

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into this ____ day of _____ 2022, by and between the City of Sonora, a California municipal corporation (“City”), and Melissa Eads, 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. Employee has served in the position of City Administrator since January 2022.
- 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 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 as of July 1, 2022, provided it has been executed by both the City and Employee (“Effective Date”).

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

3.1. Appointment of City Administrator and Duties. Commencing July 1st, 2022, Employee shall serve as 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 any 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 City Administrator's position, unless otherwise provided in this Agreement.

3.4. Hours of Work. The position of City Administrator is an exempt position. As such, Employee shall not have set hours of work, as the 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 City 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 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 initial term of this Agreement shall be for a five (5) year period commencing on the Effective Date and expiring five (5) years later ("Expiration Date") ("Initial Term"), subject to the provisions of Section 11 of this Agreement. Provided this Agreement has not been terminated earlier pursuant to Section 11, it will automatically extend for a one (1) year period under the terms in effect at the Expiration Date ("Extended Term"), unless the City Council

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provides Employee written notice that it has determined not to extend the Agreement at least six (6) months prior to the Expiration Date of the Initial Term.

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. Employee may terminate this Agreement and her employment with the City at any time, provided advance notice of Employee's termination is given consistent with the S. M. C., which as of the Effective Date requires thirty (30) days advance notice of Employee resignation. Additionally, Employee shall provide ninety (90) days advance notice of Employee retirement.

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/CPI Increases/COLAS. City agrees to pay Employee an annual salary of One Hundred Fifty Thousand Dollars (\$150,000.00) ("Base Salary"), payable in installments at the same time that the other City employees are paid.

Beginning in calendar year 2023, Employee's Base Salary will be adjusted annually in accordance with increases, if any, in the All Urban Consumer Price Index for the San Francisco-Oakland-Hayward Area ("CPI") but will not be decreased in the event there is any year-to-year or cumulative decrease in the CPI during the Initial Term (as defined in Section 3.5) or any subsequent one (1) year extension of this Agreement. Any increase in Employee's Base Salary as a result of an increase to the CPI will be rounded up to the nearest dollar. Any increase in Base Salary shall be based on the April CPI, released every year in May, and shall become effective on July 1st of each year. Notwithstanding the foregoing, should the increase in the CPI be less than three percent (3%) or more than five percent (5%) in the first through fourth year of this Agreement, Employee shall receive not less than a three percent (3%) and not more than a five percent (5%) increase in Base Salary. During the fifth year of this Agreement, Employee shall receive an increase in accordance with the CPI; but not less than three percent (3%).

Beginning in calendar year 2023, Employee's Base Salary will be adjusted by annual cost of living increases ("COLAS) each July 1st as follows:

- Calendar Year 2023---5% of Employee's Base Salary
- Calendar Year 2024---4% of Employee's Base Salary
- Calendar Year 2025---4% of Employee's Base Salary
- Calendar Year 2026---3% of Employee's Base Salary

In addition, Employee's salary shall be adjusted upward as necessary to maintain a Base Salary at least five percent (5%) higher than the next highest paid City employee, with the exception of the Chief of Police. Notwithstanding the foregoing, during the first year of this Agreement, Employee's base salary will not be adjusted upward as a result of the Fire Chief receiving a base salary which is less than five percent (5%) higher than Employee's Base Salary.

5.2. Review and Evaluation. The City Council will review and evaluate Employee's performance as City Administrator on an annual basis and provide Employee with a written performance review. Reviews and evaluations will generally be conducted on or around June of each calendar year and may be conducted at other times at the City Council's discretion. The City Council may also provide other increases in salary and/or benefits as they deem appropriate based on Employee's performance, which will not require an amendment of this Agreement.

5.3 Deferred Compensation. The City shall provide Employee with the opportunity to contribute to one of City's 457 Deferred Compensation Plans from Employee's pretax earnings, in accordance with the terms of the Plans. City will match Employee's contribution to a maximum of ten percent (10%) of Employee's Base Salary.

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

Section 6. Automobile. Employee will be provided a stipend in the amount of four hundred and 00/100 dollars (\$400.00) per month to compensate Employee for use of her personal vehicle for City-related business. Employee agrees that this amount constitutes adequate compensation for all automobile expenses incurred in the course and scope of her employment.

Section 7. General Expenses. City recognizes that certain job-related expenses not otherwise addressed in this Agreement 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 (LOCC) 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 City 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 City 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 Employee's resignation, in accordance with S.M.C. Chapter 2.28, unless the Parties otherwise agree in writing. If Employee retires from full-time public service with the City, Employee shall provide ninety (90) calendar days advance written notice. Employee's actual retirement date will be mutually established between the Parties. During the notice period, unless otherwise set forth in this Agreement, 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/Severance. 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 for all hours worked as of Employee's last day of employment, in accordance with standard City practice, federal or state law and this Agreement. Notwithstanding any other provision of this Agreement, Employee shall not be terminated or otherwise removed from the position of City Administrator without good cause, as defined below, during a period of six (6) months following any general municipal election in which a new member is elected to the City Council.

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 pay Employee severance in an amount equal to nine (9) months of Employee's then-current Base Salary. If Employee is terminated for good cause, as defined

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below, Employee shall no longer be entitled to accrue or receive any benefits afforded to her by City after the date of termination. In that event, 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.

Any severance payable under this Agreement shall be contingent on Employee's signature on a release of all claims in a format satisfactory to the City and is subject to the restrictions of Government Code section 53260, including, without limitation, that the maximum amount of severance pay that Employee may receive shall be the lesser of twelve (12) months base salary or the number of months remaining on the term of this Agreement. Any cash settlement related to the termination of this Agreement received by Employee from City shall be fully reimbursed to City if Employee is convicted of a crime involving an abuse of her office or position while employed with City, pursuant to Government Code section 53243.2., Additionally, any severance paid to Employee will be reimbursed to City if a court, administrative agency or tribunal enters a judgement against Employee or makes a finding that Employee has violated a statute, regulation or ordinance which constitutes just cause under Section 11.3 of this Agreement. This severance shall be paid in the same manner as other employees unless otherwise agreed to by City and Employee.

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 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 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 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 that results in a negative judgement against City;

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3. Gross carelessness or misconduct that results in a negative judgement against City or creates a public health and safety emergency;
4. Refusal to perform the duties described in this Agreement;
5. Any conduct which violates the City's Personnel Rules and a statute, regulation or ordinance, for which a City employee may be terminated;
6. Repeated and protracted unexcused absences from the City Administrator's office and duties;
7. Willful destruction or misuse of City property;
8. Conduct that in any way has a direct, substantial, and adverse effect on the City's reputation;
9. Willful violation of federal, state, or City discrimination laws;
10. Continued substance abuse which adversely affects performance of Employee's duties as City Administrator;
11. Refusal to take or subscribe any oath or affirmation which is required by law;
12. Dishonesty;
13. Engaging in other employment or activities which conflict with, or present the appearance or possibility of conflicting with, City's legitimate business interests; and
14. 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 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. 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 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 {CW113557.5}

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 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 electronic mail (“email”) (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 email transmission, a notice or communication shall be deemed to have been given and received upon actual receipt of the entire document by the receiving Party’s email server. Notices transmitted by email 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
 jsmith@sonoraca.org

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

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

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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 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.

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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.

[SIGNATURE PAGE FOLLOWS]

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 Eads

Date Signed: _____

Approved as to Form and Content:

By: _____
Douglas L. White, City Attorney

**CITY ADMINISTRATOR EMPLOYMENT AGREEMENT
MELISSA EADS**

Schedule of Benefits

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

A. Vacation. During the term of this Agreement, effective July 1st of each year, Employee shall accrue/receive two hundred (200) hours of vacation. Notwithstanding the foregoing, should Employee give notice (or fail to give notice) of Employee's intent to resign or retire as required in Paragraph 11.1 of this Agreement, Employee shall cease to be eligible to accrue additional vacation pursuant to this Agreement or any City policy as of the date notice has been given, or should have been given, per Paragraph 11.1. Accrued unused vacation shall be paid out annually in a lump sum on or before June 30th. In no case shall Employee accrue vacation in an amount in excess of three hundred (300) 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 receive one hundred twenty (120) hours of Administrative Leave per fiscal year. Unused Administrative Leave shall not carry over year to year. Unpaid leave shall be paid out within thirty (30) days of the end of each fiscal year, or at Employee's option, may be deposited into Employee's Deferred Compensation Plan account in accordance with Section 5.3 of this Agreement. 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 receive ninety-six (96) hours of sick leave per fiscal year. Unused sick leave will carry over from year to year. 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. First Year Accruals. For the period between the Effective Date of this Agreement and the end of the current fiscal year, Employee will receive Vacation, Administrative, and Sick Leave benefits on a prorated basis, calculated from the Effective Date of this Agreement.

E. Other Leaves. 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 for herself and her dependents, if any, between the City's Modified Classic Preferred Provider Plan (PPO) or a Custom 15 Exclusive Provider Organization (EPO) or any successor or replacement plans. Employee shall contribute to the City's premium costs for such coverage as follows:

- From the Effective Date of this Agreement through June 30th, 2022, Employee shall pay five percent (5%) of the City's cost for coverage.
- Effective July 1st, 2022 through June 30th, 2023, Employee shall pay ten percent (10%) of the City's cost of coverage.
- Effective July 1st, 2023 through June 30th, 2024, Employee shall pay fifteen percent (15%) of the City's cost of coverage.
- Effective July 1st, 2024 through the termination or expiration of the Initial Term and/or the Extended Term if any, of this Agreement Employee shall pay twenty percent (20%) of the City's cost for coverage.

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.

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. **Retirement.** The City shall provide Employee with the California Public Employees' Retirement System's (CalPERS) Two Percent (2%) at Sixty-Two (62) Plan for

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Miscellaneous Members, pursuant to the contractual provisions between the City of Sonora and CalPERS. Employee shall pay a percentage of her salary to fund the employee share of the pension at the PEPRA rate established by CalPERS. City shall match the employee contribution amount.

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