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AGREEMENT

This employment agreement, is made and entered into this 26th day of February, 2907, by and between the CITY OF RIO DELL, a municipal corporation of the State of California, hereinafter referred as the "EMPLOYER" and Nancy Flemming, hereinafter referred to as "EMPLOYEE", both of whom understand as follows:

WHEREAS, EMPLOYER desires to employ the services of said Nancy Flemming as City Manager of the City of Rio Dell; and

WHEREAS, it is the desire of the EMPLOYER, to provide certain benefits, establish certain conditions of employment, and set working conditions of said EMPLOYEE; and

WHEREAS, EMPLOYEE desires to accept employment as the City Manager of the said City;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

SECTION 1. DUTIES

EMPLOYER hereby agrees to employ Nancy Flemming as City Manager of said EMPLOYER to perform the functions and duties specified in the Ordinances of said City, pursuant to California Government Code section 36506, and to perform other legally permissible and proper duties and functions as the City Council shall from time to time assign.

SECTION 2. TERM

- A. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Council to terminate the services of Employee at any time subject to the provisions set forth hereafter in this Section 2
- **B.** Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Employee to resign at anytime from this position with Employer, subject only to provisions set forth hereafter in this Section2.
- C. This Agreement of Employment shall be at will and either party may terminate said employment with or without cause for any reason by giving to the other written notice of termination or resignation forty five (45) days prior to the termination date.
- D. In the event the Employer gives said forty five (45) day written notice of termination, the City has the option to require the Employee to remain at his position for a period of ninety (90) days from date of said Notice of Termination or may require the Employee t refrain from performing said duties in which event, the Employee shall be paid his regular monthly salary for a period of ninety (90) days from the date of notice of termination.
- E. Not withstanding the above, there shall be a probationary period of employment lasting 90 days from Employee's first day of employment. During this probationary period, either party may immediately terminate the employment relationship, with or without notice, and with or without cause. In such event, there shall be no notice period required, and said termination may be effective immediately upon receipt

SECTION 3. SUSPENSION OR REMOVAL

The **EMPLOYEE** may be suspended, removed, or dismissed from the service of the City of Rio Dell with a super majority vote (4) of the Council, pursuant to Section 2 above or to the provisions of City of Rio Dell ordinances, including but not limited to Ordinance Number 242a, the City Manager Ordinance.

SECTION 4. DISABILITY

If EMPLOYEE is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incompetence, or health for a period of four (4) successive weeks beyond any accrued sick leave, or for twenty (20) working days over a thirty (30) day working period, EMPLOYER shall have the option to terminate this Agreement subject to the pay requirements of Section 2 above. However, EMPLOYEE shall be compensated for accrued vacation, holidays, and other accrued benefits.

SECTION 5. RESIDENCE:

EMPLOYER agrees to waive the residency requirement for EMPLOYEE.

SECTION 6. SALARY

EMPLOYER agrees to pay EMPLOYEE for his services rendered an annual salary of sixty thousand dollars per year (\$60,000.00), payable in installments at the same time as other Employees of EMPLOYER are paid. Upon satisfactory completion of six months' employment, Employee's pay shall be increased by 2% to an annual salary of Sixty One Thousand Dollars Two Hundred (61,200). Upon satisfactory completion of one years' employment, Employee's pay shall be increased to an annual salary of Sixty Three Thousand Thirty Six Dollars. (63,036) Sixty Eight Thousand Dollars. (68,000.)

Employer may adjust said base salary and/or other benefits of Employee in such amounts and to such extent as the Council may determine desirable on the basis of a salary review of said Employee made at such times as the Council may deem appropriate. This review will normally occur annually.

SECTION 7. PERFORMANCE EVALUATION

A. The City Council shall review and evaluate the performance of the Employee at such times and using such procedure as the Council may from time to time deem appropriate.

B. From time to time as may mutually be deemed appropriate, the Council and Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the City and in the attainment of the Council's policy objectives and shall further establish a relative priority among those various goals and objectives, with said goals and objectives to be reduced to writing.

SECTION 8. HOURS OF WORK

It is recognized that EMPLOYEE must devote a great deal of time outside normal office hours to the business of EMPLOYER and shall be expected to work in excess of forty (40) hours per week at the direction of the City Manager in consideration of the annual salary above defined. EMPLOYEE shall receive no overtime pay or compensatory time off other than twenty (20) hours of executive leave. EMPLOYEE shall at all times during this period be considered a bona fide executive, administrative, or professional capacity under federal or State of California law, and as such shall devote his time to the business of EMPLOYER in excess of forty (40) hours per week without receiving or claiming overtime pay or compensatory time off from work other than executive leave.

SECTION 9. OTHER EMPLOYERS OR OUTSIDE ACTIVITIES

EMPLOYEE agrees to remain in the exclusive employ of EMPLOYER and not to become employed by any other employer in other employment until termination of the employment relationship. The term "other employment" shall not be construed to include occasional teaching, writing, consulting, or military reserve service performed on Employees time off. EMPLOYEE shall not spend more than four (4) hours per week in teaching, counseling, or other non-employer connected business without the prior approval of the City Council.

SECTION 10. AUTOMOBILE

Employee's duties require that he shall have the use at all times during her employment with EMPLOYER of an automobile to perform Employer's business. EMPLOYEE shall use her own automobile owned by EMPLOYEE for said purpose and EMPLOYER shall reimburse EMPLOYEE the sum of Four Hundred Dollars (400.00) per month for Employee's expenses. EMPLOYEE shall be responsible for paying for all gas, maintenance, and repair of said automobile. EMPLOYEE shall be responsible for paying for all liability, property damage, and comprehensive insurance on said automobile.

SECTION 11. VACATION, SICK LEAVE, HOLIDAYS, AND EXECUTIVE TIME

A. Vacation Time:. Employee shall be entitled to an annual vacation leave with full pay as adopted by the City Council. Upon execution of this agreement Employee will have credited to her personal account 24 hours of paid vacation leave. In addition the Employee shall accrue vacation pursuant to the following schedule:

B. Years of service Accumulation
First Year 80 hours
Second to ten (2-10) 120 hours

Holidays occurring during vacation leave shall not be counted as days of vacation. Employee is expected to take vacation time at periods of time mutually agreeable and convenient between Employer and Employee. Employee shall be required to take vacation during the actual fiscal year and shall not accumulate vacation time in excess of 160 hours.

C. Sick Leave: Employer will credit Employees personal account with five (5) sick days, upon execution of this contract. In addition sick leave with pay shall be granted by the Employer to the Employee at a rate of four hours of each calendar month of full time employment. The Employee may accumulate sick leave to a maximum of 480 hours and

in no event shall sick leave accumulate in excess of 480 hours Employee shall be compensated for accrued vacation, holidays, and other accrued benefits as accorded other Unrepresented Employees of the Employer.

D. Executive Leave: The Employee is entitled to Administrative or Executive Leave each budget year not to exceed five (5) working days in each budget year at times and periods as approved by the Council. Executive leave shall not accumulate in excess of five working days and shall have no termination value.

E. HOLIDAYS: The Employee shall be entitled to the same paid holidays as all other City Employees.

SECTION 12. WORK RELATED EXPENSES REIMBURSMENT

EMPLOYER agrees to reimburse the EMPLOYEE such verifiable work related out-of-pocket expenses incurred by the EMPLOYEE as may be approved by the EMPLOYER.

EMPLOYEE shall submit an itemization schedule of his out-of-pocket expenses to the City Manager in writing in the form of a purchase order for payment.

SECTION 13. MEDICAL AND DENTAL INSURANCE REIMBURSEMENT

EMPLOYEE agrees to forgo standard hospitalization, surgical, medical, dental and vision insurance for EMPLOYEE and his spouse and dependents.

SECTION 14. DEFERRED COMPENSATION

The EMPLOYER does not participate in and is not a party to the Public Employees Retirement System of the State of California. The EMPLOYER participates in a deferred Compensation Plan. The EMPLOYER shall contribute and pay an amount equal to ten percent (10%) of the Employee's salary to the Deferred Compensation Plan during such time the EMPLOYEE is employed by the EMPLOYER. Or the same amount as for other Employees of the organization.

SECTION 15. LIFE INSURANCE

A TERM LIFE INSURANCE POLICY IN THE AMOUNT OF Fifty Thousand Dollars (\$50,000.00) shall be provided by the **EMPLOYER** for the **EMPLOYEE**.

SECTION 16. AGREEMENT EFFECTIVE

This Employment Agreement shall become effective February 26. 2007, and shall remain in effect for the term of **Employee**'s employment with **EMPLOYER** and subject to changes pursuant to amendments or adjustments made at mutually agreed upon times throughout **Employee**'s term of employment with **EMPLOYER**.

SECTION 17. INDEMNIFICATION

EMPLOYER shall defend, save harmless and indemnify EMPLOYEE against any tort, 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 Manager. EMPLOYER will attempt to compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

SECTION 18. BONDING

EMPLOYER shall bear the full cost of any fidelity or other bonds required of the EMPLOYEE under any law or ordinance.

SECTION 19. DUES AND SUBSRIPTIONS

EMPLOYEE agrees to budget and to pay for the professional dues and subscriptions of EMPLOYEE necessary for his contribution and participation in the International City Management Association and other National, Regional, State and Local associations that will help to support growth, advancement and active communication for the good of the City. EMPLOYEE shall distribute to and share with the City Council written material and information distributed by the said associations.

SECTION 20. TRAVEL EXPENSES

EMPLOYER hereby agrees to budget for and to pay the travel and subsistence expenses of **EMPLOYEE** for official and professional travel of **EMPLOYEE** while on City Business provided that the City Council has first approved and authorized said travel and training expenses.

SECTION 21. ATTORNEY'S FEES

Should any litigation be commenced between the parties to this Agreement or the rights and duties of either relationship thereto, the prevailing party in such litigation shall be entitled in addition to such other relief as may be granted, to reasonable sum as and for attorney's fees which shall be determined by the court.

SECTION 22. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

None are requested by employee.

SECTION 23. NOTICES

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

EMPLOYER
Rio Dell City Hall
675 Wildwood Ave
Rio Dell, California 95562

EMPLOYEE
Nancy Flemming
675 Wildwood Ave
Rio Dell, California 95562

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written in the course of transmission in the United States Postal Service.

SECTION 24. GENERAL PROVISIONS

- A. The text herein shall constitute the Agreement between parties.
- B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of **EMPLOYEE**
- C. This Agreement shall become effective commencing immediately, subject to Section 15 above.
- D. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the City of Rio Dell has caused this Agreement to be signed and executed in its behalf by its City Manager, and the EMPLOYEE has signed and executed this Agreement, both in duplicate, the day and year first above written.

EMPLOYEE

Namey Flemming,

3/04/08 Date

EMPLOYER

Mayor, City of Rio Dell, State of California

Date 3/4/08