or revoke Employee's status as an at-will employee or any other provision of this Agreement.

4.2. No Property Right in Employment. Employee understands and agrees that the terms of her employment are governed solely by this Agreement. Employee further understands and agrees that this Agreement does not confer a right of employment for any specified term and that she is not entitled to due process for any disciplinary action under the City's personnel policies and rules, including termination.

Section 5. Compensation and Evaluations.

5.1. Base Salary. City agrees to pay Employee an annual salary of One Hundred Forty Thousand Dollars (\$140,000.00) ("Base Salary"), payable in installments at the same time that the other City employees are paid.

5.2. Review and Evaluation. The City Council will review and evaluate Employee's performance as Interim City Administrator after three (3) months and provide Employee with a written performance review. Reviews and evaluations may be conducted at other times at the Council's discretion. The Council may also provide other increases in salary or benefits as they deem appropriate based on Employee's performance, which will not require an amendment of this Agreement.

5.3. Benefits. During the Term of this Agreement, Employee shall be entitled to receive the benefits identified in the attached schedule of benefits.

5.4. Deferred Compensation. The City agrees to make a deposit into a deferred compensation retirement account of up to five percent (5%) of Employee's Base Salary into the City's deferred compensation plan. See the attached schedule of benefits regarding this contribution.

Section 6. Automobile.

6.1 If it is necessary for Employee to use a personal vehicle for City business and City-related business, such as conferences and meetings, Employee shall be reimbursed at the then current allowable IRS mileage rate.

Section 7. General Expenses. City recognizes that certain job-related expenses will be incurred by Employee and City hereby agrees to reimburse or to pay said general expenses in

accordance with City policies. The Finance Director is hereby authorized to disburse such monies upon receipt of duly executed invoices, petty cash vouchers, receipts, statements, or other appropriate documentation.

Section 8. Communications Allowance. City will provide Employee with a cellular phone and tablet computer for use in any City-related business. The phone and tablet computer shall each be the property of the City, and Employee shall have no reasonable expectation of privacy in either device.

Section 9. Dues and Subscriptions. City agrees to budget and pay for the professional dues and subscriptions of Employee, as needed for the continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for her continued professional participation, growth, and advancement, and for the good of the City, including, but not limited to, League of California Cities (LCC) and the International City/County Management Association (ICMA).

Section 10. Professional Development.

10.1. Travel Expenses. City hereby agrees to budget and pay for travel and subsistence expenses of Employee for necessary 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 City provided Employee seeks prior authorization for such expenses from the Council.

10.2. Courses and Seminars. City also agrees to pay for the cost of enrollment, tuition, fees, travel and subsistence expenses of Employee for short courses, institutes and seminars that are necessary for her professional development and for the good of the City, provided that Employee seeks prior approval from the Council for such expenses.

Section 11. Termination of Employment.

11.1. Voluntary Resignation. Employee may resign at any time and agrees to give the City at least thirty (30) calendar days advance written notice of the effective date of the Employee's resignation, unless the Parties otherwise agree in writing. If the Employee retires from full-time public service with the City, the Employee shall provide ninety (90) calendar days advance written notice. The Employee's actual retirement date will be mutually established between the Parties. During the notice period, all rights and obligations of the Parties under this Agreement shall remain in full force and effect. Promptly after the effective date of resignation or retirement, the City shall pay to Employee all salary and benefit amounts accrued and owing under this Agreement.

11.2. Termination by City Council. The City may, with or without cause or prior notice, terminate this Agreement and Employee's employment with the City. Employee shall be provided a written notice setting forth the reasons for such termination. City shall tender Employee all wages due and owing, as well as accrued and unused vacation and administrative leave in accordance with standard City practice and this Agreement.

If Employee is terminated without good cause, as defined Paragraph 11.3 below, Employee shall no longer be entitled to accrue or receive any benefits afforded to her by City after the date of termination; however, City shall continue to pay Employee her Base Salary as set forth in Paragraph 5.1 for the duration of the term of this Agreement. If Employee is terminated for good cause as defined below, Employee's City shall have no obligation to Employee beyond payment of all wages, including accrued and unused vacation and administrative leave, due and owing for all hours worked as of Employee's last day of employment and any other obligation which City may be required to provide under federal or state law.

In the event Employee is terminated by the City Council for misconduct which has been publicly disclosed and could stigmatize Employee's reputation or impair her ability to earn a living, Employee may, within ten (10) calendar days, make a written request for a "name-clearing" hearing (as described in *Lubey v. City and County of San Francisco* (1979) 98 Cal.App.3d 340, and its progeny) before the City Council. Any such "name-clearing" hearing will be held solely be to provide Employee an opportunity to clear her name. The City Council may determine whether the allegations in the notice of termination are supported. If the City Council determines that the allegations are not supported, a decision shall be issued to reflect that the Employee's termination was without fault. Such a decision, however, will not require that Employee be reinstated to her position. The hearing shall take place at a regularly scheduled City Council meeting in accordance with the S.M.C.'s standard practice and any applicable provisions of state law. The decision whether to terminate the Interim City Administrator shall be made by a minimum four-fifths (4/5) vote of the whole City Council as then constituted in closed session and reported out of closed session as required by the California Government Code.

11.3. Good Cause - Defined.

"Good Cause", for purposes of this Agreement, means a fair and honest cause or reason for termination. These reasons include, but are not limited to:

1. Conviction of a felony;
2. Disclosing confidential information of City;
3. Gross carelessness or misconduct;
4. Unjustifiable and willful neglect of the duties described in this Agreement;
5. Mismanagement;
6. Failure to perform duties to the standard set by the City;
7. Any conduct which violates the City's Personnel Rules and for which a City employee may be terminated;
8. Repeated and protracted unexcused absences from the Interim City Administrator's office and duties;

9. Willful destruction or misuse of City property;
10. Conduct that in any way has a direct, substantial, and adverse effect on the City's reputation;
11. Willful violation of federal, state, or City discrimination laws;
12. Continued substance abuse which adversely affects performance of Employee's duties as Interim City Administrator;
13. Refusal to take or subscribe any oath or affirmation which is required by law;
14. Disability that renders Employee unable to perform the essential functions of her job with or without reasonable accommodation which places an undue burden on the City;
15. Dishonesty;
16. Engaging in other employment or activities which conflict with, or present the appearance or possibility of conflicting with, City's legitimate business interests; and
17. Failure to comply with any of Employee's obligations as set forth in this Agreement.

Notwithstanding any provision in this Agreement to the contrary, the City Council may place Employee on investigatory leave with full pay and benefits at any time during the Term of this Agreement.

Section 12. Indemnification. City shall defend, hold harmless and indemnify Employee against any tort, personnel, civil rights or professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as Interim City Administrator in accordance with California's Tort Claims Act (Government Code section 825 et seq.) and shall provide a defense to Employee in accordance with Government Code sections 995 through 996.5. The City may decline to defend or indemnify Employee only as permitted by the Government Code. City may compromise and settle any such claim or suit and pay the amount of any resulting settlement or judgment; provided, however, that the City's duty to defend and indemnify shall be contingent upon Employee's good faith cooperation with such defense. In the event City provides funds for legal criminal defense pursuant to this Section, Employee shall reimburse City for such legal criminal defense funds if Employee is convicted of a crime involving an abuse of office or position, as provided by Government Code sections 53243 through 53243.4.

Section 13. Bonding. City shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 14. Notices. Any notice or communication required hereunder between City and Employee must be in writing, and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday or holiday shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Sonora ATTN: City Clerk
94 N. Washington St.
Sonora, California 95370

and White Brenner LLP
ATTN: Douglas L. White
1414 K Street, 3rd Floor
Sacramento, California 95814

If to Employee: City of Sonora
ATTN: Melissa Eades
94 N. Washington Street
Sonora, California 95370
w/cc: home address on file with City Administrative Services

Section 15. General Provisions.

15.1. Modification of Agreement. This Agreement may be supplemented, amended, or modified only by a writing signed by the City and Employee.

15.2. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

15.3. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any Section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

15.4. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles and capacities herein stated on behalf of any entities, persons, states or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by the state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

15.5. Headings. The headings in this Agreement are included for convenience only and neither affect the construction or interpretation of any Section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

15.6. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

15.7. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

15.8. Waiver. No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

15.9. Counterparts. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

15.10. Venue. Venue for all legal proceedings shall be in the Superior Court of the State of California, in and for the County of Tuolumne.

15.11. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret Sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the

same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

IN WITNESS WHEREOF, this Agreement has been entered into by and between Employee and City as of the date of the Agreement set forth above.

CITY:

City of Sonora, a California
municipal corporation

By: _____
Matt Hawkins, Mayor

Date Signed: _____

EMPLOYEE:

By: _____
Melissa Eades

Date Signed: _____

Approved as to Form and Content:

By: _____
Douglas L. White, City Attorney

**INTERIM CITY ADMINISTRATOR EMPLOYMENT AGREEMENT
MELISSA EADES**

Schedule of Benefits

1. Leave. Employee shall receive the following leave time:

A. Vacation. During the term of this Agreement, Employee shall accrue vacation at the rate of 6.154 hours per pay period. Accrual shall be limited to twenty (20) days or one hundred sixty (160) hours. Upon separation from the City, Employee shall be paid for any accrued and unused vacation.

B. Administrative Leave. During the term of this Agreement, Employee shall accrue Administrative Leave at the rate of 3.693 hours per pay period. Upon separation from the City, Employee shall be paid for any accrued and unused administrative leave.

C. Sick Leave. During the term of this Agreement, Employee shall accrue sick leave at the rate of 3.692 hours per pay period. Unused sick leave will not be paid upon Employee's separation from City; however, at Employee's option, upon retirement, all, or any portion of, accrued and unused sick leave may be reported to CalPERS to be incorporated in the Employee's Retirement Service Credit balance.

D. Other Leave. Employee shall be entitled to bereavement leave, jury duty, subpoena, military leave and disability leave in accordance with Article 14 of the City's Personnel Rules and Regulations.

2. Holidays. Employee shall be entitled to all paid holidays as approved by the City Council for City staff.

3. Insurance. City at its expense will provide the following coverages:

A. Medical. Employee will choose which coverage she desires between the City's Anthem Blue Cross PPO or EPO plans, or any successor or replacement plans. Employee will pay twenty percent (20%) of the City's cost of any plan offered by City and chosen by Employee, including any plan that provides coverage of Employee's covered dependents, if any.

B. Dental. One Thousand Dollars (\$1,000.00) maximum per calendar year; Preventative - no deductible; Other treatment - \$25.00 per calendar year deductible; and Basic services paid at 80%, employee responsible for 20% of cost of services. Major services paid at 50%, employee responsible for 50% of cost of services.

C. Life Insurance. Accidental Death and Dismemberment – One (1) Year of Annual Salary Term Life Insurance – One (1) Year of Annual Salary Spouse - \$25,000.00.

D. Vision. City shall provide Employee with a coverage through VSP vision care program at the City's expense.

E. Long Term Disability. City shall provide and pay for long term disability insurance for Employee.

F. Retirement Medical Insurance. If Employee retires after at least ten (10) years of service to the City. She will be eligible to receive Retirement Medical Insurance through the City. Up to age sixty (60), Employee will be responsible to pay fifty percent (50%) of the cost of the premiums. Between ages sixty (60) to sixty-five (65), Employee will be responsible to pay twenty-five (25%) of the cost of the premiums. After the age of sixty-five (65), Employee will no longer be eligible to receive Retirement Medical coverage from the City.

4. Annual Physical. City shall pay Employee an allowance of \$250.00 per fiscal year for an annual physical examination.

5. Compensation. The City shall provide Employee with the opportunity to contribute to the Employee's preferred 457-Plan account. The Employee's contribution will be made from her pre-tax earnings. The City will match Employee's contribution up to five percent (5%) of her Base Salary.

6. Retirement. The City shall provide the Employee with the California Public Employees' Retirement System's (CalPERS) Two Percent (2%) at Sixty-Two (62) Plan for Miscellaneous Members, pursuant to the contractual provisions between the City of Sonora and CalPERS. Employee shall pay up to eight percent (8%) of her salary to fund the employee share of the pension. The City shall match the up to eight percent (8%) employee contribution amount.