

CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: January 20, 2026

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To: From: Honorable Mayor and City Councilmembers
 Kerrie McNally, Adams Silva & McNally LLP
 Deborah Muchmore, Human Resources Consultant

Subject: Approval off Extension of Interim City Manager Contract for Mary Gourley Through March 2026

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RECOMMENDATIONS:

Approve a resolution of the City Council of the City of Sebastopol approving an amendment to the employment agreement with Mary Gourley to serve as the Interim City Manager until March 31, 2026, or until the City Council appoints a full-time City Manager, whichever is first.

EXECUTIVE SUMMARY:

The City Manager position is currently vacant. Mary Gourley has been serving as the Interim City Manager since June, 2025. The City Council must appoint an Interim City Manager until it completes its recruitment for and hiring of a full-time permanent City Manager.

Ms. Gourley has agreed to serve as the Interim City Manager while the City Council recruits a permanent City Manager under the financial terms of her current employment agreement which will result in no additional direct cost to the City.

BACKGROUND:

The City Manager position is currently vacant. The City Council is working to recruit a full-time City Manager.

Mary Gourley is an experienced City leader who has served as the Interim City Manager, Assistant City Manager, and City Clerk for the City of Sebastopol. She is familiar with the status of all City projects and Council priorities and is the best person to continue to lead the City while the Council searches for a permanent City Manager.

DISCUSSION

The City requires an employee to serve as Interim City Manager to ensure all City projects and priorities are maintained, staff is provided appropriate direction, and City Council priorities are developed while the City Council recruits a permanent City Manager.

Ms. Gourley has demonstrated an aptitude for and willingness to serve as the Interim City Manager. Ms. Gourley's skills and knowledge make her well suited to serve as the Interim City Manager while the City recruits for a permanent City Manager. Ms. Gourley has agreed to serve as the Interim City Manager and desires to do so under the same financial terms and conditions of her current employment agreement as amended in November 2024. Consequently, the City will not incur any direct cost associated with her appointment to the position as she will not be receiving any additional compensation or benefits during her term of Interim City Manager.

STAFF ANALYSIS:

Staff recommends appointing Ms. Gourley to the Interim City Manager position and approving an amendment to her employment agreement to authorize Ms. Gourley to serve as the Interim City Manager and instill in her the authority to assume the responsibilities of the City Manager. Staff recommends approving Amendment 6 to the Employment Agreement which will have direct no fiscal impact on the City.

BUDGET COMMITTEE REVIEW:

Not Applicable

CITY COUNCIL GOALS/PRIORITIES; AND/OR GENERAL PLAN CONSISTENCY:

This agenda item represents the City Council goals/priorities as follows:

Goal 4. HIGH PERFORMANCE ORGANIZATION
Restoring public trust
Improve Public Communications

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date. The City has also used social media to promote and advertise the City Council Meeting Agenda Items.

As of the writing of this agenda item report, the City has not received public comment. If staff receives public comments following the publication and distribution of this agenda item report, such comments will be provided to the City Council as supplemental materials before or at the meeting and will be posted to the city website.

FISCAL IMPACT:

The Fiscal Impact of appointing Mary Gourley to the position of Interim City Manager will have no direct fiscal impact on the City. Staff is not asking for any additional appropriations to cover the cost of the interim position.

RESTATED RECOMMENDATION:

That the City Council Approve a resolution of the City Council of the City of Sebastopol appointing Mary Gourley as Interim City Manager under the same terms and conditions related to compensation and benefits contained in Amendment Four to her Employment Agreement, which was approved by the Council on November 5, 2024.

OPTIONS:

Council could determine not to enter into Amendment Number 6 and appoint an alternative candidate to serve as the Interim City Manager.

ATTACHMENTS:

Resolution & Amendment Number 6

APPROVALS:

Department Head Approval: Approval Date: 1/14/26

CEQA Determination (Planning): Approval Date: N/A

The proposed action is not a project under the California Environmental Quality Act (CEQA)

Administrative Services (Financial) Approval Date: 1/14/26

Costs authorized in City Approved Budget: ☐ Yes ☐ No ☒ N/A

Account Code (f applicable) _____

City Attorney Approval: Approval Date: 1/7/26

City Manager Approval: Approval Date: 1/7/26

Resolution Number: _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL APPROVING AND
ADOPTING AN AMENDMENT TO EMPLOYMENT AGREEMENT FOR PROFESSIONAL
SERVICES AND EXTENDING APPOINTMENT OF MARY GOURLEY, AS INTERIM CITY
MANAGER

WHEREAS, the City Manager position is currently vacant; and

WHEREAS, Mary Gourley is an experienced City leader, having served as the Assistant City Manager for the City of Sebastopol since 2016, City Clerk for the City of Sebastopol since September 2006, and Interim City Manager since June 2025; and

WHEREAS, the City Council desires for Ms. Gourley to continue to serve as the Interim City Manager under the same terms and conditions approved by the Council on July 1, 2025; and

WHEREAS, this Amendment 6 to the Employment Agreement, dated October 4, 2016 (“Agreement”), is attached hereto as Attachment A and will require no additional appropriations for the current fiscal year.

THEREFORE, BE IT RESOLVED, for and in consideration of the covenants and mutual promises therein, the Parties agree to Amendment 6 of the Agreement as listed in Attachment A.

PASSED AND ADOPTED, by the CITY COUNCIL of THE CITY OF SEBASTOPOL, COUNTY OF SONOMA, of the STATE OF CALIFORNIA on this 20th day of January, 2026.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by City of Sebastopol City Council following a roll call vote:

VOTE:

Ayes:

Noes:

Absent:

Abstain:

APPROVED:

Jill McLewis, Mayor

ATTEST:

Mary Gourley, Interim City Manager/City Clerk, MMC

APPROVED AS TO FORM:

Alex Mog, City Attorney

ATTACHMENT A

AMENDMENT NUMBER 6 TO AGREEMENT FOR PROFESSIONAL SERVICES

WHEREAS, Mary Gourley (“Employee”) and the City of Sebastopol (“City”) entered into an Agreement for Professional Services, dated October 4, 2016 (“Agreement”) for the purpose of employing Employee as the Assistant City Manager / City Clerk;

WHEREAS, the Agreement was amended on July 16, 2019, July 5, 2022, November 7, 2023, November 5, 2024, and July 1, 2025; and

WHEREAS, Employee and the City (collectively “the Parties”) desire for Employee to continue to serve as the Interim City Manager under the same terms and conditions of the Agreement as amended on July 16, 2019, July 5, 2022, November 7, 2023, and November 5, 2024. A copy of the Agreement and Amendments are attached as Exhibit 1; and

WHEREAS, except as expressly stated herein, the terms of the Agreement, as amended on July 16, 2019, July 5, 2022, November 7, 2023, November 5, 2024, and July 1, 2025, shall remain in full force and effect for the duration of this Sixth Amendment to the Agreement (“Sixth Amendment”);

NOW THEREFORE, THE PARTIES AGREE:

1. **Term**: The term of this Sixth Amendment shall be from February 1, 2026 through March 31, 2026, or until the City hires a full-time permanent City Manager, whichever is first. At the expiration of this term, Employee shall resume her duties as the Assistant City Manager / City Clerk under the terms of the Fourth Amendment to Agreement.

Except as provided herein, all remaining terms of the Agreement, as amended on July 16, 2019, July 5, 2022, November 7, 2023, November 5, 2024, and July 1, 2025, shall remain in full force and effect.

This Amendment Number 6 is agreed to on January 20, 2026.

CITY OF SEBASTOPOL

EMPLOYEE

By:

Mayor

Interim City Manager

EXHIBIT 1

RESOLUTION NO. 6450-2022

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL
 APPROVING AND ADOPTING THE AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES
 APPOINTED CITY CLERK (Employer Hiring Authority: City Council)
 ASSISTANT CITY MANAGER (Employer Hiring Authority: City Manager)

WHEREAS, Employee serves as the City of Sebastopol Assistant City Manager and City Clerk; and

WHEREAS, any changes to said contract shall be approved by the City Council; and

WHEREAS, City Council, City Manager and Employee have met and conferred on June 28, 2022 and City Council has unanimously approved the amendments to said employment; and

WHEREAS, the City and Employee agreed to revisions to current employment agreement.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Sebastopol, approval of the Amendment Number 2 to the Agreement for Professional Services for the Assistant City Manager and City Clerk.

PASSED AND ADOPTED, by the CITY COUNCIL of THE CITY OF SEBASTOPOL, COUNTY OF SONOMA, of STATE OF CALIFORNIA on this 5th day of July, 2022.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by City of Sebastopol City Council following a roll call vote:

VOTE:

Ayes: Councilmembers Glass, Gurney, Rich, Vice Mayor Hinton and Mayor Slayter
 Noes: None
 Absent: None
 Abstain: None

APPROVED: 
 Mayor Patrick Slayter

ATTEST: 
 Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM: 
 Larry McLaughlin, City Attorney

AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES
APPOINTED CITY CLERK (Employer Hiring Authority: City Council)
ASSISTANT CITY MANAGER (Employer Hiring Authority: City Manager)
(Amendment Number 2)

This Amended and Restated Employment Agreement ("Agreement - Exhibit B") is made and entered into on this 5th day of July, with an effective date of July 1, 2022, by and between the City of Sebastopol, California (herein "City" or "Employer") and Mary Gourley, (hereinafter referred to as "Employee"), with reference to the following facts:

WHEREAS, Employee was Appointed by the City Council in September 2006 for the City of Sebastopol as City Clerk; and

WHEREAS, Employee was promoted to the Position of Assistant City Manager/City Clerk effective October 2016; and has been continuously employed;

WHEREAS, Employee has and continues to perform functions and duties as the City of Sebastopol City Clerk for the City of Sebastopol as assigned by the City Council as well performing the Assistant City Manager duties and responsibilities as has been assigned by the City Manager; and

WHEREAS, City and Employee desire to restate the employment terms in this Employment Agreement and Amendment Number 2 and confirm specific terms and conditions relating to compensation and benefits and related matters; and

WHEREAS, the City and Employee now desire to make certain minor revisions to their current employment agreement (Exhibit A); and

WHEREAS, City and Employee have met and conferred on June 28, 2022 and City Council and City Manager have unanimously approved the amendments to said employment and Employer and Employee hereby mutually covenant and agree to the following provisions listed herein; and

WHEREAS, All remaining terms and conditions of said Agreement of October 4, 2016, and Amendment Number 1 of July 2019, are incorporated herein and remain in full force and effect unless otherwise amended below; and

WHEREAS, Employee shall continue to receive such applicable benefits, bonuses, incentives, holidays, etc., in the same manner and under the same limitations provided to and imposed upon the Management employees and Master Personnel Rules and Regulations unless otherwise amended in writing; and

WHEREAS, City shall not at any time during the term of this Agreement reduce the salary, compensation, or other benefits of Employee; and

WHEREAS, This amendment 2 and restated agreement and Amendment 1 shall continue to be governed by and construed in accordance with the laws of the State of California, which are in full force and effect as of the date of execution of said agreement. Except as amended by this Amendment No. 2, all other provisions of the Employment Agreement, as amended, shall remain unchanged and in full force and effect.

NOW, THEREFORE BE IT RESOVLED, for and in consideration of the covenants and mutual promises herein set forth, the parties agree to amendments as listed in Exhibit A.

The above and foregoing amendment was duly passed, approved and adopted at a publicly noticed meeting by the City Council on this 5th day of July 2022 by the following vote:

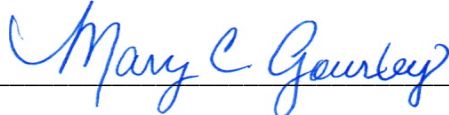
VOTE:

Ayes: Councilmembers Glass, Gurney, Rich, Vice Mayor Hinton and Mayor Slayter
Noes: None
Absent: None
Abstain: None

APPROVED:


Mayor Patrick Slayter

ATTEST:



Mary Gourley, Assistant City Manager/City Clerk, MMC

APPROVED AS TO FORM:



Larry McLaughlin, City Attorney

AMENDMENT NUMBER 2**EXHIBIT A****COMPENSATION:**

Salary: Employee shall be paid an annual base salary as listed and approved in the Pay Rate and Ranges and any future updates to Ordinance No. 563 that are amended, approved and adopted by the City Council; a copy of which is available on the City of Sebastopol city Web site at www.cityofsebastopol.org.

COLA:

Effective July 1, 2022, Said Employee shall receive a Four Percent (4%) pay raise payable on a pro-rata basis in the same manner as all full time City employees, and subject to all applicable payroll taxes and withholdings.

Effective July 1, 2023, Said Employee shall receive a Four Percent (4%) pay raise payable on a pro-rata basis in the same manner as all full time City employees, and subject to all applicable payroll taxes and withholdings.

Prior to June 30, 2024, the employer or employee shall request a reopener for negotiations of salary and/or other compensation benefits.

Employee shall receive a one-time, non-pensionable, lump sum retention payment of five thousand (\$5,000) gross one-time distribution upon City Council ratification approval of Amendment Number 2.

On June 30th, 2024, said employee shall receive a one-time, non-pensionable, lump sum retention payment of two thousand five hundred dollars \$2,500 gross.

Longevity Pay: Employee is authorized an additional 2% of yearly salary effective the beginning of the anniversary date of 30 years of service with the City.

Deferred Compensation: Effective July 1, 2022, Employee shall receive a set stipend of \$350 per month to be paid by the employer into employee's IMCA Deferred Compensation Plan.

Electronic Allowance: The City shall provide Employee with an electronic allowance for mobile telephone, Cellular Service / Wi Fi for Laptop as a set stipend of \$150.00 per month) to offset the costs of personal devices for official business. Said allowance shall be payable upon the first pay cycle of the month.

Telework/Telecommute: It is recognized that the employee has an approved telework/telecommuting agreement and Employee shall be allowed to continue Telework/Telecommuting as approved by the City Council (City Clerk) and as Approved by the City Manager (Assistant City Manager)

Hours of Work. It is recognized that Employee devotes a great deal of time outside the normal office hours (7:00 am – 5:30 pm Monday through Thursday) on business related to the operations of the City of Sebastopol, and to that end, Employee shall be allowed to establish an appropriate work schedule, subject to the periodic review and approval of the City Council

Declared Emergency Situations: When working as disaster service worker, employee shall be eligible for hazard pay for hours worked beyond forty (40) hours in a work week due to a City Council declared emergency. Such pay is non-pensionable compensation. Hazard pay in emergency situations shall be equivalent to 1.5 of the employee's straight time pay at the time of accrual, and shall not be accrued as compensatory time. Under no circumstances shall an exempt employee be paid hazard except under the circumstances set forth in this provision, or as may be set forth by the City Council.

RESOLUTION NO. 6255-2019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL
APPROVING AND ADOPTING THE AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES
APPOINTED CITY CLERK (Employer Hiring Authority: City Council)
ASSISTANT CITY MANAGER (Employer Hiring Authority: City Manager)

WHEREAS, Employee serves as the City of Sebastopol Assistant City Manager and City Clerk; and

WHEREAS, any changes to said contract shall be approved by the City Council and City Manager; and

WHEREAS, City Council and Employee have met and conferred on June 4th, June 18th and June 25th, 2019 and City Council has unanimously approved the amendments to said employment; and

WHEREAS, the City and Employee agreed to revisions to current employment agreement.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Sebastopol, approval of the Amendments to the Agreement for Professional Services for the Assistant City Manager and City Clerk.

IN CITY COUNCIL, DULY PASSED, APPROVED AND ADOPTED this 16th day of July 2019 by the following vote:

VOTE:

AYES: Councilmembers Carnacchi, Glass, Gurney, Vice Mayor Slayter and Mayor Hinton
NOES: None
ABSENT: None
ABSTAIN: None

APPROVED: 
Neysa Hinton, Mayor

ATTEST: 
Mary Gourley, MMC, Assistant City Manager / City Clerk

APPROVED AS TO FORM: 
City Attorney Larry McLaughlin

AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES
APPOINTED CITY CLERK (Employer Hiring Authority: City Council)
ASSISTANT CITY MANAGER (Employer Hiring Authority: City Manager)
(Amendment Number 1)

This Amended and Restated Employment Agreement ("Agreement – Exhibit B") is made and entered into on this 16th day of July, with an effective date of July 1, 2019, by and between the City of Sebastopol, California (herein "City" or "Employer") and Mary Gourley, (hereinafter referred to as "Employee"), with reference to the following facts:

WHEREAS, Employee was Appointed by the City Council in September 2006 for the City of Sebastopol as City Clerk; and

WHEREAS, Employee was promoted to the Position of Assistant City Manager/City Clerk effective October 2016; and

WHEREAS, Employee has and continues to perform functions and duties as the City of Sebastopol City Clerk for the City of Sebastopol as assigned by the City Council as well performing the Assistant City Manager duties and responsibilities as has been assigned by the City Manager; and

WHEREAS, the City and Employee now desire to make certain minor revisions to their current employment agreement (Exhibit A); and

WHEREAS, City Council and Employee have met and conferred on June 4th, June 18th and June 25th, 2019 and City Council has unanimously approved the amendments to said employment and Employer and Employee hereby mutually covenant and agree to the following provisions listed herein; and

WHEREAS, All remaining terms and conditions of said Agreement of October 4, 2016, are incorporated herein and remain in full force and effect; and

WHEREAS, Employee shall continue to receive such applicable benefits, bonuses, incentives, holidays, etc., in the same manner and under the same limitations provided to and imposed upon the management employees unless otherwise amended in writing; and

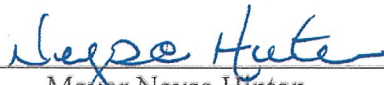
WHEREAS, This amendment and restated agreement shall continue to be governed by and construed in accordance with the laws of the State of California, which are in full force and effect as of the date of execution of said agreement.


NOW, THEREFORE BE IT RESOVLED, for and in consideration of the covenants and mutual promises herein set forth, the parties agree to amendments as listed in Exhibit A.


The above and foregoing amendment was duly passed, approved and adopted at a publicly noticed meeting by the City Council on this 16th day of July, 2019 by the following vote:

VOTE:

Ayes: Councilmembers Carnacchi, Glass, Gurney, Vice Mayor Slayter and Mayor Hinton
Noes: None
Abstain: None
Absent: None

APPROVED: 
Mayor Neysa Hinton

EMPLOYEE: 
Mary Gourley, Assistant City Manager/City Clerk

APPROVED AS TO FORM: 
Larry McLaughlin, City Attorney

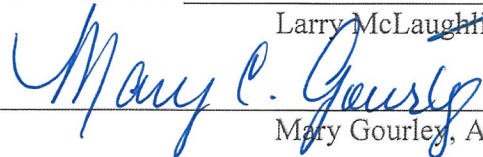
ATTEST: 
Mary Gourley, Assistant City Manager/City Clerk, MMC

EXHIBIT A

COMPENSATION:

Salary: Employee shall be paid an annual base salary as listed and approved in the Pay Rate and Ranges and any future updates to Ordinance No. 563 that are amended, approved and adopted by the City Council; a copy of which is available on the City of Sebastopol city Web site at www.cityofsebastopol.org. Prior to June 30, 2022, the employer and/or employee shall request a reopener for negotiations of salary and/or other compensation benefits.

Administrative: In order to compensate overtime exempt management employee for the added hours worked, employee shall be granted a total of 120 hours Administrative Leave with pay during each fiscal year. 60 Hours to be credited on July 1st of each year and 60 hours to be credited to January 1st of each year. Unused hours to be cashed out no later than May 30th of each fiscal year to being balance to zero on June 30th of each fiscal year. In the event of resignation, termination, or retirement, an employee will be paid for unused hours of their accrued administrative leave balance.

Vacation Leave Accrual Limits: Vacation to be accrued at 10 hours per payroll. Any vacation balance that exists in excess of three times the Employee's accrual rate may be cashed out during the year but no later than December 1st of each year.

Sick Leave Accrual Limits: Sick leave to be accrued at 5 hours per payroll. No cap on sick leave as stated in personnel rules.

Personal Days: Employee is granted two personal days per fiscal year, hours to be consistent with work shift.

Benefits: Effective July 1, 2019, Employee shall receive a set stipend of \$300 per month to be paid by the employer into employee's IMCA Deferred Compensation Plan.

Longevity Pay: Employee is authorized an additional 1% of yearly salary effective July 1, 2019 and an additional 3% yearly salary beginning of the anniversary date of 25 years of service with the City.

Vehicle allowance. Employee shall receive a set stipend of Three Hundred Fifty Dollar (\$350.00) per month car allowance to reimburse employee for use of a personal vehicle in pursuit of recognized official duties within and around the County of Sonoma. Said allowance shall be payable upon the first pay cycle of the month. Employee shall be reimbursed for use of such vehicle for official travel to and from destinations outside County of Sonoma at the same rate that is paid to other City employees for similar travel.

Electronic Allowance: The City shall provide Employee with an electronic allowance for mobile telephone, Cellular Service / Wi Fi for Laptop as a set stipend of \$125 per month to offset the costs of personal devices for official business. Said allowance shall be payable upon the first pay cycle of the month.

**AGREEMENT FOR PROFESSIONAL SERVICES
APPOINTED ASSISTANT CITY MANAGER/CITY CLERK**

This Agreement is made and entered into on this 4th day of October, 2016, with an effective date of September 20th, 2016, by and between the City of Sebastopol, California (herein "City" or "Employer") and Mary Gourley, (hereinafter referred to as "Employee"), with reference to the following facts:

WHEREAS, City desires to retain Employee as the Assistant City Manager/City Clerk; and

WHEREAS, Employee was hired September 2006 for the City of Sebastopol as City Clerk; and

WHEREAS, Employee has and continues to perform functions and duties as City Clerk for the City of Sebastopol as well as the Assistant City Manager duties and responsibilities as has been assigned; and

WHEREAS, Municipal Code 2.12.100 states that "It shall be the duty of the City Manager to, and he shall appoint, remove, promote and demote any and all officers and employees of the City of Sebastopol, except the City Clerk, City attorney and City Treasurer, subject to Personnel rules and regulations as adopted by the City Council" and

WHEREAS, Employer desires to continue conditions of employment for Employee on the terms and conditions set forth herein as Assistant City Manager/City Clerk of City under the terms and conditions recited herein; and

WHEREAS, Employer and Employee hereby mutually covenant and agree to the following:

A. EMPLOYMENT:

The term of this Agreement shall be through January 14, 2021, and to be renewed annually thereafter unless changed by written mutual agreement. September 2006, Employer hired Employee to serve as the City Clerk for the City of Sebastopol and said Employer desires continued services of Employee. Additionally, Employee has been performing the duties of the Assistant City Manager for the last 3+ years. It is at the Employer's desires to continue the services of said employee as the Assistant City Manager/City Clerk.

B. TITLE AND DESCRIPTION OF DUTIES:

- 1) The employee serves as Assistant City Manager/City Clerk of the City of Sebastopol. In that capacity, the Employee shall do and perform all duties, services, acts, and all that is necessary or advisable to fulfill the duties of Assistant City Manager/City Clerk as specified in approved job description or by law. Employee shall at all times be subject to the direction of the City Council (for City Clerk Duties) and to the City Manager (for Assistant City manager Duties) and to the policies established by the City Council; however; City Council hereby authorizes City Manager, acting on the City Council's behalf, to amend said contract as may be needed from time to time to set working conditions and agreements for this position.

EXHIBIT B

- 2) Employee agrees to accomplish specific tasks as specified and described in the Assistant City Manager/City Clerk job description in a timely and professional manner. Employee understands that the determination of timeliness and professionalism lies solely in the discretion of the City Council for the City Clerk duties and with the City Manager for the Assistant City Manager duties.
- 3) Employee agrees that to the best of her ability and experience, she will at all times loyally and conscientiously perform all of the duties and obligations of her as Assistant City Manager/City Clerk either expressly or implicitly by the terms of this Agreement.

C. COMPENSATION:

For the services to be provided pursuant to this agreement, Employee shall receive the following compensation. The City Council shall evaluate the Employee's performance on a regular basis as such times that the Council may request.

- a) **Salary:** Employee shall be paid an annual base salary of (\$133,596). Such salary shall be effective on September 20, 2016. On July 1, 2017, Employee annual salary shall increase to (\$137,604). On July 1, 2018, Employee annual salary shall increase to (\$143,108) as listed and approved in the Pay Rate and Ranges, and any future updates to Ordinance No. 563 that are amended, approved and adopted by the City Council. Prior to June 30, 2019, the employer or employee may request a reopener for negotiations of salary. This salary is payable in promoted installments on the same payment schedule as other City employees.
- b) **Benefits:** Disability, Life, Health Insurance, Deferred Compensation Plan; Employer agrees to provide to Employee medical, dental, vision, life and long term disability insurance under the same terms and conditions said insurance is offered to the management employees, and any future update, amended, approved and adopted by the City Council. In the event the Employee does not choose to participate in the City plans, she may choose to receive the City paid premium benefits for medical coverage applied to her deferred compensation plan.
- c) **Retirement:**
 - i. The City implements the provisions of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code Section 20691 to the California Public Employees' System. "Employee contributions" shall mean those contributions to the California Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code Section 20691.
 - ii. The amount of the contributions designated as employee contributions and paid by the City to the California Public Employee's Retirement System on behalf of Employee shall be the entire contribution required of the employee

EXHIBIT B

- by the California Public Employees' Retirement Law (California Government Code Sections 20000, et. seq.). These contributions for "Classic members" are defined as 7% for non-public safety employees. Should the employee contribution change as a result of amendments to the aforementioned Government Code section, employee contributions will be limited to the percentages stated, assuming such amendments allow the City to adjust the designated employee contribution level.
- iii. The contributions designated as employees' contributions made by the City to the California Public Employee's Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the California Public Employees' Retirement System. Medical After Retirement Benefit/Retiree Health Plan: Resolution Number 2357 of the City of Sebastopol (known as the Master Personnel Resolution) updates the terms and conditions of the City's "Employee Medical After Retirement" program benefit to bring it into compliance with the Anthem Blue Cross and Kaiser medical plans, has been reviewed and approved by the members of this bargaining unit. The following amendments are made with respect to existing provisions of the Memorandum of Understanding between the City and the Unrepresented, by Resolution Number 5710 per Attachment 2, and Resolution 5734, per Attachment 3.
 - iv. To fund future costs of retiree health premiums, those employees hired after July 1, 2006 may voluntarily participate in the existing benefit plan provided: The employee contributes 1% of base salary to a maximum of \$60/month to a retiree trust fund, to be matched by an equal City contribution. The City contribution will not be available to any employee hired after July 1, 2011. Employees may only elect to participate in this option within 60 days of their employment start date. This fund shall be managed separate and apart from the existing fund used for this purpose. An employee who elects to participate in this benefit, but decides at a later date that he/she no longer wishes to continue in this program, may request a reimbursement of 85% of the contributions that they have made to the fund as of that date. An employee that leaves employment with the City prior to retirement is eligible for a 90% reimbursement of their contributions.
 - v. Resolution Number 6087 or as amended of the City of Sebastopol updates the terms and conditions of the City's "Employee Medical After Retirement" program benefit to bring it into compliance with the Anthem Blue Cross and Kaiser medical plans, has been reviewed and approved by the members of Unrepresented.
- d) **Longevity Pay:** Employee is entitled to an additional 2% of monthly pay following 8 years of full-time service with the City, and an additional 2% is authorized following 15 years of full-time service with the City.

- e) **Educational Incentive Pay:** Employee is entitled to 11% of monthly pay earned by completion off the job training programs.
- f) **Vacation, Administrative and Sick Leave:** Upon the Commencement Date, the Employee shall receive such benefit and other applicable benefits in the same manner and under the same limitations provided to and imposed upon the management employees unless otherwise amended in writing.
- g) **Vacation Leave Accrual Limits:**
 - i. Any vacation balance that exists in excess of three times the Employee's accrual rate shall be transferred into a separate account.
 - ii. Annually, Employee may cash out up to 20 hours and transfer up to 40 hours to the deferred compensation form accrued bank.
 - iii. Employee may also set aside up to 10 hours per year of service toward retiree share of payment for medical premium after retirement.
 - iv. Any outstanding balance in this account shall be paid to the employee upon retirement. Employee shall receive such benefit and other applicable benefits in the same manner and under the same limitations provided to and imposed upon the management employees unless otherwise amended in writing.
- h) **Cash in Lieu of Vacation Pay:**
 - v. Beginning July 1, 2004, the City will set aside the sum of \$25,000, annually, for payment in lieu of accrued vacation to all eligible City employees, subject to the following limitations:
 - a. Employee must maintain a minimum of 100 hours of accrued vacation in order to be eligible to request a cash-in-lieu payment.
 - b. For accrued balances in excess of 100 hours, employees may request a cash in lieu payment for up to 40 hours of vacation in any fiscal year.
 - c. City will set aside a total of \$25,000 per fiscal year (\$15,000 in October, and \$10,000 in April) for payment of cash in lieu of vacation. City will accept written requests for cash in lieu of vacation between October 1 and October 15. If all requests total an amount greater than \$15,000, approved requests will be pro-rated accordingly. If total requests are less than \$15,000, the unused amount will be rolled toward to the period of April 1 through April 15 for disbursement according to the same procedure. In no event shall the total amount of in-lieu payments exceed \$25,000 in any fiscal year.
 - d. Employee shall designate the payroll date on which they wish to

receive the cash payment, at the time of the request.

- e. Employee may rescind their request, in writing, at any time prior to the closing of the payroll period for which the payment was requested.
- f. Employee shall receive such benefit and other applicable benefits in the same manner and under the same limitations provided to and imposed upon the management employees unless otherwise amended in writing.

i) **Administrative Leave:**

In order to compensate overtime exempt management employees for the added hours they work, management employees shall be granted a total of 80 hours Administrative Leave with pay during each fiscal year (3.34 hours credited to the employee's accrued balance during each pay period). City Manager has authority to grant use of Administrative Leave in advance of accrual. Management employees may be paid for up to 40 hours of unused administrative leave time at the end of each fiscal year. In the event of resignation, termination, or retirement, an employee will be paid for up to 40 hours of their accrued administrative leave balance.

j) **Sick Leave Accrual Limits:**

- i. Sick leave beyond the 240 hour maximum may continue to accrue during the period of July 1st through June 30th of each year. By June 25th of each year, employee shall choose one of the following options:
 - a. Set aside the accrued sick leave above 240 hours for conversion to PERS service credit upon retirement; hour set aside under this option shall be available for employee to use for sick leave, if necessary, subject to the provisions of this section in accord with Council Policy#75
 - b. "Sell back" accrued sick leave in excess of 240 hours to City for a cash payment, said payment to be calculated as 50% of the dollar value of the then current base salary multiplied by the number of hours of sick leave in excess of 240
 - c. Invest the equivalent value derived in (2) above in City deferred compensation program
 - d. Employee shall receive such benefit and other applicable benefits in the same manner and under the same limitations provided to and imposed upon the management employees unless otherwise amended in writing.

- k) **Floating Holidays:** Effective July 1, 2004, Floating Holidays must be used within the Fiscal Year during which they are accrued and may not be carried forward to the following fiscal year or paid in cash. The Floating Holiday benefit shall be extended to a total of 20 hours.

- l) **Holidays:** For holidays that occur on weekend day, those holidays shall be moved to the next appropriate workday as described in City policy. Those holidays that occur on weekday, normal time off (Friday's), holiday shall be moved to the closest prior workday.

D. SEPARATION

Termination by Employer: Employer may at any time terminate Employee upon a three member vote of the whole City Council in a regular City Council meeting. Employee shall be provided 30 days advance notice of such termination, unless other parties agree otherwise. Employee agrees to remain in the exclusive employ of the City for so long as employment is mutually acceptable to both Employee and City. In the event Employee is terminated from employment while still willing and able to perform her duties under this Agreement, then City agrees to pay Employee six (6) month severance of monthly base pay plus all applicable incentives compensation. Employee shall be entitled to the compensation earned and accrued to include sick leave, vacation leave, administrative leave and such other termination benefits and payments as may be required by law. In addition, City shall extend to Employee the right to continue health insurance as may be required by and pursuant to the terms and conditions of the Consolidated Omnibus Budget Act of 1986 (COBRA)

Termination by Employee: Employee may, at any time and for any reason, terminate this employment as Appointed Assistant City Manager/City Clerk by providing 90 days advance written notice of termination to Employer. Employee's position as City Clerk shall not be affected by the provisions of this Section; however, the City Council shall meet and confer with employee regarding his tenure, pay, benefits as City Clerk.

Arbitration: Any controversy or claim arising out of or pertaining to this Agreement, or the breach thereof, shall be settled by binding arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be enforced as provided by California Law. City shall pay the fees and costs of the American Arbitration Association, the arbitrator's fee shall be shared equally, and otherwise the parties shall bear their own costs.

Notices: Any notices required by this Agreement shall be in writing and either given in person or by first class mail with the postage prepaid and addressed as follows:

TO CITY: City Council c/o Mayor
City of Sebastopol
7120 Bodega Avenue, Post Office Box 1776
Sebastopol, CA 95473-1176

TO EMPLOYEE: Mary Gourley
c/o City of Sebastopol
7120 Bodega Avenue
Sebastopol, CA 95472

EXHIBIT B

Entire Agreement: This agreement is the final expression of the complete agreement of both parties with respect to the matters specified herein and supersedes all prior oral and written understandings. Except as prescribed herein, this Agreement cannot be modified except by written mutual agreement signed by the parties.

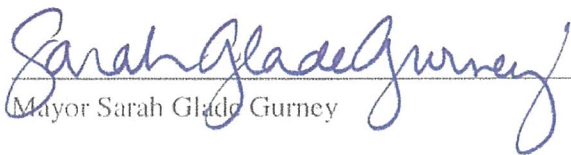
Assignment: This Agreement is not assignable by either Employer or Employee unless otherwise indicated above.

Severability: In the event that any provisions of this Agreement is finally held or determined to be illegal or void by a duly appointed arbitrator or by a court having jurisdiction over the parties, the remainder of this Agreement shall remain in full force and effect unless the parts found to be void are wholly inseparable from the remaining portion of the Agreement.

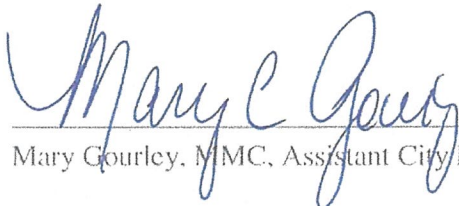
Counterpart: This Agreement shall be executed and shall be deemed an original unless amended in writing by mutual consent.

Government Code Section 53243.2: Pursuant to Government Code Section 53243.2, Employee agrees that if this Agreement is terminated, Employee shall reimburse City the full amount of any cash settlement Employee received from the City relating to that termination if the Employee is convicted of a crime involving an abuse of her office or position.

IN WITNESS WHEREOF, the Employer has caused this Agreement to be signed and executed in its behalf by its Mayor and said employee.



Mayor Sarah Glade Gurney



Mary Gourley, MMC, Assistant City Manager/City Clerk

RESOLUTION NO. 6106

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AUTHORIZING THE
EMPLOYMENT CONTRACT FOR ASSISTANT CITY MANAGER/CITY CLERK

WHEREAS, the Sebastopol City Council has on July 19th, September 6th, 2016, and September 20th, 2016, unanimously approved the Assistant City Manager/City Clerk's employment agreement; and

WHEREAS, the Sebastopol City Council on September 20, 2016 and October 4, 2016, approved the job title and description for the position of Assistant City Manager/City Clerk; and

WHEREAS, the Sebastopol City Council and City Manager wish to enter into agreement for said employee as Assistant City Manager/City Clerk; and

WHEREAS, the Sebastopol City Council and the Assistant City Manager/City Clerk have entered into this agreement in recognition of the benefits accruing each party; and


WHEREAS, this Agreement will ensure the retention of Assistant City Manager/City Clerk services and the performance of the duties of the said office in a manner which serves the best interests of the City, subject to the direction of the City Council.

NOW, THEREFORE, BE IT RESOLVED by the City of Sebastopol City Council approves the Contract for the Assistant City Manager/City Clerk as attached.

IN COUNCIL DULY PASSED this 4th day of October, 2016.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

Approved: _____


Mayor Sarah Glade Gurney

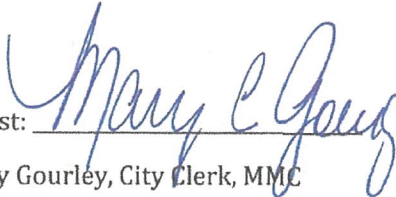
Ayes: Councilmembers Eder, Jacob, Slayter and Mayor Gurney

Noes: None

Absent: Vice Mayor Glass

Abstain: None

Attest: _____


Mary Gourley, City Clerk, MMC

Approved as to Form:


Larry McLaughlin, City Attorney