COU NO. 1415-205

EMPLOYMENT AGREEMENT
BETWEEN THE CITY OF UKIAH
AND SAGE SANGIACOMO

INTRODUCTION

This Agreement is entered into this 3 day of June, 2015 by and between the CITY OF UKIAH (herein "City") and SAGE SANGIACOMO (herein "Manager"), an individual who has the education, training and experience in local government management, to perform the duties and services of the position of City Manager. City and Manager agree as follows:

1. TERM

This Agreement shall commence on the Effective Date and shall remain in full force and effect from June 15, 2015 until terminated by the City or the Manager as provided in this Agreement.

2. DUTIES AND AUTHORITY

A. City agrees to employ Sage Sangiacomo as City Manager of City, to be the chief executive officer of City; to perform the functions and duties specified in Chapter 3, Article 1 of the Ukiah City Code, as it now reads or as amended or replaced in the future; and to perform any duties and functions as the City Council may assign from time to time.

B. Manager shall perform his obligations and responsibilities diligently within the time parameters specified by the City Council, applying a high degree of professionalism, ethics, integrity, and good workmanship to every aspect of his obligations.

C. The City Council recognizes it must spend time each year outside of the regular City Council meetings to work with the City Manager and staff on setting goals and priorities for the City government, and to work on any issues for optimal achievement of City goals.

3. COMPENSATION

A. For the services to be provided pursuant to this Agreement, City agrees to pay an annual base salary of $161,530 (Base Salary), payable in installments at the same time as other management employees of the City and in accordance with established City procedure.

B. Thereafter, Employee's Base Salary shall be reviewed within the first 6 months of this Agreement and annually thereafter by the City Council for consideration of increase. Any increase shall be payable in installments at the same time as other management employees of the City and in accordance with established City procedures. At no time shall the Base Salary be less than 10% more than the Base Pay of any other Department Head or other City employee.

4. BENEFITS

A. General Benefits. Except as modified by this Agreement, Manager shall be entitled to the benefits authorized for Department Heads.

B. General Business Expenses

(1) City recognizes that certain general expenses, including dues, subscriptions, travel and subsistence expenses may be incurred by Manager in the performance of job-related activities, functions, meetings, professional development and professional conferences, such as the annual conferences of the International City/County Management Association (ICMA) and League of California Cities. City agrees to budget and pay for the reasonable expenses incurred for job-related activities as necessary for full participation in national, state or local professional associations such as ICMA and the California City Management Foundation.

(2) City agrees to budget and pay for expenses related to educational courses, short courses, seminars and institutes that will benefit the City and improve Manager's professional abilities.

(3) City shall reimburse Manager for membership and participation in community or civic organizations in which the City requires or encourages Manager to participate.

(4) The amount budgeted under sections B.(1)-(3), above, shall be based on a proposed budget from the Manager which the City Council may approve or revise in the exercise of its unfettered discretion.

5. SEPARATION

A. Resignation. Manager may resign at any time and agrees to give City a minimum of sixty (60) days advance written notice of the effective date of his resignation, unless the parties otherwise agree in writing. After the City receives the Manager's notice of resignation, and for at least 60 days thereafter, the Manager shall continue to perform in accordance with this Agreement and agrees to limit the use of accrued annual paid leave to days approved by the City Council.

B. Retirement. Notwithstanding the notice requirement set forth in Section 5.A, if Manager retires from full time public service with City, Manager shall provide City with a minimum of six months' advance notice. The Manager's actual retirement date will be mutually established.

C. Termination.

The City Manager shall be removed from his position in accordance with procedures and requirements in Ukiah City Code Sections 124-128.

6. SEVERANCE

A. Severance pay.

The Manager shall be entitled to severance pay, under any of the following circumstances:

(1) The City Council and Manager agree to a termination of the Manager without cause and the City Manager waives his right to a hearing under Ukiah City Code Section 126.

(2) The City Council elects to terminate the Manager pursuant to Ukiah City Code Section 127 without adducing substantial evidence at the hearing required by Ukiah City Code Section 126 to support a finding of termination for cause, including, because of a criminal conviction, criminal plea bargain, or adverse State Attorney General, Grand Jury, or Fair Political Practices Commission determination involving any felony, intentional tort, crime of moral turpitude, or violation of statute or law constituting

forfeiture of office, misconduct in office, misuse of public funds, or conflict of interest or similar acts constituting misfeasance or malfeasance in office.

(3) If the City reduces the Compensation as provided in Section 3 or those Benefits as provided in Section 4.A by a greater percentage than the average reduction of all department heads, the Manager shall have the right to declare such action(s) a termination which entitles the Manager to severance pay.

The Manager shall not be entitled to severance pay, except under this Section 6.A.

B. Severance pay shall equal to nine (9) months' salary at the then current rate of base salary. This severance shall be paid in a lump sum or as a continuation of salary and benefits on the usual pay schedule, at the Manager's option.

C. If Manager is unable to perform the requisite duties expected under this Agreement because of sickness, accident, physical or mental incapacity, or health with reasonable accommodation, following exhaustion of FMLA/CFRA leave entitlements and accumulated sick leave/vacation accrual, then the City shall have the option to terminate this Agreement and notwithstanding the provisions of Section 6.A above, the Manager shall not be entitled to severance pay. If Manager is terminated because of permanent disability, Manager shall be compensated in a lump sum for any accrued benefits to the extent such compensation is required by law.

7. PERFORMANCE EVALUATIONS

A. The City Council shall review and evaluate the performance of Manager, including eligibility for any discretionary, performance-based increase, at least once annually no later than July of each year, commencing in calendar year 2016. At least annually thereafter, the City Council and Manager shall define such goals and performance objectives as they determine are necessary for the proper operation of the City and the attainment of the City Council's policy objectives, and shall further establish a relative priority among those various goals and objectives.

8. HOURS OF WORK

A. The Manager shall perform all duties that may arise under this Agreement to the best of his ability in accordance with the highest professional and ethical standards of the profession, including that Manager shall devote full time and attention to those duties as necessary to meet the goals and objectives of the Council as established according to the terms of this Agreement.

9. OUTSIDE ACTIVITIES

Manager shall not engage in compensated teaching, consulting, or other non-City business without the prior approval of the City Council. Such authorized outside activities shall not interfere with the performance of Manager's duties under this Agreement.

10. INDEMNIFICATION

A. Consistent with the California Government Code and subject to Sections 825-825.4 thereof, City shall defend, hold harmless, and indemnify Manager using legal counsel of City's choosing, against expense or legal liability for acts or omissions by Manager occurring within the course and scope of Manager's employment under this Agreement. Legal representation, provided by City for City Manager, shall extend until a final determination of the issues including any and all losses, damages, judgments,

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interest, settlements, fines, court costs, and the reasonable costs and expenses of legal proceedings, including appeals, and including attorneys' fees, and expert witness fees and all other trial and appellate costs, and other liabilities incurred, imposed upon, or suffered by Manager in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened. In the event there is a conflict of interest between City and Manager such that independent counsel is required for Manager, Manager may engage his/her own legal counsel, in which event, to the extent permitted or required by Government Code Sections 825-825.4, City shall indemnify Manager, including direct payment of all such reasonable costs related thereto.

11. GENERAL PROVISIONS

A. Notices. Any formal notice permitted or required by this Agreement to be given by either party to the other shall be in writing and shall be considered delivered when transmitted either by personal delivery or by mail, registered or certified, postage pre-paid with return receipt requested and properly addressed as follows:

To City:
MAYOR AND CITY COUNCILMEMBERS CITY OF UKIAH
300 Seminary Avenue
Ukiah, CA 95482

To Manager:
Sage Sangiacomo
205 Mendocino Drive
Ukiah, CA 95482

Any party may change its/his address for purposes of this section by giving the other party written notice of the new address in the manner set forth above.

B. Waiver. The waiver of any breach of any provision hereunder by either party to this Agreement shall not be deemed to be a waiver of any other provision or subsequent breach hereunder, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

C. Construction of Terms. The language of all parts of this Agreement shall be construed according to their plain meaning and shall not be construed for or against either party. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment or exhibits hereto.

D. Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be unenforceable, void or invalid in whole or in part for any reason, the remainder of this Agreement shall remain in full force and effect. In the event of such entire or partial invalidity, the parties hereto agree to enter into supplemental or other agreements to effectuate the intent of the parties and the purpose of this Agreement.

E. Controlling Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California with venue proper only in the County of Mendocino, State of California.

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F. Entire Agreement. This Agreement constitutes the entire Agreement between the parties pertaining to the employment of Manager by City and supersedes all prior and contemporaneous agreements, representations, promises and understanding of the parties whether oral or in writing. No supplement modification, or amendment of this Agreement shall be binding unless executed in writing by all parties and this Agreement may not be altered, amended or modified by any other means. Each party waives any future right to claim, contend, or assert that this Agreement was modified, canceled, superseded or changed by any oral agreement course of conduct, waiver, or estoppel.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

City of Ukiah:

Douglas F. Crane, Mayor

Manager:

Sage Sangiacomo

Approved as to Form:

David Rapport, City Attorney

Witness:

Kristine Lawler, City Clerk

RESOLUTION NO. 2015- 20

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH APPOINTING A CITY MANAGER AND APPROVING THE EMPLOYMENT AGREEMENT BETWEEN THE CITY OF UKIAH AND SAGE SANGIACOMO

WHEREAS, the City Council conducted a comprehensive recruitment selection process for City Manager; and

WHEREAS, Sage Sangiacomo participated in that process and ultimately emerged as the City Council's preferred candidate.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Ukiah hereby appoints Sage Sangiacomo as City Manager of the City of Ukiah, approves the Employment Agreement between the City of Ukiah and Sage Sangiacomo, and authorizes the Mayor to execute the attached Employment Agreement.

PASSED AND ADOPTED this 3rd day of June, 2015 by the following roll call vote:

AYES: Councilmembers Mulheren, Doble, Brown, Scalmanini, and Mayor Crane
NOES: None
ABSENT: None
ABSTAIN: None

Douglas F. Crane

Douglas F. Crane, Mayor

ATTEST:

Kristine Lawler

Kristine Lawler, City Clerk

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