

CITY OF ELK GROVE



EMPLOYMENT AGREEMENT

CITY MANAGER

This Employment Agreement (“Agreement”) is made and entered into this 14th day of May, 2008, by and between the City of Elk Grove, California, a municipal corporation (“City”) and Laura S. Gill (“Employee”).

SECTION 1. DUTIES

City hereby employs Employee as City Manager to perform the functions and duties specified in the laws of the State of California, Ordinances and Resolutions enacted by City, and to perform such other duties and functions as the City Council shall from time to time assign.

SECTION 2. TERM OF AGREEMENT

Employee’s employment as City Manager shall be at will. This means that Employee may be terminated from her employment with the City at any time, without cause, and without notice. Employee shall commence work on June 16, 2008. At the time of her appointment and until June 30, 2008, Employee shall be entitled to expend reasonable amounts of time in assisting her former employer, El Dorado County, with the completion of El Dorado County’s budget process.

SECTION 3. SALARY

A. City agrees to pay Employee an initial annual starting salary for services rendered in the amount of ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$195,000) payable in installments at the same time as other employees of the City are paid.

B. Employee shall receive annual compensation cost of living increases at a rate not less than the Consumer Price Index – All Urban Consumers for the San Francisco-Oakland-San Jose, California region as published by the U. S. Department of Labor, Bureau of Labor



Statistics, based on the amount of the City Manager's salary as may be adjusted from time to time. The City Manager's salary shall not be adjusted downward as a result of a decrease in the above-referenced Consumer Price Index.

C. In addition, the City Council may, in its sole discretion, grant increases and/or bonuses to Employee. Toward this end, the City Council at a time and at intervals fixed in its sole discretion shall conduct evaluations of Employee's performance for the purposes of determining whether to grant salary increases to Employee. However, the mere fact that the City Council conducts a performance evaluation of Employee shall not entitle her to any change in salary or benefits.

SECTION 4. BENEFITS

Employee shall receive the following benefits:

A. City shall provide one hundred percent (100%) of the cost for health, dental, and vision insurance for the Employee and for the Employee's dependents in the same manner as City provides for such benefits in the City's flexible benefits and/or cafeteria plan for other senior management employees.

B. City shall provide one hundred percent (100%) of the cost for life and disability insurance for the Employee in the same manner as City provides for such benefits in the City's flexible benefits and/or cafeteria plan for other senior management employees.

C. City shall provide one hundred percent (100%) of the cost of its and the Employee's share of PERS contributions so as to provide PERS benefits consistent with and in the same manner as City provides for such benefits in the City's flexible benefits and/or cafeteria plan for other senior management employees.

D. Employee shall receive a car allowance of FIVE HUNDRED DOLLARS (\$500.00) per month.

SECTION 5. LEAVE

A. Annual Leave. City shall include Employee in its Annual Leave Program and provide her with an annual allotment of TWO HUNDRED FORTY (240) hours of Annual Leave. At the commencement of her employment with the City, Employee shall be credited with ONE HUNDRED TWENTY (120) hours of Annual Leave. Employee shall accrue Annual Leave in the manner described in the City's Personnel Rules and Regulations and shall be subject to the cap on accrual of such leave as described therein. Employee shall not accrue Annual Leave in excess of FOUR HUNDRED EIGHTY (480) hours. In May and November of each year, Employee shall be entitled to sell back to City up to FORTY (40) hours of Annual Leave, provided that Employee's right to sell back such Annual Leave shall be limited to an amount equal to actual Annual Leave Employee may have taken.



B. Administrative Leave. Employee shall receive EIGHTY (80) hours of Administrative Leave per calendar year. Employee shall not have the right to accrue Administrative Leave from year to year.

SECTION 6. SEVERANCE

A. Severance Payment. If Employee is terminated by the City without Cause, as defined below, and while Employee is still willing and able to perform the duties of the City Manager, the City agrees to pay Employee a single lump sum payment made on the effective day of the termination, in an amount equivalent to six (6) months aggregate salary and an amount equivalent to six (6) months aggregate medical insurance benefit allowance. This severance amount shall be increased by three (3) months of salary and three (3) months of medical insurance benefit allowance upon the completion of twelve (12) months of service. After the first twelve (12) months of service and for each completed year of Employee's employment with the City, the amount shall be increased by one month, up to a maximum severance of twelve (12) months aggregate salary and twelve (12) months aggregate medical insurance benefit allowance. As a condition to receipt of this severance payment, Employee agrees that she will execute a Release Agreement in a form presented to her by City at the time of her termination without Cause.

B. Termination for Cause. Notwithstanding paragraph 6.A' above, the City shall not be obligated to pay, and shall not pay, any amounts or continue any benefits under the provisions of paragraph 6.A, if Employee is terminated for Cause. Cause, as used here, shall consist of a termination for any of the following reasons: (i) conviction of a felony or other crime involving moral turpitude (ii) fraud, material dishonesty, or gross negligence in the Employee's performance of her duties as City Manager; (iii) death or disability; (iv) civil liability for a violation of statute or law constituting misconduct in office. Further, City shall not be obligated to pay, and shall not pay, any amounts or continue any benefits under the provisions of paragraph 6.A, in the event Employee voluntarily resigns her employment.

C. Effect on At-Will Nature of Employment. Nothing contained in this Section 6 shall be construed as altering the at-will nature of Employee's employment with the City or be deemed to in any way modify, alter, amend or contradict the provisions of Section 2 above.

SECTION 7. PERFORMANCE EVALUATION

On or before January 31, 2009, and annual thereafter, City Council and/or its designee(s) and Employee shall meet and establish performance standards for the position of City Manager to be used in the review and evaluation of the performance of Employee. The City Council may, in its sole discretion, use any professional assistance in establishing standards, including but not limited to an agreed-upon facilitator. Employee shall be evaluated at least annually or more frequently at the discretion of the City. Nothing in this provision shall be construed to require City Council to grant Employee pay increases based on the performance standards, if any,



mentioned above nor to limit in any manner the discretion of City Council to grant or not pay increases. Nor shall anything in this Agreement be construed to require City Council to evaluate Employee solely upon the performance standards, if any, mentioned above, nor to limit the discretion of City Council to evaluate Employee as it deems necessary in the sole discretion of the City Council.

SECTION 8. PROFESSIONAL DEVELOPMENT

During her appointment as City Manager, Employee may attend and/or participate in professional activities, including, but not limited to, the International City Managers Association Annual Conference, the League of California Cities, and such other national, regional, and local associations, provided that her ability to perform her duties as City Manager is not compromised. Employee shall be paid her regular salary and benefits while traveling to, attending, or participating in professional activities, and shall be entitled to expense advances in accordance with City policy applicable to other employees. Employee shall be entitled to reimbursement for the actual costs of the following expense categories that she incurs as a result of the Professional Development activities authorized in this section: airfare, rental car, conference fees, and lodging, consistent with City policy and subject to annual budget appropriations. Employee shall notify the City Council in writing in advance of any absences of more than one day related to such Professional Development activities.

SECTION 9. REIMBURSEMENT FOR EXPENSES

Employee shall be entitled to reimbursement of reasonable business-related expenses.

SECTION 10. BONDING

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

SECTION 11. MISCELLANEOUS

A. City, in consultation with Employee, shall fix any other terms and conditions of employment as City may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Municipal Code, or any other law. No such terms and conditions shall be binding upon the parties to this Agreement unless and until they are reduced to writing and signed by both parties. Neither party may rely upon such terms and conditions without such an executed writing.

B. Unless otherwise specifically provided herein, all provisions of the Municipal Code and regulations and rules of City relating to vacation and sick leave, retirement system contributions, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended, also shall apply to Employee as they would to other City senior management employees of City.



C. In the event that Employee voluntarily resigns her position with Employer, Employee shall provide a minimum of sixty (60) days written notice unless the parties agree otherwise. If Employee resigns her employment, she shall not be entitled to any severance pay nor continued compensation and benefits except as otherwise required under state or federal law.

SECTION 12. NOTICES

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

CITY

Mayor
City of Elk Grove
8380 Laguna Palms Way
Elk Grove, CA 95758

EMPLOYEE

Laura S. Gill, City Manager
City of Elk Grove
8380 Laguna Palms Way
Elk Grove, CA 95758

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

SECTION 13. GENERAL PROVISIONS

A. The text herein shall constitute the entire agreement between the parties, and supersedes any and all other writings, documents, correspondence, agreements or understandings, either oral or in writing, between the parties hereto with respect to the employment of Employee by City. Each party to this Agreement acknowledges that no representation, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding on either party.

B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.

C. 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.

D. Any modification of this Agreement will be effective only if it is in writing and signed by both Employee and City.

E. This Agreement shall be governed by the laws of the State of California. The venue for any and all litigation arising from this Agreement shall be in the state superior or federal courts located in Sacramento County, California.

F. This Contract may be modified or amended, or any of its provisions waived, only by a subsequent written agreement executed by each of the parties. The parties agree that this requirement for written modifications cannot be waived and any attempted waiver shall be void.

G. Employee and City agree and acknowledge that the provisions of this Agreement have been arrived at through negotiation and that each party has had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel, and that both parties agree that they either have had the provisions of this Agreement reviewed by legal counsel or have voluntarily chosen not to do so. Employee expressly agrees and acknowledges that the City Attorney was representing solely the City of Elk Grove regarding the terms of this Agreement and was not representing Employee. The parties agree any ambiguities in construing or interpreting this Agreement shall not be resolved against the drafting party. The titles of the various sections are merely informational and shall not be construed as a substantive portion of this Agreement.

IT IS SO AGREED:

"EMPLOYEE"

A handwritten signature in cursive script, appearing to read "Laura S. Gill".

LAURA S. GILL

IT IS SO AGREED:

CITY OF ELK GROVE,
a Municipal Corporation

By:

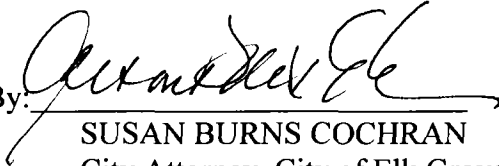
A handwritten signature in cursive script, appearing to read "Gary Davis".

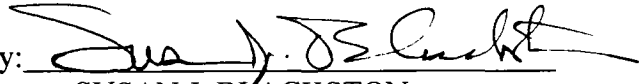
GARY DAVIS
Mayor, City of Elk Grove



APPROVED AS TO FORM:

ATTEST:

By: 
SUSAN BURNS COCHRAN
City Attorney, City of Elk Grove

By: 
SUSAN J. BLACKSTON,
City Clerk, City of Elk Grove