

**EMPLOYMENT AGREEMENT
for the Position of
CITY OF DIXON HUMAN RESOURCES DIRECTOR**

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into this 19th day of September 2023, by and between the City of Dixon, a California municipal corporation (“City”) and Rachel Ancheta, an individual (“Employee”). The City and Employee may individually be referred to herein as “Party” or collectively as “Parties”. There are no other parties to this Agreement.

RECITALS

A. The City Manager appointed Employee to the position of Human Resources Director on or about September 18, 2017, pursuant to Dixon Municipal Code (“D.M.C.”) Section 2.09.040, and Employee has served in that capacity through present.

B. The City Manager has evaluated Employee’s knowledge, experience, administrative skills, and ability to serve as the City’s Human Resources Director and recommends that Employee continue to serve as the Human Resources Director, pursuant to the terms of this Agreement.

C. The Parties agree that this Agreement shall be the sole agreement between the Parties regarding the employment of Employee as Human Resources Director.

D. The Parties’ desire to execute this Agreement pursuant to the authority of, and subject to, the provisions of California Government Code section 53260 *et seq.*

NOW, THEREFORE, in consideration of the mutual promises herein contained, City and Employee agree as follows:

AGREEMENT

Section 1. Recitals. The recitals set forth above (“Recitals”) are incorporated herein by this reference and made a part of this Agreement. In the event of any inconsistencies between the Recitals and Sections 1 through 10 of this Agreement, Sections 1 through 10 will prevail.

Section 2. Effective Date. This Agreement shall become effective on September 19, 2023 (“Effective Date”).

Section 3. Appointment of Human Resources Director, Duties, and Term.

3.1. Appointment of Human Resources Director and Duties. The City Manager hereby appoints Employee to the position of Human Resources Director, in and for the City, to perform the function and duties of the Human Resources Director under the

direction of the City Manager, as the City Manager is authorized to oversee City employees under Section 2.09.040 of the D.M.C. Employee accepts such appointment and employment pursuant to the terms of this Agreement. Employee shall further perform the functions and duties specified under the laws of the state of California, the City's D.M.C, ordinances, and resolutions, and such other duties and functions as the City Manager may from time to time assign.

3.2. No Secondary Employment. Employee agrees to devote all of her productive time, ability, and attention to the City's business. During the Term, as defined in Section 3.5 of this Agreement, Employee shall not hold secondary employment and shall be employed exclusively by the City, subject to any exceptions approved in writing by the City Manager or the City Council; provided, however, Employee has the right to volunteer for such nonprofit organizations as she may see fit and further provided that such volunteer services shall not interfere with her duties as Human Resources Director.

3.3. Exempt Employee. The general business hours for City employees are Monday through Friday, 9:00 a.m. to 5:00 p.m. However, it is recognized by the Parties that Employee is an exempt employee for purposes of the Fair Labor Standards Act of 1938 (29 U.S.C., § 201 et seq.). Employee shall not receive overtime or extra compensation for hours worked outside of the City's general business hours, which are necessary to fulfill the duties of the Human Resources Director position, unless otherwise provided in this Agreement.

3.4. Schedule. The Human Resources Director's daily and weekly work schedule shall vary in accordance with the work required to be performed. The Human Resources Director position may include frequent attendance at evening meetings and frequent irregular hours as necessary to meet deadlines and achieve objectives. The City Council and the City Manager recognize that the Human Resources Director must devote a great deal of her time outside normal office hours to business of the City and, to that end, will be allowed to take compensatory time off as she shall deem appropriate during said normal office hours.

3.5. Term. The term of this Agreement shall be for three (3) years from the Effective Date ("Term"). The City Manager, in his sole discretion, may extend the Term from time to time in increments of at least two (2) years. No later than six (6) months prior to the expiration of the Term, the City Manager shall provide written notice to Employee as to whether the City Manager intends to extend the Term.

Section 4. At-Will Employment. Employee is an at-will employee serving at the pleasure of the City Council and City Manager, as provided in Government Code section 36506 and D.M.C. Section 2.09.040. Accordingly, the City Manager may terminate Employee's employment at any time, with or without cause. Only if Employee is terminated by City without Good Cause, as defined in Section 6.4 of this Agreement, shall Employee be entitled to a Severance, as defined in Section 6.3 of this Agreement.

Section 5. Compensation and Evaluations.

5.1. Base Salary. Beginning the first pay period following the Effective Date for all services performed by Employee as the Human Resources Director, City agrees to pay Employee an annual salary of One Hundred Seventy Thousand Fifty-Two Dollars and 51/100 Cents (\$170,052.51) ("Base Salary"), payable in installments at the same time the other City employees are paid. Effective the first full pay period following September 19, 2024, Employee's Base Salary shall be increased by two percent (2%) to One Hundred and Seventy-Three Thousand Four Hundred Fifty-Three Dollars and 56/100 (\$173,453.56). Effective the first full pay period following September 19, 2025, Employee's Base Salary shall increase by two percent (2%) to One Hundred Seventy-Six Thousand Nine Hundred and Twenty-Two Dollars and 63/100 (\$176,922.63).

5.2. Pro-rata Decrease. Employee acknowledges that the Base Salary may be subject to a pro-rata decrease based on the City Council's adoption of an unpaid Mandatory Furlough Program adopted as a budgetary measure.

5.3. Reopener. Employee acknowledges that in the event City's monetary reserves fall below fifteen percent (15%) before the expiration of the Term of this Agreement, City may elect to reopen this Agreement for negotiations.

5.4. Review and Evaluation. The City Manager agrees to review and evaluate Employee's performance of her duties as Human Resources Director, pursuant to the terms of this Agreement ("Review and Evaluation"), on not less than an annual basis and to provide Employee with a written performance review. The annual Review and Evaluation shall be conducted in September of each year, or at the City Manager's discretion.

5.5. Benefits. During the Term of this Agreement, Employee shall be entitled to receive the same benefits provided in the City's "Compensation Plan for Confidential Senior Management Classifications" (the "Compensation Plan"), attached hereto as **Exhibit A**, or as may be amended from time to time. Any benefits listed in Sections 5.5-5.9 of this Agreement, shall be in lieu of those benefits provided in the Compensation Plan. Any benefits not specifically listed in Sections 5.5-5.10 of this Agreement are enumerated in the attached Compensation Plan.

5.6. Deferred Compensation. Employee shall receive a City contribution for deposit into a deferred compensation retirement account. Effective the first pay period following the Effective Date of this Agreement, the City agrees to contribute a four percent (4%) match of Employee's Base Salary each month.

5.7. Retirement. The City participates in the California Public Employees Retirement System ("CalPERS"). City agrees to continue its contribution to Employee's retirement benefits as set forth in the Compensation plan attached hereto.

5.8. Vacation. Employee shall accrue twenty (20) days or one hundred sixty (160) hours of vacation leave per year. Upon separation, Employee is entitled to receive

payment at her then current Base Salary for all unused vacation time as of the effective date of separation.

5.9. Monthly Benefit Allowance. The City will contribute to Employee's Monthly Benefit Allowance ("MBA"). Employee shall receive seventy percent (70%) of the Kaiser (Region 1) family rate. If Employee elects not to receive the MBA, she will receive Six Hundred Dollars (\$600.00) as taxable income.

5.10. Administrative Leave. In recognition of the extra hours required, Employee shall earn one hundred twenty (120) hours of administrative leave every July 1. This leave shall be used in the same manner as vacation. Upon Employee's request, administrative leave can be cashed out each year. During the Term of this Agreement, Employee may cash-out up to sixty (60) hours of administrative leave annually.

Section 6. Termination of Employment and Severance.

6.1. Voluntary Resignation. Employee may resign at any time and agrees to give the City at least sixty (60) days advance written notice of the effective date of Employee's resignation, unless the Parties otherwise agree in writing. If Employee retires from full-time public service with the City, Employee shall provide three (3) months advance written notice. Employee's actual retirement date will be mutually established between the Parties. During the notice period, all rights and obligations of the Parties under this Agreement shall remain in full force and effect. Promptly after the effective date of resignation, the City shall pay to Employee all salary and benefit amounts, both accrued and owing, under this Agreement. In the event of voluntary resignation, Employee shall not be entitled to Severance, as set forth in Section 6.3 of this Agreement.

6.2. Termination by City Manager. The City Manager may terminate this Agreement and remove Employee from her position as Human Resources Director at any time with or without cause and with or without notice. Within ten (10) days of City Manager's termination of this Agreement, Employee may make a written request for a hearing before the City Council, at which time the City Council will have the option to ratify the City Manager's termination decision. In the event Employee does not request a hearing before the City Council, the City Manager's termination decision will stand. The hearing shall take place in closed session at a regularly scheduled City Council meeting. Upon Employee's request for the hearing to take place in open session, she will waive any claims to privacy associated with her rights to employment information that is the basis for her termination, including, but not limited to, her personnel file and any information contained therein, which would otherwise be private.

6.3. Termination Without Good Cause. In the event the City terminates this Agreement without Good Cause, as defined in Section 6.4 below, the City shall pay Employee a sum equal to six (6) months of Employee's then current base salary ("Severance"). Such Severance is subject to the restrictions of Government Code section 53260. Any cash settlement related to the termination of this Agreement received by Employee from the City, shall be fully reimbursed to the City if Employee is convicted of

a crime involving an abuse of her office or position while employed with the City, pursuant to Government Code section 53243.2. Severance shall be paid in the same manner as other City employees unless otherwise agreed to by the City and Employee. The City agrees to make a contribution to Employee's deferred compensation account on the value of the Severance, calculated using the rate ordinarily contributed on regular compensation. In the event the City terminates this Agreement, Employee shall be entitled to continued medical and dental benefits at her own cost, pursuant to the provisions of the federal Consolidated Omnibus Budget Reconciliation Act ("COBRA").

6.4. Termination for Good Cause. The City may at any time immediately terminate this Agreement for Good Cause, as defined below. If Employee is terminated for Good Cause, the City shall not be required to pay any Severance under this Agreement, and the City shall have no obligation to Employee beyond those benefits accrued as of Employee's last day of employment and those the City is obligated to provide under federal or state law.

"Good Cause" for purposes of this Agreement, means a fair and honest cause or reason for termination. These reasons include, but are not limited to:

1. Conviction of a felony;
2. Disclosing confidential information of the City;
3. Gross carelessness or misconduct;
4. Unjustifiable and willful neglect of the duties described in this Agreement;
5. Mismanagement;
6. Non-performance of duties;
7. Any conduct which violates the City's Personnel Rules and for which a City employee may be terminated;
8. Repeated and protracted unexcused absences from the Human Resources Director's office and duties;
9. Willful destruction or misuse of City property;
10. Conduct that in any way has a direct, substantial, and adverse effect on the City's reputation;
11. Willful violation of federal, state, or City discrimination laws;

12. Continued substance abuse which adversely affects performance of Employee's duties as Human Resources Director;
13. Refusal to take or subscribe any oath or affirmation which is required by law; or
14. Employee's death or diagnosis with a disability, as defined by state or federal law, that prevents her from performing the essential functions of the Human Resources Director position, even with reasonable accommodations.
15. Dishonesty;
16. Engaging in unauthorized employment or activities which conflict with, or present the appearance or possibility of conflicting with, City's legitimate business interests; and
17. Continuous or repeated failure or refusal to perform Employee's duties to the standards set by City.

Notwithstanding any provision in this Agreement to the contrary, the City Manager may suspend Employee with full pay and benefits at any time during the Term of this Agreement.

Section 7. Indemnification. The City shall defend, hold harmless, and indemnify Employee against any tort, personnel, civil rights, or 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 Human Resources Director in accordance with the California Government Claims Act (Gov. Code, § 810 et seq.) and shall provide a defense to Employee in accordance with Government Code sections 995-996.6. The City may decline to defend or indemnify Employee only as permitted by the Government Code. City may compromise and settle any such claim or suit and pay the amount of any resulting settlement or judgment; provided, however, the City's duty to defend and indemnify shall be contingent upon Employee's good faith cooperation with such defense. In the event the City provides funds for legal criminal defense pursuant to this Section, Employee shall reimburse the City for such legal criminal defense funds, if Employee is convicted of a crime involving an abuse of office or position, as provided by Government Code sections 53243 through 53243.4.

Section 8. Bonding. City shall bear the full cost of any fidelity or other bonds required of Employee under any law or ordinance.

Section 9. Acknowledgment. Employee acknowledges that she has had the opportunity to consult with counsel in regard to this Agreement, that she has read and understands this Agreement, that she is fully aware of its legal effect, and that she has

Section 10. General Provisions.

10.1. Council Approval/Modification of Agreement. This Agreement is contingent on approval by the City Council. The terms and conditions of this Agreement may not be modified or amended at any time except by written agreement signed by both Parties and approved by the City Council.

10.2. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

10.3. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any Section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining Sections of this Agreement shall not be affected.

10.4. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement, and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented, or purported to be represented, by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

10.5. Headings. The headings in this Agreement are included for convenience only and neither affect the construction or interpretation of any Section in this Agreement, nor affect any of the rights or obligations of the Parties to this Agreement.

10.6. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

10.7. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

10.8. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

10.9. Counterparts. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto,

notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

10.10. Venue. Venue for all legal proceedings shall be in the Superior Court of the State of California in and for the County of Solano.

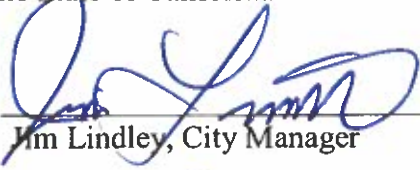
10.11. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

IN WITNESS WHEREOF, this Agreement has been entered into by and between Employee and City as of the date of the Agreement set forth above.

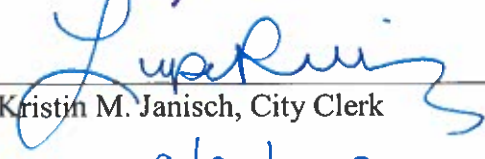
[Signature Page To Follow]

CITY:

City of Dixon, a California municipal corporation
of the State of California

By: 
Jim Lindley, City Manager

Date Signed: 9-22-23


By: 
for: Kristin M. Janisch, City Clerk

Date Signed: 9/22/2023

Approved as to Form and Content:

By: 
for: Douglas L. White, City Attorney

EMPLOYEE:

By: 
Rachel Ancheta, an individual

Date Signed: 9/21/2023