EMPLOYMENT AGREEMENT
between
CITY OF CALISTOGA AND DYLAN FEIK

1. PARTIES AND EFFECTIVE DATE.

The parties to this Agreement are the City of Calistoga ("CITY") and Dylan Feik ("MANAGER"), and is entered into on February 2, 2016.

2. PURPOSE.

The purpose of this Agreement is to provide for the employment of MANAGER as City Manager of CITY.

3. DUTIES.

a. Subject to the CITY's determination that MANAGER has passed the police, medical, and other background tests, CITY agrees to employ MANAGER as City Manager of the City of Calistoga to perform the functions and duties specified in the ordinances and resolutions of CITY, and to perform other legally permissible and proper duties and functions as the CITY Council may from time to time assign.

b. MANAGER shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by CITY.

c. MANAGER shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Prior to performing any services under this Agreement and annually thereafter, MANAGER must complete disclosure forms required by law.

4. TERM.

a. Manager is an at-will employee serving at the pleasure of the City Council as provided in Government Code Section 36506.

b. MANAGER shall commence performance of his duties hereunder on-site at the City Hall as soon as practicable but in no event shall MANAGER commence performance of his duties any later than March 7, 2016. MANAGER agrees that he will provide CITY notice of the date he will commence performance of his duties at least seven days prior to commencement of his duties.

c. MANAGER agrees to remain in the exclusive employment of CITY during the term of this Agreement and not to be otherwise employed during the term of this Agreement. The term "employed," however, shall not be construed to include occasional teaching, writing, speaking or consulting performed on personal time off.

5. DISABILITY.

The CITY shall have the option to terminate this Agreement without further payment of compensation and benefits under Paragraph 6, or severance payment under Paragraph 7(c) if MANAGER is deceased, permanently disabled, or incapacitated, for a period of two (2) successive weeks beyond any accrued sick leave, or for twenty (20) working days over a thirty (30) working day period.

6. COMPENSATION AND BENEFITS.

a. Salary. CITY agrees to pay MANAGER for his services rendered pursuant hereto as City Manager the sum of one hundred seventy thousand dollars ($170,000) annually payable in installments at the same

time as other employees of the CITY are paid. CITY also agrees that should it provide a cost of living adjustment to all existing department heads, the MANAGER shall receive the same adjustment.

b. Vacation Leave. MANAGER shall accrue fifteen (15) days of vacation leave each fiscal year. MANAGER shall accrue vacation leave and vacation buy-out in the same manner as other department managers of the CITY except that MANAGER shall be entitled to seven and one half (7.5) days of vacation leave immediately upon execution of this Agreement. MANAGER may receive equivalent cash compensation, in full or in part, at any time during the year for accrued and unused vacation leave. For vacation leave of more than one week at a time, MANAGER must provide sufficient notice of his intended vacation absence to the City Council.

c. Sick Leave. MANAGER shall accrue twelve (12) days of sick leave each fiscal year. MANAGER shall accrue sick leave and buy-out, if any, in the same manner as other department managers of the CITY except that MANAGER shall be entitled to six (6) days of sick leave immediately upon execution of this Agreement.

d. Administrative Leave. MANAGER shall receive fifteen (15) days of administrative leave each fiscal year. MANAGER agrees that there shall be no accrual of unused administrative leave from year to year.

e. Relocation and Temporary Housing Assistance. In order to assist Manager in relocating his residence to Calistoga, CITY agrees to provide Manager a one-time payment of seven thousand five hundred dollars

($7,500) and temporary housing assistance in the amount of two thousand five hundred dollars ($2,500) a month for a maximum of twelve (12) months.

f. Holidays and Other Employee Benefits. MANAGER shall receive employee benefits such as holidays, health insurance, dental insurance, life insurance, long-term disability insurance, and workers compensation insurance as is provided to all other department managers of the CITY.

g. Retirement. MANAGER shall be eligible to participate in the PERS programs offered to non-safety employees. .

h. Automobile Allowance. The CITY shall provide MANAGER with a monthly automobile allowance of four hundred dollars ($400) to reimburse MANAGER for use of his personal automobile for CITY business. MANAGER shall be responsible for paying for liability, property damage, and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and regular replacement of said vehicle.

i. Educational Incentive. City Manager shall be entitled to the same educational incentives provided to other department managers of the CITY.

j. Technology Allowance. City Manager shall be entitled to sixty dollars ($60) per month for cellular phone service.

k. Professional Memberships. The CITY shall budget under the City Manager's Department the cost of reasonable fees and memberships in professional organizations as well as the registration fees and travel and

subsistence costs for professional and official meetings, conferences, and functions for, including but not limited to, the International City/County Management Association (ICMA) and League of California Cities.

l. Internal Revenue Code Compliance. All provisions of this Section 6 are subject to the provisions and limitations of the Internal Revenue Code and its related regulations as amended from time to time. No requirement of any provision of this Section 6 shall be effective if it would violate any provision of the Internal Revenue Code or its related regulations, and the inability of the CITY to effectuate such requirements shall not constitute a breach of this Agreement.

7. RESIGNATION AND TERMINATION.

a. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of MANAGER to resign at any time from his position as City Manager with CITY. MANAGER may terminate this Agreement by submitting written notice of his resignation to CITY. MANAGER shall give the CITY two (2) months' written notice of his intention to resign. If MANAGER resigns his employment with the CITY, he shall not be entitled to any severance pay nor continued compensation and benefits, except as otherwise required under state or federal law.

b. MANAGER serves at the pleasure of the CITY and nothing herein shall be taken to prevent, limit, or otherwise interfere with the right of CITY to terminate the services of MANAGER, with or without cause, and with or without prior notice. There is no express or implied promise made to MANAGER for any form of continued employment. This Agreement is the

sole and exclusive basis for an employment relationship between MANAGER and CITY. MANAGER expressly waives any claim or right under contrary law. It is expressly understood that termination may occur upon a majority vote of the City Council.

c. In the event the CITY terminates MANAGER's employment without cause, MANAGER shall receive a severance payment of six (6) months' salary. There is no express or implied promise made to MANAGER for any form of continued employment as the City Manager. If MANAGER resigns following a request by a majority of the City Council that MANAGER resign, then MANAGER shall have the right to declare such offer a termination as of the date of the offer.

d. Notwithstanding Paragraph 7(c) above, the CITY shall not be obligated to pay any compensation, benefits, or severance under the provisions of this Agreement if MANAGER is terminated with cause, including, without limitation, because of a conviction, 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. During the proceedings which may be necessary for CITY to confirm the cause for termination hereunder, the CITY may place MANAGER on unpaid administrative leave.

8. OWNERSHIP OF RECORDS; RETENTION OF RECORDS.

All reports, notes, plans, documents, records, computer data, and other material

or certified copies of same, prepared by MANAGER in the course and scope of his duties under this Agreement, shall be delivered to, and become the property of the CITY. MANAGER shall make such documents available for review and/or audit by CITY and its representatives at all reasonable times during the term of this Agreement and for at least four (4) years from the date of expiration or termination of this Agreement.

9. PERFORMANCE EVALUATION.

CITY shall evaluate MANAGER's performance annually and prior to any renewal or extension of this Agreement. As part of each evaluation, the CITY Council and MANAGER will set goals and objectives for MANAGER's performance for the following year. In order to facilitate this evaluation in the first year, CITY and MANAGER agree to conduct a performance evaluation within three months following March 7, 2016 in order to set goals and objectives for the first year of MANAGER's employment. CITY and MANAGER may renew or extend the term of this Agreement, provided such renewal or extension is reduced to writing, signed by both Parties and adopted as an Amendment to this Agreement.

10. CONFLICT OF INTEREST PROHIBITION.

a. MANAGER shall not engage in any activity which is, or may become, a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. MANAGER shall complete annual disclosure forms required by law.

b. It is further understood and agreed that because of the duties of the City Manager within and on behalf of the CITY and its citizenry, MANAGER shall not, during the term of this Agreement, individually, as a partner, joint

venturer, officer, or shareholder, invest or participate in any business venture conducting business within the corporate limits of the CITY, except for stock ownership in any company whose capital stock is publicly held and regularly traded without prior written consent of the City Council. For and during the term of this Agreement, MANAGER further agrees, except for a personal residence used as his personal residence, to not invest in any other real estate or property improvements within the corporate limits of the CITY, without the prior, written consent of the CITY Council.

11. INDEMNIFICATION.

CITY shall defend, save harmless, and indemnify MANAGER against any tort, professional liability claim or demand, or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of MANAGER's duties as City Manager. CITY will compromise and settle any such claim or suit and the amount of any settlement or judgment rendered thereon. Said indemnification shall extend beyond termination of employment, and the otherwise expiration of this Agreement, to provide full and complete protection to MANAGER as described herein, for any acts undertaken or committed in his capacity as City Manager, regardless of whether the notice of filing of a lawsuit for such tort, claim, demand, or other legal action occurs during or following MANAGER's employment with CITY as City Manager.

12. NON-LIABILITY OF OFFICIALS AND EMPLOYEES.

No official, employee, attorney, or agent of CITY shall be personally liable for any term, condition, breach, default, or liability under this Agreement.

13. WAIVER.

The waiver by either party of any term or condition of this Agreement or any breach of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement.

14. OTHER TERMS AND CONDITIONS OF EMPLOYMENT.

The City Council, by resolution, shall fix any other terms and conditions of employment, as it may determine from time to time, relating to the performance of MANAGER, provided such terms and conditions are not inconsistent with provisions of this Agreement or law.

15. GENERAL EXPENSE.

CITY recognizes and agrees to pay the job-related expenses incurred by MANAGER in the course of his duties as approved by the City Council.

16. NOTICES.

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid. Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial proceedings. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service to the addresses set out below or as subsequently communicated by one party to the other in writing:

TO CITY: City Council
City of Calistoga
City Hall
1232 Washington Street
Calistoga, CA 94515

TO MANAGER: Dylan Feik
[address on file at City Hall]

17. ATTORNEYS' FEES.

In the event of any mediation, arbitration or litigation to enforce any of the provisions of this Agreement, each party shall bear his or its own attorneys' fees and costs.

18. FINAL AGREEMENT.

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

19. ASSIGNMENT.

This Agreement is not assignable by either CITY or MANAGER.

20. SEVERABILITY.

In the event that any provision of this Agreement is finally held or determined to be illegal or void by a court having jurisdiction over the Parties, the remainder of the 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.

21. TIME IS OF THE ESSENCE.

Time is of the essence in the performance of this Agreement.

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22. INTERPRETATION.

This Agreement shall be interpreted as though prepared by both Parties.

CITY OF CALISTOGA

By: _____ Dated: 2/2/16
Chris Canning
Mayor

MANAGER:

By: _____ Dated: 2/2/16
Dylan Feik

APPROVED AS TO FORM:

_____
Michelle Marchetta Kenyon
City Attorney