

**AGREEMENT BETWEEN JIM LINDLEY AND THE CITY OF DIXON FOR
EMPLOYMENT OF CITY MANAGER**

This Employment Agreement ("Agreement") is made and entered into this 15th day of February, 2012 ("Effective Date"), by and between the City of Dixon (the "City"), a municipal corporation, and Jim Lindley ("Employee"), an individual.

RECITALS

WHEREAS, the City requires the services of a person with proven executive and administrative qualifications to fill the position of City Manager; and

WHEREAS, the City, acting by and through its City Council, desires to appoint Jim Lindley to the position of City Manager.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

TERMS

1. Appointment of City Manager:

The City Council of the City ("City Council") hereby appoints Employee to the position of City Manager, in and for the City of Dixon, California, and Employee accepts such appointment and employment.

2. Term of Agreement:

This Agreement is for a Term of four (4) years from the Effective Date, as defined above.

3. At-Will Employment:

Employee is an "at will" employee who shall serve at the pleasure of the City Council. Accordingly, the City Council may terminate Employee's employment at any time, with or without cause, subject only to the provisions set forth in Section 6 of this Agreement and Chapter 2.09 of the Dixon Municipal Code. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his position with the City, subject only to the provisions set forth in Section 6 of this Agreement.

4. Duties and Responsibilities:

- a. Employee shall commence his duties on March 12, 2012.

b. Employee shall serve as the City Manager of the City and he shall be vested with the powers, duties and responsibilities set forth in Chapter 2.09 of the Dixon Municipal Code and California law. Employee shall perform the functions and duties specified under the laws of the State of California; the Ordinances and Resolutions of the City; and such other duties and functions as the City Council may from time-to-time assign.

c. Employee agrees to devote all of his productive time, ability and attention to the City's business. For the duration of this Agreement, Employee shall not hold secondary employment, and shall be employed exclusively by the City, subject to any exceptions approved in writing by the City Council. Provided, however, that Employee has the right to volunteer for such nonprofit organizations as he may see fit; and further provided that such volunteer services shall not interfere with his work duties on behalf of the City.

d. Employee is an exempt employee for purposes of the federal Fair Labor Standards Act. Employee shall not receive overtime or extra compensation for work performed outside normal business hours.

5. Compensation:

a. Employee shall be paid an annual base salary of One Hundred Twenty-Six Thousand Dollars (\$126,000.00). ("Total Base Salary").

b. The City Council agrees to annually consider adjustment of Employee's Total Base Salary and/or other benefits of Employee in such amounts and to such extent as the City Council may determine that it is desirable on the basis of its annual salary and performance review of Employee as provided for in Section 7.

c. Employee shall receive the benefits identified in Exhibit A to this Agreement in addition to the Total Base Salary.

d. Employee acknowledges that the Total Base Salary may be subject to prorate decrease based on City Council adoption of an unpaid Mandatory Furlough Program adopted as a budgetary measure, provided any such furlough shall be not greater than that imposed upon the Dixon Senior Management Association ("DSMA") from time to time. Employee acknowledges that the current Mandatory Furlough program consists of a unpaid furlough on the first Friday of each month, which will reduce the Total Base Salary by 4.6%.

6. Termination of Employment and Severance:

a. Employee may terminate this Agreement at any time upon sixty (60) days written notice to City. During the notice period, all the rights and obligations of the parties under this Agreement shall remain in full force and effect.

b. The City Council may terminate this Agreement at any time with good cause, or without cause, subject to this Section and Chapter 2.09 of the Dixon Municipal Code.

c. In the event City terminates this Agreement without cause, the City shall pay Employee severance in a sum equal to six (6) months Total Base Salary (as such Total Base Salary may have then been adjusted pursuant to Section 5). This severance is subject to the restrictions set forth in Government Code section 53260, including, without limitation, that the maximum amount of severance pay that Employee may receive shall not exceed an amount equal to that portion of the Total Base Salary paid monthly, multiplied by the number of months left on the unexpired Agreement. And further provided that, pursuant to Government Code section 53243.2, any cash settlement related to the termination of this Agreement received by Employee from City shall be fully reimbursed to the City if Employee is convicted of a crime involving an abuse of his office or position while employed by the City.

In the event City terminates this Agreement, Employee shall be entitled to continued medical and dental benefits at his cost pursuant to the provisions of the federal Consolidated Omnibus Budget Reconciliation Act (COBRA).

d. Notwithstanding any provision in this Agreement to the contrary, the City shall not terminate this Agreement following a general municipal election except as provided in Dixon Municipal Code section 2.09.020.

e. Notwithstanding any provision in this Agreement to the contrary, the City Council may at any time immediately terminate this Agreement "for good cause." If Employee is terminated for cause, the City shall not be required to pay any severance under this Agreement. Good cause means:

1. Conviction of any felony that adversely affects the reputation of either the City or Employee;
2. Conviction of a misdemeanor arising out of Employee's duties under this Agreement and involving a willful or intentional violation of law;
3. Any willful abandonment of duties; or
4. Any conduct which violates the City's Personnel Rules and for which a City employee may be terminated.

Good cause shall also include, but not be limited to, the permanent disability of Employee, or the Employee becoming otherwise unable to perform the duties of her employment, by reason of sickness, accident, illness, injury, mental incapacity or health for a period of six (6) weeks following the exhaustion of all available leave balances and any applicable Family Medical Leave Act or California Medical Leave Act leaves, or where the same occurs for forty (40) working days over a sixty (60) working day period following the exhaustion of such leaves.

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

7. Review and Evaluation:

a. The City Council agrees that approximately six (6) months after the date for commencement of duties as stated in Section 4(a), it will provide a written performance review or evaluation of Employee's performance to Employee in accordance with the City's policy for City Manager evaluations, as such policy may be amended from time to time in the City Council's sole discretion.

b. The City Council agrees that, not less than annually, it will provide a written performance review or evaluation of Employee's performance to Employee in accordance with the City's policy for City Manager evaluations, as such policy may be amended from time to time in the City Council's sole discretion.

c. Notwithstanding the provisions of subsection (a) or (b) of this section, the City Council may undertake performance review or evaluation of Employee at any time in its sole discretion.

8. Indemnification:

The City shall defend, hold harmless and indemnify Employee against any tort, civil rights, personnel, discrimination, professional liability claim or demand or other legal action, arising out of an alleged act or omission occurring in the performance of Employee's duties in accordance with the provisions of Government Claims Act and California Government Code Section 825 and shall provide a defense to Employee in accordance with Government Code Section 995. The City may decline to defend and/or indemnify Employee only as permitted by the California Government Code. The City may compromise and settle any such claim or suit and pay the amount of any resulting settlement or judgment. Provided, however, that the City's duty to defend and indemnify shall be contingent upon Employee's good faith cooperation with such defense.

9. Notices:

Any notice required under this Agreement shall be in writing and personally delivered, or sent by certified mail (return receipt requested and postage prepaid), or overnight delivery to the following:

City: City of Dixon
 c/o Mayor
 City Hall
 600 East A Street
 Dixon, California 95620

With a copy to:

Dixon City Attorney
c/o
Michael F. Dean
Meyers Nave Riback Silver & Wilson
555 Capitol Mall, suite 1200
Sacramento, CA 95814

Employee: Jim Lindley



Either Party may change its mailing address at any time by giving written notice of such change to the other Party. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal delivery is affected or on the delivery date or attempted delivery date shown on the return receipt or air bill, whichever is earlier.

10. Arbitration:

a. Any controversy or claim arising out of or relating to this Agreement or the breach thereof, or arising out of or relating to Employee's employment or termination thereof, including but not limited to claims of employment discrimination based on federal and state law, which cannot be resolved among the parties themselves, shall, on the written request of either party served on the other within the applicable statute of limitations, be submitted and resolved by final and binding arbitration. Service of the written request for arbitration shall be made only by certified mail, with a return receipt requested. Time is of the essence; if the request is not served within a one-year period after the cause of action arises or the termination of this Agreement, whichever is earlier, then the complaining party's claim(s) shall be forever waived and barred before any and all forums, including, without limitation, arbitration or judicial forums.

b. The Arbitrator shall have no authority to alter, amend, modify or change any of the terms of this Agreement, unless a provision expressly conflicts with applicable federal or state laws. Any arbitrator selected under this provision shall have the express authority to consider statutory violations of federal and state law in addition to disputes involving this Agreement. The decision of the Arbitrator shall be final and binding and judgment therein may be entered in any court having jurisdiction over the dispute.

c. The Arbitration shall be conducted under the National Rules for the Resolution of Employment Disputes of the American Arbitration Association ("AAA") current at the time of the dispute. In the event that such rules are determined to be in conflict with federal or state law, then the arbitrator shall have the authority to amend them accordingly. The City shall be responsible for paying all the AAA's administrative and arbitrator's fees. In all other respects, the parties shall bear their own attorneys' fees and costs except as otherwise required by law. The parties shall have the right to conduct discovery which provides them with

access to documents and witnesses that are essential to the dispute, as determined by the arbitrator. The arbitrator's written award shall include the essential findings and conclusions upon which the award is based.

d. The parties intend that this arbitration procedure is mandatory and shall be the exclusive means of resolving all disputes whether founded in fact or law between Employee and the City and/or its employees, elected officials, directors, agents, officers or managers arising out of or relating to this Agreement, the parties' employment relationship and/or the termination of that relationship, including, but not limited to, any controversies or claims pertaining to wrongful or constructive discharge, ~~violation of~~ ~~the~~ ~~principle~~ ~~of~~ ~~good~~ ~~faith~~ ~~and~~ ~~fair~~ ~~dealing~~, implied contracts, public policies, anti-discrimination statutes or any employment-related statutes.

e. Nothing in this Agreement shall be deemed to waive any requirement to file a claim against the City under the terms of the Government Claims Act or other provisions of law.

f. Each party shall bear its own cost and attorneys fees in any such action.

THE PARTIES ACKNOWLEDGE THAT BY ADOPTING ARBITRATION THEY HAVE IN EFFECT WAIVED ANY CONSTITUTIONAL OR STATUTORY RIGHT TO HAVE ANY SUCH DISPUTE DECIDED IN A COURT OF LAW AND/OR BY A JURY IN A COURT PROCEEDING.

11. Bonding:

The City shall bear the full cost of any fidelity or other bond required under any law or ordinance.

12. Miscellaneous:

a. The text herein shall constitute the entire agreement between the parties. This Agreement may not be modified, except by written agreement executed by both parties.

b. This Agreement is severable. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

c. This Agreement shall be governed by the laws of the State of California.

d. The parties agree that any ambiguity in this Agreement shall not be construed or interpreted against, or in favor of, either party.

e. Time is of the essence of this Agreement.

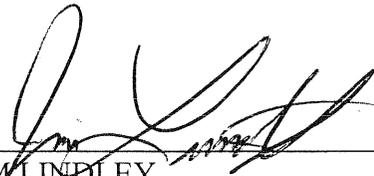
f. This Agreement is the result of negotiation between the parties and shall not be interpreted for or against either party as the author.

g. This Agreement may be executed in counterparts containing original signatures.

IN WITNESS WHEREOF, the City has caused this Agreement to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and Employee has signed and executed this Agreement, on the day and year written below.

EMPLOYEE:

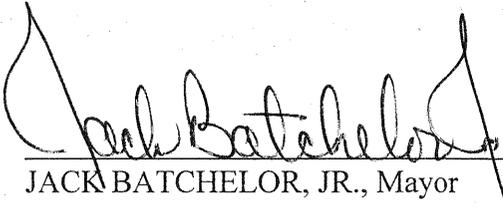
DATED: 2-5-12, 2012



JIM LINDLEY

CITY:

DATED: 02/15/12, 2012



JACK BATCHELOR, JR., Mayor

ATTEST:



STEVE JOHNSON, Acting City Clerk

APPROVED AS TO FORM:



MICHAEL F. DEAN, City Attorney

EXHIBIT A

OTHER EMPLOYEE BENEFITS

1. Benefits

Employee shall receive all benefits, leave time and holidays received by the DSMA pursuant to the same terms and conditions contained in the latest version of the DSMA MOU, as amended from time to time, subject to the following additions or amendments:

a. Car Allowance

In lieu of reimbursement for automobile expenses, Employee shall provide her own automobile for use in conducting normal City business and shall receive a car allowance of four Hundred Dollars (\$400.00) per month to defray automobile expenses.

b. Administrative Leave

Employee shall be credited with one-hundred and four (104) hours paid leave upon the Effective Date. Of that amount, twenty-four (24) hours shall be administrative leave, which may not be converted to cash, and if not used shall expire on July 1, 2012. The remaining eighty (80) hours shall be vacation leave. Each July 1 beginning on July 1, 2012, Employee shall be credited with one hundred and for (104) hours of administrative leave to be used prior to the next July, may not be cashed out and if not used expires on the following July 1.

c. Cell Phone, Wireless Email (e.g. BlackBerry) and Computer

Employee shall be provided a cell phone, wireless email through a BlackBerry or other similar device, and computer for use on city business. The City shall pay all air charges for such devices.

d. The DSMA Benefits Currently Consist of:

- i. Retirement. CALPERS 2.5% at 55 plan. Employee shall pay the 8% employee contribution. The City does not participate in Social Security.
- ii. Cafeteria Plan. In addition to Total Base Salary, the City will pay up to \$1,216 per month for the purchase of applicable health, dental, life insurance, long term care and income repayment plans as "cafeteria benefits."
- iii. Vacation. Employee will accrue vacation at the rate of 104 hours annually (with pro-rata) accrual at each pay period).
- iv. Holidays. Employee shall receive 11 assigned plus 2 floating holidays each year.
- v. Life Insurance. The City will provide a \$50,000 term life insurance

RESOLUTION NO. 2012- 12-023

**RESOLUTION OF THE COUNCIL OF THE CITY OF DIXON APPROVING
AN EMPLOYMENT AGREEMENT BETWEEN THE CITY OF DIXON AND
JIM LINDLEY AND APPOINTING JIM LINDLEY AS THE CITY OF DIXON
CITY MANAGER**

WHEREAS, the City of Dixon and Paul Kimura and Avery & Associates have engaged in a recruitment and selection process to retain a City Manager for the City of Dixon, and

WHEREAS, the City Council desires to select Jim Lindley as City Manager, and

WHEREAS, Jim Lindley desires to accept appointment as City Manager, and

WHEREAS, the City and Jim Lindley desire to enter into an Employment Agreement that sets forth the rights and obligations of the parties.

NOW, THEREFORE BE IT RESOLVED that the City Council hereby appoints Jim Lindley to serve as Dixon City Manager, approves an Employment Agreement between the City of Dixon and Jim Lindley in the form presented to this meeting and authorizes the Mayor to execute it on behalf of the City.

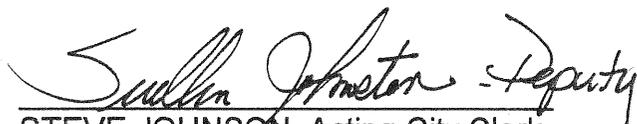
PASSED AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF DIXON ON THE 14th DAY OF FEBRUARY, 2012, BY THE FOLLOWING VOTE:

AYES: Besneatte, Bogue, Ceremello, Fuller, Batchelor
NOES: None
ABSTAIN: None
ABSENT: None



JACK BATCHELOR, Jr., Mayor

ATTEST:



STEVE JOHNSON, Acting City Clerk

- policy.
- vi. Disability. The City will provide a long term disability plan providing for 66% of Total Base Salary after sixty (60) days of complete disability, up to a maximum of \$5,000 per month.

2. Costs

City agrees to reimburse Employee for reasonable related business expenses (other than automobile expenses covered by the automobile allowance provided for herein), as budgeted within the City Manager Department budget from time to time.

END OF EXHIBIT

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