

EMPLOYMENT AGREEMENT

CITY MANAGER/SUCCESSOR AGENCY DIRECTOR/SUCCESSOR HOUSING AGENCY EXECUTIVE DIRECTOR/GONZALES ELECTRIC AUTHORITY EXECUTIVE DIRECTOR/GONZALES MUNICIPAL ELECTRIC UTILITY EXECUTIVE DIRECTOR

This Agreement (the "Agreement") is made by and between the City of Gonzales, a municipal corporation, hereinafter called "City," the City of Gonzales as the Successor Agency to the Gonzales Redevelopment Agency, hereinafter called "Successor Agency," the Gonzales Successor Housing Agency, hereinafter called "Successor Housing Agency," the Gonzales Electric Authority, hereinafter "Electric Authority," the Gonzales Municipal Electric Utility, hereinafter "Electric Utility," (sometimes collectively referred to as "EMPLOYER") and Carmen Gil, hereinafter called "Gil." This Agreement shall have an effective date of June 6, 2023. In consideration of the mutual covenants contained herein, the parties agree as follows:

- 1. Employment.** EMPLOYER hereby appoints Gil as City Manager/Successor Agency Director/Successor Housing Agency Executive Director/Electric Authority Executive Director/Electric Utility Executive Director, and Gil hereby accepts said appointment upon the terms and conditions hereinafter set forth.
- 2. Term.** The term of this Agreement shall commence on June 6, 2023, and shall continue for a term of two (2) years, until June 6, 2025, or until terminated as set forth in Paragraph 13. Notwithstanding said "term," the parties recognize and affirm that: 1) Gil is an at-will employee whose employment may be terminated by EMPLOYER with or without cause; 2) there is no express or implied promise made to Gil for any form of continued employment; and 3) this Agreement is the sole and exclusive basis for the employment relationship between Gil and EMPLOYER. Notwithstanding the at-will nature of the City Manager/Directors' positions, it is in EMPLOYER's and Gil's best interests to make every effort to ensure that any separation is performed in a professional and business-like manner.

If the Agreement has not been terminated pursuant to Paragraph 13.A, and EMPLOYER has not provided Gil with notice of its intent not to extend or renew the Agreement per paragraph 13.B, the parties agree to engage in good-faith negotiations to either extend or enter into a new Employment Agreement at least ninety (90) days before this Agreement's expiration date.

- 3. Duties.** Gil's duties under this Agreement shall be those assigned to the office of City Manager/Successor Agency Director/ Successor Housing Agency Executive Director/Electric Authority Executive Director/Electric Utility Executive Director by the general laws of the State of California, by Gonzales City Code (City Code Chapter 1.28), as from time-to-time amended, by the provisions of AB 1x26 and applicable provisions of the Health and Safety Code, by other ordinances and resolutions of the City/Successor Agency/Successor Housing Agency/Electric Authority/Electric Utility, and all legally permissible and proper duties and functions as the City Council/Successor Agency

Board/Successor Housing Agency Board/Electric Authority Board/Electric Utility Board may from time-to-time assign.

EMPLOYER agrees that except for the purpose of inquiry, EMPLOYER and its members shall deal with subordinate City/Successor Agency/Successor Housing Agency/Electric Authority/Electric Utility employees, officers, contractors, and consultants solely through Gil, or her designees, and neither EMPLOYER nor any member thereof shall give direction to any subordinate of Gil's.

Gil shall devote as much time to said duties as shall be required for their proper performance, regardless of the number of hours involved. Gil shall generally be expected to be available in City Hall from 8:30 a.m. to 5:00 p.m., Monday through Friday, but shall be allowed to establish an appropriate work schedule upon providing the Council with notice of the same. Regular and routine telecommuting will not be permitted. Gil shall be responsible for notifying the Council, via electronic mail or telephone, of any absence from the workplace greater than a working day (8 hours) due to business related travel and duties, vacation and/or any form of leave, prior to the commencement of said absence where possible, as well as identification of the individual(s) who will provide onsite acting management duties during such absences.

Upon direction from the City Council/Successor Agency Board/Successor Housing Agency Board/Electric Authority and Electric Utility Boards, Gil shall have the authority to enter into and sign documents on behalf of the City/Successor Agency/Successor Housing Agency/Electric Authority/Electric Utility. Additionally, Gil's duties shall include attendance at City-sponsored events and community gatherings with residents and partners, including but not limited to parades, ribbon-cuttings and opening ceremonies, and distribution of goods and materials for the public benefit.

In order to facilitate the foregoing duties, Gil shall have the authority to enter into contracts for the purchase of supplies and equipment on behalf of the City/Successor Agency/Successor Housing Agency/Electric Authority/Electric Utility on an administrative basis in an amount up to but not to exceed Fifteen Thousand Dollars (\$15,000.00), and for service/consulting contracts in an amount not to exceed Five Thousand Dollars (\$5,000.00). Gil shall report such contracts in her City Manager's Report to the City Council at the next available Council meeting following the date of contract execution.

4. Salary and Benefits.

- A. For all services to be rendered by Gil under this Agreement, EMPLOYER shall pay Gil One Hundred and Ninety-Four Thousand Dollars (\$194,000.00) per year. Salary shall be payable in equal bi-weekly installments. Adjustment to this base salary on the basis of merit may be considered as part of the annual performance evaluation referenced in Section 9.
- B. A portion of Gil's total compensation will be paid from the Successor Agency budget. Said sum will be based on the actual proportion of Gil's time spent on Successor Agency

duties and will be paid from Successor Agency funds on a pro-rata basis. Payment from Successor Agency funds will not cause Gil's compensation to exceed that established in Subsection 4.A.

- C. Gil shall be entitled to participate in the City's retirement plan, medical, dental and vision plans, and shall also be entitled to participate in the City's Life, ADD&D and LTD insurance programs. Gil agrees to pay the entire 7% employee's share of the applicable PERS contribution as required by law.
 - D. City agrees to contribute an amount equal to 5% of Gil's salary into an ICMA deferred compensation plan on an annual basis.
 - E. Upon execution of a "Cardholder Agreement," Gil shall be entitled to obtain a City credit card. The credit card will be subject to the terms and conditions of all City Credit Card Utilization policies.
 - F. Any request for a change to the foregoing benefits must be made through negotiation with EMPLOYER, and only at the time of the Annual Job Performance Evaluation as set forth in Section 9.
 - G. In order to avoid issues associated with salary compaction, Gil's salary will be subject to periodic adjustment to maintain a 5% differential between her compensation and the base compensation of the next highest salaried City employee.
 - H. Gil shall receive an annual cost of living adjustment ("COLA") to her base salary on the first anniversary date of this Agreement, by the CPI for Urban Wage Earners and Clerical Workers, all items, San Francisco-Oakland, for the preceding year or 3%, whichever is greater.
 - I. In the event Gil dies while employed by EMPLOYER under this Agreement, Gil's beneficiaries or those entitled to Gil's estate shall be entitled to all salary earned by Gil up to the time of death, and any in-lieu payment of accrued benefits, including compensation for the value of all accrued leave balances pursuant to City policy, to the extent allowed by law.
- 5. Extent and Quality of Services.** Gil shall devote her full time, attention and energies to her duties hereunder, and while so employed shall not engage in any other business activity whatsoever, directly or indirectly, either alone or as a partner, employee or agent of another person, firm or corporation; provided, that nothing in this section shall be construed to prevent Gil from making business investments which will not require any service on her part. Gil shall perform her duties to the best of her ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by EMPLOYER. Gil shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law.

The Parties acknowledge that EMPLOYER's preference is that the City Manager shall reside within the city limits of the City of Gonzales. Gil is currently a resident of the City of Gonzales. The Parties agree that during the term of this Agreement, Gil may relocate her residence outside of the City of Gonzales as long as EMPLOYER determines that said residency does not serve as an impediment to the provision of Gil's services and duties as set forth herein.

6. **Vacation-Sick Leave-Administrative Compensatory Time Off-General Leave.** Unless otherwise noted, City shall provide Gil with vacation, sick and holiday pay in accordance with the provisions that apply to all other City Management employees as set forth in the City of Gonzales Personnel Rules, Regulations and Policies, as may be amended from time to time, including

- 80 hours of vacation leave per year
- 96 hours of sick leave per year (accrued @ 3.69 hours per pay period)
- 1 floating holiday per year (credited January 1 of each year)
- 12 standard holidays provided to other employees.

Additionally, in recognition of the fact that Gil must devote a great deal of time outside of normal office hours to the business of EMPLOYER, City shall provide Gil with forty (40) hours per year of administrative leave, credited on July 1 of each year. Administrative time does not roll-over into subsequent years and must be used within each fiscal year in which it is granted.

Any caps on the accrual of vacation, sick leave or administrative time off, or restrictions on when such leave must be used applicable to other City Management Employees at the time of the execution of this Agreement shall apply to Gil.

Gil shall not be entitled to any amendments to such benefits as may be made from time-to-time by Council action after execution of this Agreement. Any change to such benefits must be made through negotiation with EMPLOYER, and only at the time of the annual Job Performance Evaluation set forth in Paragraph 9.

7. **Automobile.** Gil shall have the use of a City-owned automobile for her professional use. With the exceptions noted below, personal use of the City Automobile is not allowed. The City Automobile shall also not be used to transport family members, friends or other persons not involved in the conduct of EMPLOYER'S business. Exceptions to this policy are as follows:
- A. A family member may accompany Gil in the City Automobile to an official function to which the family member is welcomed or invited.
 - B. Gil may use the City Automobile for personal use that is reasonable and incidental to primary use. For purposes of this Agreement, incidental use is defined as a use that does not exceed the primary use of the City Automobile in either time or distance traveled in a twenty-four-hour period. Examples would be stops at the grocery store, use of the

automobile for an errand during the lunch hour or stopping for a meal on the way to or from an out-of-town meeting. Occasional overnight use to and from Gil's residence is also allowed.

8. **Expenses- Dues and Subscriptions.** EMPLOYER agrees to reimburse Gil for all travel expenses and conference fees for annual League of California Cities meetings and annual International City/County Management Association meetings.

All other expenses incurred by Gil in the performance of her official duties shall be reimbursed in accordance with applicable City policies.

Upon City Council approval through the budget process, EMPLOYER shall pay a reasonable amount annually for Gil's dues and subscriptions to professional organizations related to municipal management, and membership dues and related fees for local and regional community organizations. Where possible, requests for such amounts shall be made by Gil on an annual basis at or around the time of consideration and approval of the City fiscal year budget.

9. **Review of Job Performance.** EMPLOYER, through the City Council, shall review and evaluate the performance of Gil. The Council will meet twice a year, in December and June, or at any other time chosen by the Council, to discuss and review Gil's performance. Said review and evaluation shall be in accordance with specific criteria developed by the City Council with consultation from Gil. Said criteria may be added to or deleted as the City Council may from time to time determine, in consultation with Gil. At the conclusion of each evaluation, the City Council shall provide Gil with a written summary of its findings and the opportunity to discuss the evaluation with the Council. All such information shall be kept confidential by the parties and shall be used by said parties only for the purpose of improving the employment relationship or for the purpose of exercising rights under the terms of this Agreement.

The 12-month annual evaluation process, conducted in June of each year, shall also provide EMPLOYER and Gil with the opportunity to discuss potential modifications to compensation and benefits as established in Sections 4 and 6. All such modifications must be mutually agreeable to EMPLOYER and Gil and memorialized in writing.

EMPLOYER, through the City Council, shall periodically define such goals and performance objectives which it determines are necessary for the proper operation of the EMPLOYER's council/boards in the attainment of the Council/Agency/Utility policy objectives, and shall further establish a relative priority among those various goals and objectives. All such goals and objectives shall be reduced to writing and may be used for evaluation purposes. Said goals and objectives shall generally be reasonably attainable within the limitations specified in the annual operating and capital budgets and provided appropriations.

10. **Computer- Telecommunications.** City agrees to provide a portable computer and software for Gil's exclusive use at home or in the field. Such equipment shall remain the property of City, and upon Gil's departure, shall be returned by Gil to City. Gil is expected to comply

with all City rules, regulations and policies concerning the use and care of City-issued electronic communications equipment.

11. Indemnification. EMPLOYER shall defend, save harmless, and indemnify Gil against any tort, professional liability claim or demand or other legal action arising out of an alleged act or omission occurring in the performance of Gil's duties as City Manager/Successor Agency Director/Successor Housing Agency Executive Director/Electric Authority Executive Director/Electric Utility Executive Director in accordance with the provisions of California Government Code Section 825, and provide a defense in accordance with Government Code Section 995. Gil's conviction for any felony or misdemeanor involving moral turpitude shall be a basis for exemption from this indemnification. EMPLOYER may compromise and settle any such claim or suit and pay the amount of any settlement or judgment therefore.

12. Bonding. EMPLOYER shall bear the full cost of any fidelity or other bond required under any law or ordinance.

13. Termination.

A. Termination Prior to Expiration of Term. This Agreement may be terminated prior to the expiration of the term specified in Paragraph 2 above in any one of the following ways:

- i. At any time, by mutual agreement of the parties hereto, expressed in writing; or
- ii. By Gil, upon giving EMPLOYER not less than sixty (60) days' prior written notice of her election to terminate; or
- iii. By EMPLOYER (by affirmative vote of at least three (3) City Council members), for cause, arising from a willful breach of duty or habitual neglect of duty of Gil, by Gil's conviction of a crime involving moral turpitude, or for any conduct by Gil which makes it impossible or impracticable for her to perform her duties hereunder, or that seriously impedes EMPLOYER's operations. Gil shall not have any right to appeal or hearing for termination pursuant to this section; or
- iv. By EMPLOYER (by affirmative vote of at least three (3) City Council members), without cause, upon giving to Gil written notice of termination. Upon termination and execution of a complete release and waiver of all claims, grievances or causes of action against EMPLOYER, its employees, agents, officers and appointed and elected officials arising out of or concerning this Agreement, Gil shall be paid forthwith a sum equal to her salary for a period of four (4) months as severance. Gil shall not have any right to appeal or hearing for termination pursuant to this section. Upon receipt of an overall above-average annual evaluation at the end of the first year of this Agreement, the amount of severance pay shall increase to six (6) months.

Notwithstanding the foregoing, Gil may not be removed from office without cause pursuant to this provision during or within a period of one hundred eighty (180) days succeeding any general municipal election held in the City after the effective date of this

Agreement at which a new city council member is elected. This prohibition shall not be applicable to the Council's election to not renew or extend this Agreement as set forth in Subsection B of this Section 13.

- B. Election Not to Renew or Extend Agreement. Should EMPLOYER elect not to extend or renew this Agreement, EMPLOYER shall provide Gil one hundred twenty (120) days' written notice prior to the Agreement's expiration date as established herein.
- C. Disability. If Gil is permanently disabled or is otherwise unable to perform her duties because of sickness, accident, mental incapacity 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 severance pay requirements in this Section.
- D. Notwithstanding the language set forth in Subsection A above, any severance amount paid pursuant to this Agreement shall be subject to the restrictions set forth in California Government Code Section 53260, which provides that the maximum amount of severance pay that Gil may receive shall be the lesser of (i) twelve (12) months base salary; or (ii) base salary for the number of months remaining on the term of this Agreement. Additionally, any cash settlement related to termination of this Agreement received by Gil from EMPLOYER shall be fully reimbursed to EMPLOYER if Gil is convicted of a crime involving the abuse of her office or her position while employed by the City/Successor Agency/Successor Housing Agency/Electric Authority/Electric Utility, pursuant to Government Code Section 53243.2.

14. Compatibility with State Law. This Agreement is made subject to all applicable laws of the State of California, specifically including but not limited to Section 34851, et seq. of the Government Code. In the event of any conflict between the provisions of this Agreement and any such state law, the provisions of said State law shall apply.

15. Compatibility with Municipal Code. The provisions of this Agreement are subject to the limitations contained in Chapter 1.28 of the Gonzales City Code, as from time-to-time amended, and in the event of any conflict between the provisions of this Agreement and Chapter 1.28, the provisions of Chapter 1.28 shall be controlling.

16. Miscellaneous.

- A. The text herein shall constitute the entire Agreement between the parties. The Agreement may not be modified, except by written agreement executed by both parties.
- B. 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.

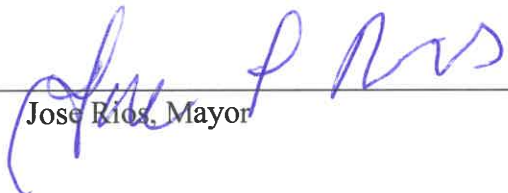
C. The parties agree that any ambiguity in this Agreement shall not be construed or interpreted against, or in favor of, either party.

D. In the event of litigation per the terms of this Agreement, the prevailing party shall be entitled to attorneys' fees and cost.

IN WITNESS WHEREOF, said parties have executed this Agreement on the ____ day of June, 2023.

By  _____
Carmen Gu

CITY OF GONZALES

By  _____
Jose Rios, Mayor


CITY OF GONZALES AS SUCCESSOR AGENCY TO THE GONZALES REDEVELOPMENT AGENCY

By  _____
Jose L. Rios, Chair

CITY OF GONZALES SUCCESSOR HOUSING AGENCY

By  _____
Jose L. Rios, Chair

CITY OF GONZALES ELECTRIC AUTHORITY

By  _____
Jose L. Rios, President

CITY OF GONZALES ELECTRIC UTILITY

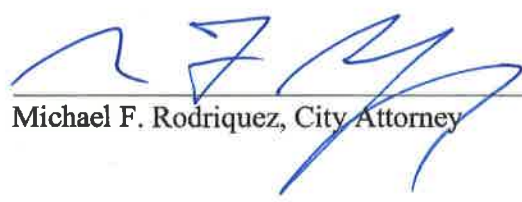
By


Jose L. Rios, President

ATTEST:


Mary Villegas, Deputy City Clerk

APPROVED AS TO FORM:


Michael F. Rodriguez, City Attorney