

**EMPLOYMENT AGREEMENT FOR THE INTERIM ASSISTANT CITY MANAGER
POSITION BETWEEN THE CITY OF NEVADA CITY AND STEPHEN ELRANDSON**

THIS AGREEMENT is made and entered into this 2nd day of January 2023 by and between the City of Nevada City, a Municipal Corporation, (City) and Stephen Erlandson, individually (Employee).

WITNESSETH

WHISEAS, the City requires the services of an Interim Assistant City Manager; and

WHISEAS, Employee has the necessary education, experience, skills, and expertise to serve as the City's Interim Assistant City Manager; and

WHISEAS, City desires to employ the services of Stephen Erlandson for the position as Interim Assistant City Manager; and

WHISEAS, it is the desire of the City to provide certain benefits, establish certain conditions of employment and to set working conditions of said Employee;

NOW, THISEFORE, it is mutually agreed by and between the parties as follows:

- 1. TERM.** Employment of the Interim Assistant City Manager shall be "at will" commencing his employment pursuant to this Agreement on January 3, 2022 and continuing for a period of six months or until termination or resignation as provided in Paragraph 7. The six-month term may be extended upon mutual agreement of Employee and City Manager. Each party acknowledges that the rights and obligations of public employees pursuant to Government Code Sections 1000 et seq. remain fully applicable to Employee as Interim Assistant City Manager under this Agreement. This is an exempt management level position.
- 2. INDEMNIFICATION.** To the maximum extent permitted by law, City shall defend, save harmless and indemnify Employee against any tort, professional liability claims or demand, or any other legal action, whether groundless or otherwise, arising out of any alleged act or omission occurring in the course and scope of performance of his functions and duties as Interim Assistant City Manager undertaken pursuant to this Agreement. City shall hold Employee harmless against any claims, damages, and expenses, including reasonable attorney's fees, judgments, fines, settlements and other amount actually and reasonable incurred in connection with any proceeding arising from the course and scope of employment to the same extent as City would be required by law to do for any other Interim Assistant City Manager employed by the City. City may compromise and settle any such claim or suit and pay the amount of all settlements or judgments rendered thereof, when, in the judgment of City such is the most advisable course of action, but in any event, City will defend and indemnify Employee. This provision shall survive any termination or resignation of Employee or expiration of this Agreement.

3. **DUTIES.** This is an exempt management level position. Employee shall devote such time as is needed to performing the functions and duties necessary for the position of Interim Assistant City Manager for the City. The scheduling of these hours is flexible and may be modified as necessary by agreement between City Manager and Employee to accommodate the needs of the City. The Interim Assistant City Manager is an exempt position; Employee shall not be eligible for overtime. Employee shall perform all duties, responsibilities and functions specified in the City's job description (attached) for the Interim Assistant City Manager and such other proper duties as assigned by, and subject to review and evaluation of the City Manager.

During the six-month term of this agreement, Employee will:

- Perform a comprehensive assessment of the City's financial practices including budgeting, accounting, purchasing, payroll, required reporting and auditing;
- Provide a comprehensive assessment of the City's human resources and risk management practices to includes worker's compensation, benefit administration, on-boarding and off-boarding, hiring practices, and employee training and development;
- Assist in the development of the City's 2023-2024 budget process;
- Build and enhance team cohesion and make recommendations for process improvement within administration;
- Initiate and coordinate, in cooperation with the City Engineer, the City's new Capital Improvement Program (CIP) process;
- Participate in the review, evaluation and selection of a new citywide software solution to include replacement of the City's financial software and website in the 2023 fiscal year.

Notwithstanding provisions to the contrary in the job description for the position, Employee shall be under the general limited supervisory control of the City Manager with relative independence and latitude for exercising independent judgement and initiative within the scope of oral and written instructions and established policies, guidelines and procedures and in accordance with all applicable requirements of federal, state and local law and current codes and criteria. This may include duties preformed at other locations on city business.

4. **CONFLICTS.** During the term of the Agreement, Employee shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonable might be expected to conflict, with the proper discharge of Employee's duties under this agreement.
5. **COMPENSATION.** The monetary compensation payable to the Employee for his services hereunder shall be \$65,000 for the six-month period at an hourly rate of \$62.50 (equates to \$130,000 annually) subject to deductions and withholding of any and all sums required for federal and state income tax, pension contributions, and all other taxes, deductions or withholdings required by then current state, federal or local law, prorated

and paid bimonthly on the City's payroll cycle. Employee's compensation shall be subject to cost-of-living increases per any memorandum of understanding agreement reached periodically with other City management employees. The Interim Assistant City Manager is an exempt position; Employee shall not be eligible for overtime. City will deduct and pay from Employee's compensation federal, state and Social Security taxes as required by law

6. **OTHER BENEFITS.** The City shall also pay for the following employment related services, subject to stated limitations:
 - A. **Health Insurance.** The City shall pay the premium for health insurance for Employee including spouse and dependents, for medical coverage (100% for employee and 90% dependent coverage for City plans). Dental and Vision coverage will be provided to Employee as provided to all Management and Supervisory employees per the applicable Memorandum of Understanding (MOU).
 - B. **Life Insurance, Short Term and Long-Term Disability.** The City shall provide term life insurance and short-term disability and long-term disability benefit options as provided to all Management and Supervisory employees per the applicable MOU.
 - C. **Deferred Compensation.** The City shall provide Employee \$50 per pay period, not to exceed 26 pay periods annually, into the City 457b deferred compensation plan. The City's obligation to provide the \$50 contribution only arises if Employee elects to also contribute at least \$50 per pay period.
 - D. **Vacation Leave.** Employee shall accrue vacation at a rate of 10 vacation days per year pro rated by pay period with a starting balance of two days. Employee shall be allowed to earn vacation credit to a maximum of 240 hours. Employee will not be allowed to earn more than the maximum accrual. Should Employee'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 Manager.
 - E. **Holidays.** Employee shall receive fourteen (14) holidays per year as provided to all Management and Supervisory employees per the applicable MOU.
 - F. **Administrative Leave.** Employee shall receive forty (40) administrative hours for the six month contract period as provided to all Management and Supervisory employees per the applicable MOU. This leave may not be accrued, accumulated, or carried over from year to year. This leave will not be paid out upon separation from the City.

G. Sick Leave. Employee shall accrue one (1) day per month of sick leave as provided to all Management and Supervisory employees per the applicable MOU.

H. Retirement. Employee 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. Employee's contribution is 7% (seven percent) towards the retirement system. The City will pay the employer's share to PERS, and Social Security and Employee shall pay the employee contribution of Social Security.

I. Automobile and Cell.

A. City will reimburse expenses for authorized City travel.

B. The City will also provide a cell phone allowance of \$40 per pay period.

J. Incentives. City agrees to provide the following incentive pay to Employee:

A. City agrees to provide an Education Incentive to Employee of 7.5% for a job-related Master's Degree.

7. TERMINATION. Employment of Employee is at-will and subject to termination at the discretion of the City Manager or resignation by Employee, provided that any termination or resignation shall be upon advance written notice of thirty (30) days, or such longer period as City may request except in the case of termination for cause. Termination for cause shall be immediate.

8. CITY COMMITMENTS.

A. The City shall provide the Employee with office space, staff, equipment, supplies, and all other facilities and services adequate for the performance of the Interim Assistant City Manager duties.

B. The City shall pay for or provide the Employee reimbursement for all actual business expenses.


C. The City agrees to pay the professional dues and subscriptions on behalf of the Employee for participation in national, regional, state, or local associations and organizations, as necessary and desirable for the good of the City, and for the Employees continued professional participation and advancement with preapproval of the City Manager.

D. The City agrees to pay the travel and subsistence expenses of the Employee 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 Employee.

9. **SEVERABILITY.** Should any part, term or provision of this Agreement be declared invalid, void or unenforceable, all remaining parts, term and provisions hereof shall remain in full force and shall in no way be invalidated, impaired or effected thereby.
10. **NOTICES.** Notices to be given under this contract may be mailed or delivered to the City at 317 Broad Street, Nevada City, CA 95959 and to Employee at City Hall or residence as on file with the City.
11. **GOVERNING LAW/VENUE.** This Agreement shall be construed under and governed by the laws of the State of California, and venue shall be in Nevada County, California.
12. **NON-ASSIGNMENT OF AGREEMENT.** This Agreement is intended to secure the individual services of the Employee and is not assignable or transferrable to any third party.
13. **COUNTERPARTS.** This Agreement may be executed in counterparts containing original signatures.

IN WITNESS WHEREOF, the parties have executed this Agreement this 2nd day of January, 2023 at Nevada City, California.



Sean Grayson
City Manager



Stephen Erlandson
Employee