

CITY OF SEBASTOPOL
CITY COUNCIL
AGENDA ITEM

Meeting Date: May 16, 2023
To: Honorable Mayor and City Councilmembers
From: Mary Gourley, Assistant City Manager
Human Resources Attorney and Human Resources Consultant
Subject: Approve the Employment Agreement between the City and Larry McLaughlin for the positions of City Manager and City Attorney.
Recommendation: It is recommended that the Council: Authorize and approve the Employment Agreement Between the City of Sebastopol and Larry McLaughlin for Two Distinct Positions: City Manager and City Attorney for the City of Sebastopol.
Funding: Currently Budgeted: XX Yes No
N/A Net General Fund Cost:

Account Code/Costs authorized in City Approved Budget (if applicable) AK (verified by Administrative Services Department)

INTRODUCTION:

This item is to request that the City Council Authorize and approve the Employment Agreement Between the City of Sebastopol and Larry McLaughlin for Two Distinct Positions: City Manager and City Attorney for the City of Sebastopol.

BACKGROUND

After 36 years as the City Attorney and 12 years as City Manager/City Attorney for the City of Sebastopol, Larry McLaughlin has announced that he is retiring. In late October, City Manager / City Attorney Larry McLaughlin publicly announced his pending retirement. On July 5, 2022, the City of Sebastopol and Larry McLaughlin executed an extension of the current agreement between City and Employee which expires on June 30, 2023. The agreement is attached as Attachment 2. In preparation for the expiration of the current agreement and Mr. McLaughlin's impending retirement, City Council established an Ad Hoc Committee to seek options forward.

On March 28, 2023, at a regular Council meeting, the Ad Hoc Committee with staff and the City's Human Resources Consultant and Labor Attorney presented options to Council. One of the directions provided by Council to staff during that meeting was to discuss the possibility with Mr. McLaughlin of continuing to serve in the position and role of City Manager during the recruitment for a new City Manager to provide continuity of service and operations.

DISCUSSION: (NOTE: this portion must be read aloud in open session)

Staff, the City's Human Resources Advisor, and the City's Labor Attorney met with Mr. McLaughlin and the Council separately and the parties agreed to the attached terms and conditions as shown in Attachment 1.

The Employment Agreement calls for Larry McLaughlin to serve as the City Manager until December 31, 2023, or until the City successfully recruits and hires a City Manager to replace Employee, whichever is first. Upon the employment of a new City Manager and Employee's resignation as City Manager, Mr. McLaughlin shall remain the City Attorney. He shall remain the City Attorney until the City recruits for and retains a new City Attorney or law firm(s) to serve in the capacity of City Attorney.

Salary: As compensation for the services to be rendered by Employee, the City shall provide:

- I. During any period in which Employee serves as City Manager and City Attorney, Employee shall receive an annual base salary of \$187,042.00. No additional compensation shall be owed to Employee for services as City Attorney.
- II. During any period in which Employee serves exclusively as City Attorney, Employee shall receive an annual base salary of \$187,042.00.
- III. Employee's salary shall be increased to adjust for cost of living at the same rate provided to other management employees.

Employee shall also receive a longevity stipend the equivalent of 2% of his annual salary, a \$350 per month contribution to a deferred compensation plan, a \$150 per month electronic allowance, and health and welfare benefits comparable to other management employees of the City. Employee shall accrue ten hours of vacation and five hours of sick leave per payroll period and two personal days per year.

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 bring 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.

CITY COUNCIL AND/OR GENERAL PLAN GOALS

Goal 5: Provide Open and Responsive Municipal Government Leadership

5.3.3. Encourage and increase public awareness of City Policies, decisions, programs, and all public processes and meetings, by investigating effective methods of communication and obtaining feedback from the community.

Goal 6: Maintain a highly qualified Staff that works to provide services to serve and protect the residents, visitors, and businesses of this community.

Action CHW 5c: Practice an open-door policy in City programs, and actively engage and encourage participation from all individuals regardless of ethnicity, race, religion, class, disability, sexual orientation, and gender.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, according to CEQA Guideline section 15378.

PUBLIC COMMENT:

As of the writing of this staff report, the City has not received any public comment. However, if staff receives public comment from interested parties following the publication and distribution of this staff report such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of the consent calendar.

PUBLIC NOTICE:

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours before the scheduled meeting date.

FISCAL IMPACT:

The cost of this agreement is the same as the cost for FY 22-23 and will be included in the FY 23-24 budget hearings at the rate of an annual base salary of \$187,042 with a 2% longevity stipend, \$350 a month for deferred compensation and \$150 a month for an electronic allowance. Mr. McLaughlin is a Classic CalPERS member. Including health, pension, and benefit costs, the total cost of this agreement for FY 23-34 will be approximately \$305,013.

Annual Salary	2% Longevity	Deferred Comp	Electronic Allow	Total Cash to Employee	Pension & Benefits	Total Annual Est Cost
\$187,042	\$3,741	\$4,200	\$1,800	\$196,783	\$108,231	\$305,013

RECOMMENDATION:

That the City Council Authorize and approve the Employment Agreement Between the City of Sebastopol and Larry McLaughlin for Two Distinct Positions: City Manager and City Attorney for the City of Sebastopol.

ATTACHMENTS:

1. Resolution – Agreement between the City of Sebastopol and Larry McLaughlin for Two Distinct Positions: City Manager and City Attorney
2. Resolution No. 6449-2022 Amending the current Agreement between the City of Sebastopol and Larry McLaughlin through June 30, 2023.

Resolution Number: XXXX-2023

**EMPLOYMENT AGREEMENT BETWEEN
THE CITY OF SEBASTOPOL AND LARRY MCLAUGHLIN**

This Employment Agreement ("Agreement") is made and entered into on this 16th day of May, 2023, by and between the City of Sebastopol, California (hereinafter referred to as "City") and Larry McLaughlin (hereinafter referred to as "Employee").

RECITALS

WHEREAS, the City has established the two distinct positions of City Manager and City Attorney;

WHEREAS, the City desires to ensure the distinction between the two positions;

WHEREAS, Employee began his employment with the City as City Attorney on July 1, 1987;

WHEREAS, the City and Employee entered into an Employment Agreement on May 25, 2012 for Employee's services as Interim City Manager. Under the Employment Agreement, Employee served in the dual capacity of City Manager and City Attorney;

WHEREAS, the City and Employee entered into an Employment Agreement on January 15, 2013 for Employee's service as City Manager;

WHEREAS, the Employment Agreement was amended and extended on August 5, 2014, May 18, 2021, and July 5, 2022;

WHEREAS, the City employs Employee in the dual capacity of City Manager and City Attorney;

WHEREAS, Employee has expressed a desire to resign from the position of City Manager no later than the conclusion of 2023;

WHEREAS, the City has initiated a recruitment for a new City Manager;

WHEREAS, the City and Employee desire to continue their employment relationship as detailed herein to allow the City to recruit a new City Manager and maintain Employee's employment with the City as City Attorney;

NOW, THEREFORE, the City Council offers, and Employee accepts, the following terms and conditions of employment as the City Manager and City Attorney as Shown in Attachment A.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 2nd day of May, 2023.

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

VOTE:

Ayes:

Noes:

Absent:

Abstain:

APPROVED:

Diana Gardner Rich, Vice Mayor

ATTEST:

Mary Gourley, Assistant City Manager/City Clerk, MMC

ATTACHMENT A

AGREEMENT

1. Title and Description Duties:

- a. Employee shall serve as City Manager 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 City Manager as specified by law, and in City Ordinance Nos. 379, 473, and 493, as amended from time to time. However, Employee shall at all times be subject to the direction of the City Council and to the policies established by the City Council.
- b. Employee shall also serve as the City Attorney of the City of Sebastopol. In the capacity of City Attorney, Employee shall serve as the chief legal advisor to the City. Employee shall ensure the performance of all responsibilities for the City Attorney outlined in the City's Municipal Code.
- c. Employee shall be permitted to maintain a private law practice. However, Employee shall give priority to and devote such time and attention as may be necessary to fulfill the duties of City Manager and City Attorney. Employee agrees that to the best of his ability and experience, he will at all times loyally and conscientiously perform all of the duties and obligations of him either expressly or implicitly by the terms of this Agreement.
- d. 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, and to that end, Employee shall be permitted to establish an appropriate work schedule, subject to the periodic review and approval of the City Council.
- e. Employee shall be permitted to continue Telework/Telecommuting as approved by the City Council.

2. Term of Agreement:

- a. Employee shall serve as the City Manager until December 31, 2023, or until the City successfully recruits and hires a City Manager to replace Employee, whichever is first.
- b. Upon the employment of a new City Manager and Employee's resignation as City Manager, Employee shall remain the City Attorney. Employee shall remain the

City Attorney until the City recruits for and retains a new City Attorney or law firm(s) to serve in the capacity of City Attorney.

3. Compensation:

- a. Salary: As compensation for the services to be rendered by Employee, the City shall pay Employee as described below:
 - i. During any period in which Employee serves as City Manager and City Attorney, Employee shall receive an annual base salary of \$187,042.00. No additional compensation shall be owed to Employee for services as City Attorney.
 - ii. During any period in which Employee serves exclusively as City Attorney, Employee shall receive an annual base salary of \$187,042.00.
- b. Cost of Living Increases: Employee shall receive cost of living increases as provided to other management employees during the term of this Agreement.
- c. Longevity Stipend: Employee shall receive an additional 2% of yearly salary on the anniversary date of 30 years of service with the City.
- d. Deferred Compensation: Employee shall receive a stipend of \$350 per month to be paid by the City into Employee's IMCA Deferred Compensation Plan.
- e. 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.
- f. Holiday, Vacation and Sick Leave: During the term of this Agreement, regardless of whether Employee serves as City Manager and City Attorney or solely City Attorney, Employee shall:
 - i. Receive all holidays normally provided to all City management employees.
 - ii. Accrue ten (10) hours of vacation 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.
 - iii. Accrue five (5) hours of sick leave per payroll. There shall be no cap on Employee's sick leave.
 - iv. Earn ten hours of administrative leave per month. The City shall credit Employee 60 hours of administrative leave on July 1st of each year and 60 hours on January 1st of each year. Employee shall cash out any unused

balance on later than May 30th of each fiscal year. Unused administrative leave will be paid out upon termination / resignation.

- v. Receive two (2) personal days per fiscal year.

- g. Upon termination/resignation of Employee's City Manager and/or City Attorney position by the City, for any reason, the City shall compensate Employee for all accrued vacation. Employee shall have no right to receive a payout for unused accrued sick leave.

- h. Insurance: Employee shall receive all insurance benefits including medical, dental, vision and life insurance that are currently provided to other management employees of the City. In the event the Employee chooses not to participate in the City plans, he may choose to receive the City paid premium benefits for medical coverage applied to his deferred compensation plan.

- i. PERS Retirement: The City shall pay employer related costs of the California Public Employer's Retirement System ("CalPERS"). Employee shall make all employee contributions to the CalPERS as required of other management employees of the City.

- j. Medical After Retirement: The Employee shall receive medical premium benefits after retiring from the City under the PERS retirement plan in accordance with City policy.

- k. Other Benefits: Employee shall receive such other benefits and leave as are provided currently or into the future by the City management and supervisory personnel under the same terms and conditions.

4. Termination of Employment:

- a. Termination by the City:

Employee, as City Manager, is an "at will" employee, and pursuant to the provisions of Ordinance No. 379, the City may at any time terminate Employee's services as City Manager upon a three-member vote of the whole City Council in a regular City Council meeting. The power of the City Council to remove the City Manager pursuant to this paragraph shall be limited as set forth in Ordinance No. 473. Employee shall be provided thirty (30) calendar days advance notice of such termination. Employee may be placed on paid, administrative leave during this thirty (30) day period.

- b. Termination by Virtue of Recruitment:

Within five (5) calendar days of the hiring of a new City Manager, the City shall provide Employee with written notice of Employee's date of resignation which shall be provided no less than fifteen (15) calendar days in advance of the date of resignation.

Within five (5) calendar days of the hiring of a new City Attorney or retention of law firm(s) to serve as City Attorney, the City shall provide Employee with written notice of Employee's date of resignation which shall be provided no less than fifteen (15) calendar days in advance of the date of resignation.

c. Termination by Employee:

Employee may, at any time and for any reason, terminate his employment as City Manager by providing thirty (30) calendar days advance written notice of termination to the City.

Employee may, at any time and for any reason, resign his position as City Attorney by providing thirty (30) calendar days advance written notice to the City.

5. City Property: Upon termination of this Agreement and/or resignation of Employee, Employee shall return all City property, including but not limited to, City-owned electronics, keys, credit/charge cards, and files, no later than the termination/resignation date. Employee shall also provide his login and password information for all City-related programs and electronics.
6. 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.
7. 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 City Clerk/Assistant City Manager
City of Sebastopol
7120 Bodega Avenue, Post Office Box 1776
Sebastopol, CA 95473-1776

TO EMPLOYEE: Larry McLaughlin
c/o City of Sebastopol
7120 Bodega Avenue
Sebastopol, CA 95472

8. 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.
9. Assignment: This Agreement is not assignable by either the City or Employee.
10. 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.
11. Counterparts: This Agreement shall be executed in two counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
12. Government Code Section 53243.2: Pursuant to Government Code Section 53243.2, Employee agrees that if this Agreement is terminated, Employee shall reimburse the 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 Vice Mayor and duly attested by the City Clerk. It has also been executed by the Employee.

Diana Gardner Rich, Vice Mayor

Larry McLaughlin, City Manager / City Attorney

ATTEST:

Mary Gourley, City Clerk

RESOLUTION NO. 6449-2022

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

WHEREAS, Employee serves as the City of Sebastopol City Manager;

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

WHEREAS, City Council 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 4 to the Agreement for Professional Services for the City Manager.

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

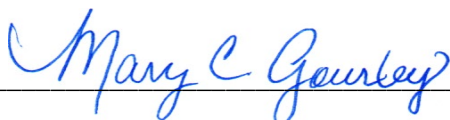
Noes: None

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
CITY MANAGER (Employer Hiring Authority: City Council)
(Amendment Number 4)

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 Larry McLaughlin, (hereinafter referred to as "Employee"), with reference to the following facts:

WHEREAS, Employer and Employee entered into a contract of employment on May 1, 2012 to the position of Interim City Manager of the City of Sebastopol; and

WHEREAS, Employee was Appointed by the City Council on January 8, 2013, to the position of City Manager of the City of Sebastopol; and

WHEREAS, on March 5, 2013, Employer and Employee entered into a contract of employment of City of Sebastopol City Manager; and

WHEREAS, on August 5, 2014, Employer and Employee approved an extension of the contract to January 14, 2017; and

WHEREAS, on March 16, 2016, Employer and Employee approved an extension of the contract to January 14, 2021; and

WHEREAS, on May 18, 2021, Employer and Employee approved an extension of the contract to June 30, 2022; and

WHEREAS, Employee has and continues to perform functions and duties as the City of Sebastopol City Manager for the City of Sebastopol as assigned by the City Council; 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, the City and Employee now desire to make certain minor revisions to their current employment agreement (Exhibit A); and

WHEREAS, City Council and Employee agree and City Council has unanimously approved to extend the term of the Agreement for said employment from July 1, 2022 through June 30, 2023, 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 March 3, 2013, August 5, 2014, March 16, 2016, and May 18, 2021, 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 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 4 and restated agreement and Amendments 1 through 3 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. 4, 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.

NOW THEREFORE, BE IT FURTHR RESOLVED, by the City Council of the City of Sebastopol, approval of the extension to the Agreement for Professional Services for the City Manager from July 1, 2022 through June 30, 2023.

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

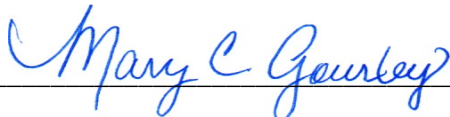
Noes: None

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 4
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.

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 4.

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)

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.

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. 6254-2019

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

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

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

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 MANAGER (Employer Hiring Authority: City Council)
(Amendment Number 3)

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 Larry McLaughlin, (hereinafter referred to as "Employee"), with reference to the following facts:

WHEREAS, Employer and Employee entered into a contract of employment on May 1, 2012 to the position of Interim City Manager of the City of Sebastopol; and

WHEREAS, Employee was Appointed by the City Council on January 8, 2013, to the position of City Manager of the City of Sebastopol; and

WHEREAS, on March 5, 2013, Employer and Employee entered into a contract of employment of City of Sebastopol City Manager; and

WHEREAS, on August 5, 2014, Employer and Employee approved an extension of the contract to January 14, 2017; and

WHEREAS, on March 16, 2016, Employer and Employee approved an extension of the contract to January 14, 2021; and

WHEREAS, Employee has and continues to perform functions and duties as the City of Sebastopol City Manager for the City of Sebastopol as assigned by the City Council; 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 March 3, 2013, August 5, 2014, and March 16, 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: 
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 a cellular phone allowance for mobile telephone, Cellular is a set stipend of \$80 per month to offset the costs of personal device. Said allowance shall be payable upon the first pay cycle of the month.

EMPLOYMENT AGREEMENT

This Agreement is made and entered into on this 5th day of March 2013, by and between the City of Sebastopol, California (hereinafter referred to as "Employer") and Lawrence McLaughlin (hereinafter referred to as "Employee), pursuant to these terms and conditions:

A. WHEREAS, the Employer and Employee mutually desire to set forth herein certain procedures, benefits and requirements regarding the employment of Employee by Employer; and

B. WHEREAS, the Employer desires to employ the services of Employee on the terms and conditions set forth herein as City Manager of said City under the terms and conditions recited herein; and

C. WHEREAS, Employee desires to accept employment as the City Manager of said City under the terms and conditions recited herein.

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

1. Specified Term:

- A. The Employer hereby hires Employee and Employee hereby accepts employment with Employer for a period of two (2) years beginning January 15, 2013, and ending on January 14, 2015.
- B. This Agreement may be terminated earlier as hereinafter provided.
- C. After January 14, 2015, the Employer and Employee may renegotiate the term of this Agreement. In the event that, for any reason, a mutually agreeable term cannot be reached by both parties, this Agreement shall automatically terminate in accordance the provisions in Section I.A.
- D. Employee is, and shall remain, the City Attorney, a permanent position. Upon termination of Employee's services as City Manager, Employee shall continue as City Attorney on the same terms and conditions as existed on May 25, 2012.

2. Title and Description of Duties:

- A. The employee shall serve as City Manager 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 City Manager as specified by law, and in City Ordinance Nos. 379, 473, and 493, as amended from time to time. However, Employee shall at all times be subject to the direction of the City Council and to the policies established by the City Council.

- B. Employee agrees to accomplish specific tasks as specified and described by the City Council from time to time in a timely and professional manner. Employee understands that the determination of timeliness and professionalism lies solely in the discretion of the City Council. Specific tasks and work plans will be discussed and agreed upon at least annually between the Employer and Employee to ensure that a mutual understanding of priorities is established and that both parties strive to achieve common goals and objectives.
- C. Employee agrees that to the best of his ability and experience, he will at all times loyally and conscientiously perform all of the duties and obligations of him either expressly or implicitly by the terms of this Agreement.

3. Salary and Benefit Compensation of Employee:

A. Evaluation: The City Council shall evaluate the Employee's performance on a regular basis as such times that the Council may request.

B. Annual Salary: As compensation for the services to be rendered by the Employee, Employer shall pay Employee at an annual salary rate of \$128, 904.00 as of January 15, 2013. This salary is payable in promoted installments on the same payment schedule as other City employees. Employee shall receive cost of living increases as provided to other management employees during the term of this contract.

C. Holiday, Vacation and Sick Leave:

- I. Employee shall receive all holidays normally provided to all City management employees.
- II. Employee shall accrue ten (10) hours of vacation time each month.
- III. Sick leave accrual will be eight (8) hours per month.
- IV. Upon termination by Employer, for any reason, the Employer shall compensate Employee for all accrued vacation and sick leave. In the event Employee voluntarily resigns, the Employee shall be entitled to 100% of the value of vacation time accrued.

D. Administrative Leave: Employee shall accrue 80 hours of administrative leave per year.

E. Insurance: All insurance benefits including medical, dental, vision and life insurance shall be provided to the Employee as provided to other management employees of the City. In the event the Employee chooses not to participate in the City plans, he may choose to receive the City paid premium benefits for medical coverage applied to his deferred compensation plan.

F. PERS Retirement: Employee shall make such employee contributions to the California Public Employees' Retirement System as are required of other management employees of the City.

G. Medical After Retirement: The Employee shall receive medical premium benefits after retiring from the City under the PERS retirement plan in accordance with City policy.

H. Other Benefits: Employee shall receive such other benefits and leave as are provided currently or into the future by the City management and supervisory personnel under the same terms and conditions.

4. Termination of Employment:

Termination by Employer:

A. Employee is an "at will" employee, and pursuant to the provisions of Ordinance No. 379, the Employer may at any time terminate Employee upon a three member vote of the whole City Council in a regular City Council meeting. The power of the City Council to remove the City Manager pursuant to this paragraph shall be limited as set forth in Ordinance No. 473.

B. In the event of such termination while the Employee is willing to perform the duties of City Manager, Employee shall be provided 30 days advance notice of the intent to terminate. Such notice shall not be required if termination is due to voluntary termination under Paragraph 5.B., Employee's death, incapacity due to injury or illness (physical or mental) for a period in excess of 60 days, and act of willful misconduct or malfeasance, a breach of a term of this agreement, or if by conviction of a felony, or conviction of a misdemeanor involving moral turpitude or dishonesty for personal gain.

5. Termination by Employee:

A. Employee may, at any time and for any reason, terminate his employment with the Employer by providing 30 days advance written notice of termination to Employer by certified or registered mail, return receipt requested.

B. As set forth in Paragraph 1.D, above, Employee's position as City Attorney 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 Attorney.

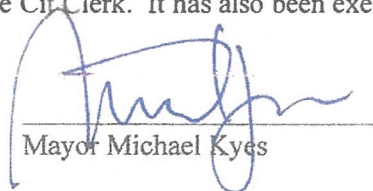
C. Notices: Any notices required by this Agreement shall be in writing and either given in person or by first class mail with the postage prepaid and addressed as follows:

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

TO EMPLOYEE: Lawrence McLaughlin
c/o City of Sebastopol
7120 Bodega Avenue
Sebastopol, CA 95472

6. Entire Agreement: This agreement is the final expression of the complete agreement of both understandings. Except as prescribed herein, this Agreement cannot be modified except by written mutual agreement signed by the parties.
7. Assignment: This Agreement is not assignable by either Employer or Employee.
8. 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.
9. Counterparts: This Agreement shall be executed in two counterparts, each of which shall be deemed an original. but all of which together shall constitute one and the same instrument.
10. Government Code Section: 53243.2: Pursuant to Government Code 53243.2, Employee agrees that if this Agreement is terminated, Employee shall reimburse the 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 or his office or position.

IN WITNESS WHEREOF, the Employer has caused this Agreement to be signed and executed in its behalf by its Mayor and duly attested by the City Clerk. It has also been executed by the employee.

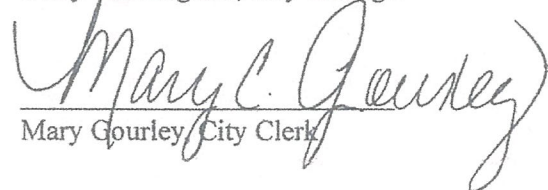


Mayor Michael Kyes



Larry McLaughlin, City Manager

ATTEST:



Mary Gourley, City Clerk

AMENDMENT TO EMPLOYMENT AGREEMENT
EXTENSION OF CONTRACT

This Agreement is made and entered into on this 5th day of August, 2014, by and between the City of Sebastopol, California (hereinafter referred to as "Employer") and Lawrence McLaughlin (hereinafter referred to as "Employee), pursuant to these terms and conditions:

- A. WHEREAS, on January 8, 2013, the Employer approved appointment of Employee to the position of City Manager of the City of Sebastopol; and
- B. WHEREAS, on March 5, 2013, Employer and Employee entered into a contract of employment of City of Sebastopol City Manager; and
- C. WHEREAS, Employer and Employee mutually desire to continue the employment as the City Manager of said City under the terms and conditions recited in contract dated March 5, 2013 and attached and incorporated in this extension, for a period of two years from its current expiration date.

NOW, THEREFORE, the Employer and Employee hereby mutually agree to the following:

- A. The Employer and Employee hereby agree to extend said contract with Employee for a period of two (2) years beginning January 15, 2015 and ending January 14, 2017.
- B. All remaining terms and conditions of said Agreement of March 13, 2013 are incorporated herein and remain in full force and effect.



ROBERT JACOB
EMPLOYER
MAYOR, CITY OF SEBASTOPOL



LARRY MCLAUGHLIN
EMPLOYEE
CITY MANAGER, CITY OF
SEBASTOPOL

ATTEST: 
Mary C. Gourley, CMC, City Clerk

EXHIBIT B

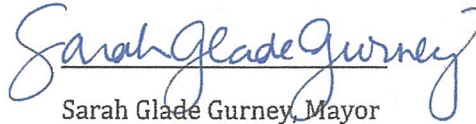
AMENDMENT TO EMPLOYMENT AGREEMENT EXTENSION OF CONTRACT

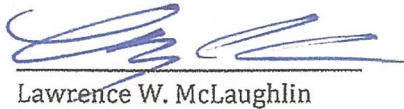
This Agreement is made and entered into on this 15th day of March, 2016, by and between the City of Sebastopol, California (hereinafter referred to as "Employer") and Lawrence McLaughlin (hereinafter referred to as "Employee"), pursuant to these terms and conditions:

- A. WHEREAS, on January 8, 2013, the Employer approved appointment of Employee to the position of City Manager of the City of Sebastopol; and
- B. WHEREAS, on March 5, 2013, Employer and Employee entered into a contract of employment of City of Sebastopol City Manager; and
- C. WHEREAS, on August 5, 2014, Employer and Employee approved an extension of the contract to January 14, 2017; and
- D. WHEREAS, Employer and Employee mutually desire to continue the employment as the City Manager of said City under the terms and conditions recited in contract dated March 5, 2013 and attached and incorporated in this extension, except as amended below.

NOW, THEREFORE, the Employer and Employee hereby mutually agree to the following

- A. The Employer and Employee hereby agree to extend said contract with Employee to January 14, 2021.
- B. Paragraph 3.C.(II) is amended as follows: "Employee shall accrue ten ~~(10)~~ **sixteen (16)** hours of vacation time each month."
- C. All remaining terms and conditions of said Agreement of March 5, 2013 are incorporated herein and remain in full force and effect.


 Sarah Glade Gurney, Mayor


 Lawrence W. McLaughlin

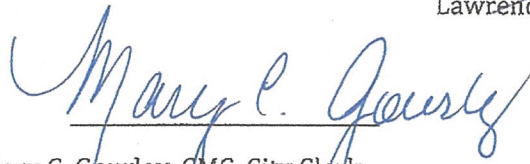
ATTEST: 
 Mary C. Gourley, CMC, City Clerk

EXHIBIT B

Resolution Number 6076

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL AUTHORIZING THE
EXTENSION OF THE EMPLOYMENT CONTRACT FOR CITY MANAGER

WHEREAS, the Sebastopol City Council has unanimously approved extension of the City
Manager's employment agreement; and

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

WHEREAS, this Agreement will ensure the retention City Manager 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, that the City of Sebastopol City Council approves the
following amendments to the City Manager Employment Contract:

IN COUNCIL DULY PASSED this 15th day of March, 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: 
Sarah Glade Gurney, Mayor

AYES: Councilmembers Eder, Slayter, Vice Mayor Glass and Mayor Gurney

NOES: None

ABSENT: Councilmember Jacob

ABSTAIN: None

ATTEST: 
Mary Gourley, MMC, City Clerk