

CITY OF NEVADA CITY

EMPLOYMENT AGREEMENT FOR CITY MANAGER POSITION

SEAN GRAYSON

This Employment Agreement (“Agreement”) for the position of City Manager is entered into by and between the City of Nevada City (“City”), a general law city, and Sean Grayson (“Grayson”), an individual, and is effective upon final approval by the Nevada City City Council.

Recitals

WHEREAS, the City requires the services of a City Manager;

WHEREAS, Grayson has the necessary education, experience, skills and expertise to serve as the City's City Manager;

WHEREAS, the City Council of the City (the "City Council") desires to employ Grayson to serve as the City Manager of City and to provide certain benefits, establish certain conditions of employment, and to set the working conditions of City Manager;

WHEREAS, the Parties desire to execute this Agreement pursuant to the authority of and subject to the provisions of Government Code Section 53260 et seq.; and

WHEREAS, the Parties wish to establish the terms and conditions of Grayson's employment as City Manager to the City through this Agreement;

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

Agreement

1. Appointment and Scope of Services.

Employment as the City Manager shall be “at will,” subject to the terms of this Agreement, commencing on February 28, 2022 and for three (3) years, or until termination or resignation as provided in Paragraph 5. Grayson shall perform said duties at the pleasure of the City Council as provided in Government Code section 36506. Grayson will report to and receive policy direction from the City Council during the term of this employment.

2. Hours of Work.

Grayson shall devote necessary time, within and outside normal business hours, to the business of the City. Due to the nature of the position, it is understood that the workday and work week hours may vary. The City Manager is an exempt position; Grayson shall not be eligible for overtime.

3. Compensation.

- A. City agrees to compensate Grayson for services rendered a base salary of \$155,000 payable biweekly. Grayson's compensation shall be reviewed annually in connection with the annual review (Section 6 below) or at other times as may be determined by City Council.
- B. Employee has the potential of a salary and benefit adjustment each year as part of an annual performance evaluation. Salary adjustments made under this clause are considered separate from any cost-of-living adjustment that may be made as set forth below.
- C. Any salary adjustment for the term of this agreement is contingent on:
 - 1. A positive performance evaluation from a majority of the City Council members.
 - 2. The Local Economic Benchmark, which is defined as secured property tax revenue, Bradley-Burns sales tax and transient occupancy tax, exceeds audited revenues from fiscal year 2021-2022.
 - 3. City agrees to adjust Grayson's annual salary by the same cost-of-living adjustments on the same percentage and at the same time as may be adjusted for employees in the City's Management and Supervisory MOU.
 - 4. City shall not at any time during the term of this agreement reduce the base salary, compensation or other financial benefits of Grayson, unless as part of a general City management salary reduction, and then in no greater percentage than the average reduction of those employees covered under the Management and Supervisory MOU or unless otherwise negotiated.

4. Other Benefits.

- A. **Health Insurance.** As an alternative to enrolling in the City's health insurance program, Grayson opts to receive an in-lieu payment of up to Two Thousand Two Hundred Dollars (\$2,200) per month of the City's contribution. Grayson must provide the City with written notice/waiver of paid insurance premiums for which he is eligible. Then, Grayson shall receive up to \$2,200 per month, which may be taken as taxable compensation or be placed into a deferred compensation plan. The in-lieu payment is for health insurance coverage only with dental and vision coverage remaining as noted in the applicable MOU.
- B. **Life Insurance, Short Term and Long Term Disability.** The City shall provide term life insurance (\$25,000) and short-term disability and long term disability benefit options (\$300 per month) as provided to all Management and Supervisory employees per the applicable MOU.

- C. Deferred Compensation.** The City shall provide Grayson \$100 per pay period, not to exceed 26 pay periods annually, into the City 457b deferred compensation plan.
- D. Vacation Leave.** Grayson shall receive fifteen (15) vacation days per year with a starting balance of 10 days. Grayson shall be allowed to earn vacation credit to a maximum of 240 hours. Grayson will not be allowed to earn more than the maximum accrual. Should Grayson's vacation leave credits reach the maximum, Employee shall cease to earn any additional vacation credits until the leave balance is reduced sufficiently to allow additional credits to be added without exceeding the maximum accrual unless authorized due to extenuating circumstances by the City Council.
- E. Holidays.** Grayson shall receive fourteen (14) holidays per year as provided to all Management and Supervisory employees per the applicable MOU.
- F. Administrative Leave.** Grayson shall receive eighty (80) administrative hours per year as provided to all Management and Supervisory employees per the applicable MOU. Grayson will be credited 27 hours upon appointment prorated for the remainder of the fiscal year. This leave may not be accrued, accumulated or carried over from year to year.
- G. Sick Leave.** Grayson shall accrue one (1) day per month of sick leave as provided to all Management and Supervisory employees per the applicable MOU.
- H. Retirement.** Grayson is a "Classic" Tier 2 Miscellaneous member of the California Public Employees Retirement System. Employee will be covered under the City's 2 % at 60 formula. Grayson's contribution towards the retirement system will be the full employee share consistent with all Management and Supervisory employees. The City will pay the employer's share to PERS and Social Security and Grayson shall pay the employee contribution of Social Security.
- I. Automobile and Cell.**
1. The City shall provide Grayson an automobile allowance of \$200 per pay period. This allowance is in lieu of mileage reimbursement or other expenses that may be incurred in connection with the use of Grayson's own vehicle for City business. Or, in the alternative, City will provide the use of a City-owned vehicle to Grayson for the term of this agreement with costs including insurance, maintenance and fuel covered by City. Any use of a City vehicle shall be for purposes of City business only and not for personal or recreational use.
 2. The City will provide a cell phone allowance of \$40 per pay period.

5. **Termination.**

This Agreement may be terminated at any time upon the mutual written consent of both City and Grayson.

- A. Voluntary Resignation.** Grayson may terminate this Agreement any time by providing the City not less than thirty (30) calendar days prior written notice.
- B. By City without Cause.** The City may terminate Grayson without cause by providing Grayson not less than thirty (30) calendar days prior written notice. The City shall pay Grayson a severance in the sum equal to six (6) months base salary plus six (6) months COBRA health insurance coverage payments for Grayson and covered dependents. Grayson shall not be removed by the City Council during the 120 days prior to a City Council election or in the first 120 days following any change in membership of the City Council, except upon a four-fifths (4/5) vote of the City Council.
- C. By City with Cause.** The City may terminate Grayson for cause, without obligation to make the severance payment to Grayson specified in section (B) above, subject to the following:
- a. The City shall provide Grayson with written notice of the charges constituting cause for termination at least ten (10) working days prior to the effective date of the termination.
 - b. Within the ten (10) day period, but not earlier than five (5) working days after the notice has been given, City Council will provide Grayson an opportunity to respond to the charges in closed session. After hearing and considering Grayson's response to the charges, the City Council shall issue its final decision in writing.
 - c. For purposes of this section, "for cause" means Grayson's material breach of this Agreement; conviction of a felony; conviction of a misdemeanor arising out of Grayson's duties under this Agreement and involving a willful or intentional violation of law; willful abandonment of duties; any other intentional or grossly negligent action or inaction by Grayson that materially and substantially impedes or disrupts the performance of the City or its organizational units, or is detrimental to employees or public safety; or a demonstrated overall unsatisfactory performance over two consecutive evaluation periods pursuant to Section 6 below.

6. Performance Evaluation.

The City Council shall review and evaluate the City Manager's performance annually. Nothing in this provision shall be construed to require the City to grant merit increases based on the performance evaluation nor to limit the discretion to grant merit increases. If the City Manager receives an overall unsatisfactory performance rating in a performance evaluation, the City Council shall evaluate the City Manager's performance again in six (6) months.

7. **City Commitments**

- a. The City shall provide the City Manager with office space, staff, equipment, supplies, automobile allowance, and all other facilities and services adequate for the performance of the City Manager's duties.
- b. The City shall pay for or provide the City Manager reimbursement for all actual business expenses other than mileage as set forth above. The City shall provide the City Manager a credit card to charge appropriate and lawful business expenses.
- c. The City agrees to pay the professional dues and subscriptions on behalf of the City Manager for participation in national, regional, state or local associations and organizations, as necessary and desirable for the good of the City, and for the City Manager's continued professional participation and advancement.
- d. The City agrees to pay the travel and subsistence expenses of the City Manager for purposes such as official functions, meetings, occasions, short courses, institutes and seminars that are necessary for the good of the City or for the professional development of the City Manager.

8. **Non-Assignment of Agreement.**

This Agreement is intended to secure the individual services of Grayson and is not assignable or transferrable by Grayson to any third party.

9. **Governing Law/Venue.**

This Agreement shall be interpreted according to the laws of the State of California. Venue for any action or proceeding regarding this contract shall be in Nevada County.

10. **Enforceability.**

If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

11. **Conflict of Interest.**

Grayson shall not engage in any business or transaction or have a financial or other personal interest or association, direct or indirect, which is in conflict with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties. Grayson shall also be subject to the conflict of interest provisions of the California Government Code and any conflict of interest code applicable to the City Manager's City employment. Grayson is responsible for submitting to the City Clerk the appropriate Conflict of Interest Statements.

12. **Entire Agreement and Modification.**

This Agreement constitutes the entire understanding of the parties hereto pertaining to the City Manager employment contract and can only be amended by a writing fully executed by both parties.

13. **Indemnification.**

To the full extent of the law, the City shall defend and indemnify the City Manager against and for all losses sustained by the City Manager in direct consequences of the discharge of the City Manager's duties on the City's behalf for the period of the City Manager's employment, save and except those losses sustained as a result of the willful act or omission of the City Manager.

14. **Notices.**

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

a. City:

Attn: City Council
City of Nevada City
317 Broad Street
Nevada City, CA 95959

Copy to: Dean J. Pucci, City Attorney
6349 Auburn Boulevard
Citrus Heights, CA 95621

b. City Manager:

Sean Grayson
(Confidential address on file with Human Resources)

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

15. **Counterparts.**

This Agreement may be executed in counterparts containing original signatures.

IN WITNESS WHEREOF, the City has caused this Agreement to be signed and executed on its behalf by the Mayor, and Grayson has signed and executed this Agreement, on the day and year written below.

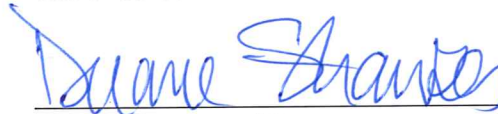
DATED: January 27, 2022

EMPLOYEE



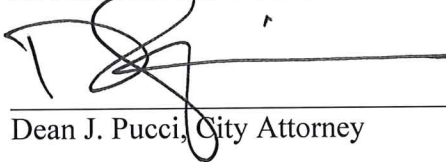
Sean Grayson, City Manager

CITY OF NEVADA CITY



Duane Strawser, Mayor

APPROVED AS TO FORM:



Dean J. Pucci, City Attorney

ATTEST:



Neil Locke, City Clerk