

**TOWN OF MAMMOTH LAKES
EMPLOYMENT AGREEMENT
FOR
NON-REPRESENTED EMPLOYEE
ROBERT PATTERSON
TOWN MANAGER**

1. PARTIES AND DATE.

This Employment Agreement ("Agreement") is made and entered into this 7th day of February 2024, by and between the Town of Mammoth Lakes, a municipal corporation ("Town") and Robert Patterson, an individual ("Employee"), in order to provide in writing the terms and conditions of employment for Town Manager services. Town and Employee are sometimes individually referred to herein as "Party" and collectively as "Parties". The employment agreement in effect between Town and Employee immediately prior to the effective date of this Agreement (as set forth in Section 3.2.1) is hereby superseded as of the effective date, provided that the intention of Town and Employee is that Employee's employment shall continue uninterrupted.

2. RECITALS.

2.1 Employment of Town Manager

Town desires to employ the services of Employee as Town Manager for the Town of Mammoth Lakes and Employee desires to accept employment as Town Manager under the terms and conditions set forth herein.

3. TERMS.

3.1 Duties

3.1.1 Designated Duties. Town hereby agrees to employ Employee as Town Manager of Town to perform the functions and duties in accordance with applicable state law, the Town's Municipal Code (including, but not limited to Chapter 2.08), as well as the approved Town job description for the position. Employee shall also perform other legally permissible and proper duties and functions as the Town Council shall from time-to-time assign.

3.1.2 Control and Supervision. Employee shall serve at the will and pleasure of the Town Council pursuant to the terms and limitations of this Agreement and will be under the day-to-day supervision and direction of the Town Council.

3.1.3 Town Council Meetings. Employee shall attend all Town Council meetings, unless excused by Mayor or directed otherwise by Council.

3.1.4 Moonlighting. Employee will focus his professional time, ability, and attention on Town business during the term of this Agreement. To the extent consistent with applicable law,

Employee shall not engage in any other business duties or pursuits whatsoever or, directly or indirectly, render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, without the prior consent of the Town Council, except that:

(1) The expenditure of reasonable amounts of time not in conflict with the Town's needs and interests, for educational, charitable, community, and professional activities shall not be deemed a breach of this Agreement and shall not require prior consent.

(2) This Agreement shall not be interpreted to prohibit Employee from making passive personal investments or conducting private business affairs if those activities do not materially interfere with the services required under this Agreement or create conflicts of interest.

3.1.5 Town Documents. All data, studies, reports and other documents prepared by Employee while performing his duties during the term of this Agreement shall be furnished to and become the property of the Town, without restriction or limitation on their use. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Employee in connection with the performance of this Agreement shall be held confidential by Employee. Such materials shall not, without the prior written consent of the Town Council, be used by Employee for any purposes other than the performance of his duties. Nor shall such materials be disclosed to any person or entity not connected with the performance of services under this Agreement, except as required by law. The terms of this Section 3.1.5 shall survive termination or expiration of this Agreement.

3.2 Term; Termination; Severance Pay

3.2.1 Term. This Agreement shall be effective on March 1, 2024 and continue until June 30, 2026 unless terminated or extended by the Town Council as provided herein ("Term"). In the event that Town wishes to extend the term of this agreement Town shall notify Employee prior to the expiration of this Term and Town and Employee shall thereafter negotiate in good faith concerning any extension of the term and conditions of employment, provided that Town's decision to extend the term shall be made in the Town Council's sole discretion and that a decision not to extend the term shall not be deemed a termination without cause.

3.2.2 Termination. The Parties understand and agree that the employment relationship created by this Agreement is "at-will" and that the Employee shall serve at the will and pleasure of the Town Council. The Employee may be terminated at any time for cause, with no advance notice. For purposes of this Agreement, a termination for cause shall be any termination for any cause set forth in California Government Code section 19572. In addition, the Town Council may terminate Employee without cause pursuant to section 3.2.5. This Agreement may also be terminated upon mutual agreement in writing, executed by both Parties.

3.2.3 Voluntary Termination. Employee may voluntarily terminate his employment, by resignation or retirement, at any time during the term of this Agreement, subject to at least thirty (30) days' written notice to the Town Council, unless the Town Council and Employee agree

otherwise. In such case, Town shall have no further obligation to provide payments and benefits, including severance benefits, upon the effective date of termination of employment, other than payment of accrued comprehensive leave.

3.2.4. Death. In the event the Employee dies while employed by the Town, his beneficiaries or those entitled to his estate shall be paid any earned salary and accrued comprehensive leave at the Employee's pay rate on the date of death.

3.2.5 Termination Without Cause. In addition to the other means of terminating this Agreement set forth herein, the Town Council may terminate Employee at any time without cause. In such event, Employee shall be entitled to receive a severance payment equal to twelve (12) weeks of his salary and shall upon termination be entitled to compensation for accrued comprehensive leave. Nothing in any statute, ordinance, or rule shall prevent, limit or otherwise interfere with the right of the Town Council to terminate, without right of appeal or grievance, the employment of the Employee at any time during the Initial Term or any extension of this Agreement, as provided herein. Accordingly, Employee agrees that this Agreement sets forth the only terms and conditions applicable to the termination of his employment.

3.3 Salary

3.3.1 Base Salary. The Town shall compensate Employee at the weekly rate of \$3,961.78 for all work on and after March 1, 2024 during the term of this Agreement. This base salary shall be payable bi-weekly at the same time as other employees of the Town are paid.

3.3.2 Salary Range Adjustments. Pursuant to Resolution No. 23-53, adopted by the Town Council on June 21, 2023, which increased salary ranges for Town employees in at-will, non-represented positions for the FY2023-24, FY2024-25, and FY2025-26 years, the following adjustments shall be made to Employee's salary range for the term of this Agreement. The adjustments shall be effective at the beginning of the first full pay period in July.

July, 2024	3%
July, 2025	3%

3.3.3 Salary Adjustments. The following adjustments shall be made to Employee's base rate of pay for the term of this Agreement. These base pay adjustments are exclusive to earned merit increases outlined elsewhere in the agreement. The adjustments shall be effective at the beginning of the first full pay period in July.

July, 2024	1.5%
July, 2025	3%

3.3.4 Merit Increase. Employee shall be eligible for a merit increase of not more than 5% based on an annual performance evaluation conducted by the Town Council. Notwithstanding the foregoing, Employee's salary will not exceed the adopted salary range for the Town Manager as it may be amended from time to time.

3.3.5 Statutory Requirements. This Agreement shall be deemed to incorporate by reference the provisions of Sections 53243 *et seq.* of the California Government Code, as they may be amended or renumbered.

3.3.6 Deferred Compensation. Town will contribute to a Town Section 457(b) deferred compensation plan for the benefit of Employee. The Town shall contribute into Employee's Section 457(b) plan an amount equal to the amount contributed by Employee, not to exceed one hundred dollars (\$100) per pay period for twenty-four (24) periods per year. The amount of the Town's contribution is subject to a dollar-for-dollar match by Employee. Such contributions shall continue for the Term of this Agreement unless employee matching funds are reduced or eliminated, or the benefit is terminated by amendment to this Agreement. Payments shall occur as part of the first and second pay periods for each month.

3.3.7 Bonus Program. Employee shall be eligible for an annual contingent payment based upon Transient Occupancy Tax (TOT) revenues received during the previous fiscal year to allow them to share in the success of the Town, on the conditions set forth herein. The revenue sharing payment shall not exceed four thousand dollars (\$4,000), is subject to applicable taxes and withholdings, and shall not be subject to retirement contributions by Employee or Town. The amount, if any, will be based on eight percent (8%) of the TOT revenues that are greater than the amount budgeted to be received and retained by Town (i.e. amount does not include TOT allocated to Tourism, Housing, and Transit). The revenue sharing payment shall be calculated based on the total fiscal year end Town's share of TOT revenues above the original fiscal year TOT budget and shall be divided by the number of all eligible employees to determine the amount per employee, using the same calculation applied to all eligible employees.

To be eligible for this contingent revenue sharing payment, Employee must be (a) employed with Town for some part of the fiscal year on which the calculation is based; and (b) employed with Town on the date the payment is made. Employee is not eligible for this payment, and has no right to it, unless both criteria are satisfied. Payments shall be deposited with the first regular payroll in August following the close of the fiscal year upon which the calculation is based.

3.4 Retirement

3.4.1 Retirement Program. Employee is a "PEPRA" Miscellaneous member of the California Public Employees Retirement System (PERS). The Employee will be covered under the Town's PEPRA Miscellaneous two percent (2%) at age sixty-two (62) formula and covered in all respects by the Town's contract with PERS, including any amendments thereto that apply retrospectively and/or affect current employees. As required by the Public Employees' Pension Reform Act (PEPRA), members hired on or after January 1, 2013 (PEPRA members) are subject to possible increases or decreases to their contribution rate based on the results of annual actuarial valuations. Employee shall pay the entire PEPRA member contribution to CalPERS. Town will pay the required employer contribution to CalPERS and will pay the employer share of Medicare taxes. Employee will receive the Level 4 1959 Survivor Benefit with CalPERS, and two percent (2%) retirement Cost of Living Adjustment (COLA). Town will withhold the employee share of Medicare taxes from Employee's taxable wages.

3.5 Leaves

3.5.1 Comprehensive Leave Accruals. Employee may accrue comprehensive leave based upon length of continuous service as determined by his anniversary date of employment with Town according to the following schedule:

Five-year anniversary:	20.67 hours/month
Ten-year anniversary:	22.67 hours/month

Comprehensive leave will not be accrued in excess of eight hundred fifty (850) hours and no more than 850 hours may be carried forward to the following fiscal year.

3.5.2 Elective Payout. Employee may request a payout of comprehensive leave of up to a total of two hundred (200) hours per fiscal year, once during the second quarter of the calendar year and again during the fourth quarter of the calendar year. Employee's request for a payout must retain an accrued comprehensive leave balance of not less than one hundred and twelve (112) hours after the payout. Payouts will be made at Employee's then-current regular rate of pay. Employee may elect to take a payout as cash or may elect to deposit a payout through payroll into an eligible 457(b) plan, pursuant to applicable state and federal laws. The requests must be made at least five (5) months in advance of the payment and can only apply to leave that will accrue between the date of the request and the payout date. Each December and June the Human Resources Department will notify Employee of the opportunity to request a payout of comprehensive leave for the following June or December. Requests need to be filed on the forms provided by the Human Resources Department and submitted within the timelines provided on the submission forms.

3.5.3. Administrative Leave. Employee will receive eighty-eight (88) hours of administrative leave per fiscal year. Unused administrative leave will expire at the end of each fiscal will not be carried forward to the next fiscal year or paid out.

3.5.4 Other Leaves. Other leaves will be provided and managed as required by law or Town policy (FMLA, CFRA, Jury Duty, Catastrophic Leave etc.). Employee will integrate the use of comprehensive and administrative leaves for salary purposes as required by law or Town policy but may leave a maximum of eighty (80) hours in comprehensive leave in Employee's leave bank.

3.6 Insurance

3.6.1 Workers Compensation; Disability Insurance. Town shall provide Employee with State Disability Insurance ("SDI"). Under the California Unemployment Insurance Code, "disability" includes any illness or injury, either physical or mental, including pregnancy, childbirth, or related medical condition that prevents a member from doing their regular or customary work. Employee contributions shall be made via payroll on a pre-tax basis. Employee will pay the amount charged by the State of California for SDI. If Employee is eligible to receive SDI he must utilize paid leave on a prorated basis to supplement SDI payments, in accordance with SDI rules and Town policy. All benefits, including leave accrual, health insurance, and

retirement, shall be reduced proportionally to the reduction in paid leave hours utilized in accordance with state and federal laws and Town policy.

Employee is covered by the Town's Workers Compensation insurance program. Whenever Employee is absent due to an illness or injury arising out of and in the course of employment, Employee shall receive full compensation, less any Worker's Compensation insurance benefits received, during the first fifteen (15) working days of such absence without deduction from accrued comprehensive leave. Thereafter, if Employee is still properly absent from duty, he may receive, from accrued comprehensive leave, if any, an amount equal to the difference between the amount Employee receives as Worker's Compensation insurance benefits and the amount of his regular compensation until Employee returns to work or accrued leave is exhausted. If comprehensive leave is exhausted, Employee will be compensated at the statutory rate under the current Worker's Compensation regulations by the Town's Worker's Compensation Insurance carrier. All benefits, including leave accrual, health insurance, and retirement, shall be reduced proportionally to the reduction in work hours in accordance with state and federal laws and Town policy; exceptions to the proration may be considered by the Town Council.

3.6.2 Life Insurance. While employed by the Town, Employee will be provided with a term life insurance policy in the amount of \$50,000 until the age of seventy (70); upon reaching age seventy (70), the benefit e shall be reduced to \$25,000. Dependents of Employee shall receive a term life insurance policy in the amount of \$5,000.

3.6.3 Health Insurance. Employee and his dependents shall be eligible for coverage under the Town's health plan, subject to the plan's terms and conditions. Health insurance is provided through a Section 125 flexible benefit account. Employee may participate in other programs offered by the Town by other vendors.

- a The Town will contract with CalPERS for a health insurance plan for the period of this Agreement. The town will also maintain a flexible benefit program (Section 125 Plan).
- b The Town shall contribute the PEMCHA minimum amount required by CalPERS per month per employee as the "employer contribution" to the cost of the premium for the health program should the employee elect to participate in the plan.
- c The Town will provide a monthly contribution to the employee in an amount equal to the cost of coverage under the PERS Platinum health insurance plan based upon Employee's dependent status definition under the PERS health benefit program as "employee", "employee +1", or "employee +2" for Employee's flexible spending (cafeteria) account. This amount is inclusive of the "employer contribution" for the CalPERS health program premium.

3.6.4 Vision and Dental Health Reimbursement Arrangement (HRA) Plan

Employee may participate in the Health Reimbursement Arrangement Plan (HRA) as established by the Town to reimburse Employee for vision and dental expenses as defined by IRS Publication 502 and the Town's Vision and Dental Policy. Employee shall be eligible for

reimbursement up to a maximum of \$1,500 for Employee and \$800 for each eligible dependent (as defined by HRA guidelines specified in IRS Publication 969) per fiscal year. These amounts may be combined for the use of either Employee or any of his/her dependents. When two regular, full-time Town employees are considered to be eligible dependents of one another, they shall not be covered by each other, and their dependent children may only be covered by one parent. Up to 80% of the unused portion of the total benefit may be “rolled over” from one fiscal year to the next, for a total of not more than three fiscal years. For purposes of identifying the unused portion, receipts for the previous year must be submitted within 60 days of the beginning of the fiscal year. Employee must be in regular, full-time status with the Town at the time the vision/dental services were performed to be eligible for reimbursement.

The current fiscal year benefit amount will be used to pay all reimbursement requests. Once the current fiscal year benefit amount is exhausted, rollover benefit amounts from previous years will be used to fund the reimbursement requests. “Rollover Year 1” benefit will be accessed first for reimbursement requests. Then, “Rollover Year 2” benefit amount will be accessed for reimbursement requests. Finally, if current fiscal year and Rollover Years 1 and 2 benefits have been exhausted, “Rollover Year 3” will be accessed for reimbursement requests. Any amount remaining in “Rollover Year 3” 60 days after the close of a fiscal year will no longer be available to fund reimbursement requests. Employee may elect to not participate in the HRA reimbursement program by notifying Human Resources with a written request to opt out of the plan. Eligibility for reimbursement ends on the last paid day of employment for expenses incurred prior to permanent separation from service. Employee must submit a request to Human Resources in writing prior to permanent separation to be eligible for reimbursement of dental or vision services received prior to their permanent separation. Exceptions to the reimbursement requirements stated in this section are subject to HRA guidelines and Town Council approval.

3.7 Other Terms

3.7.1 Automobile and Transportation. Town shall provide Employee with an automobile for his use on Town business and for occasional de minimis personal purposes, in lieu of providing any vehicle allowance. Town shall be responsible for the costs of operation, repair, maintenance, and liability, property damage and comprehensive insurance for the vehicle. All other travel expenses for which Employee seeks reimbursement will be provided pursuant to Town policies. As a condition of operating an assigned vehicle, Employee’s driving record shall be monitored, through Town’s existing Employer Pull Notice (EPN) Program, and any deficiencies shall be reported to Town Council for consideration.

3.7.2 Discussion of Amendments. In the event that Town amends the Management Employees Association Memorandum of Understanding to alter the retirement, leave, and/or insurance benefits provided to management employees, Town may request that Employee consider amendments to this Agreement to harmonize it with the revised benefits provided to management employees.

3.7.3 Telephone; Computer. Town will provide a cell phone, capable of receiving and sending email and accessing the Internet. A laptop computer and other related devices for Employee to assist in working hours outside of the Town offices.

3.7.4 Holidays. Employee will be compensated for recognized municipal holidays. A list of recognized paid municipal holidays shall be established and published by the Human Resources Department in the form of a memorandum to all full-time, regular employees.

3.7.5 Participation in Town Employee Programs. Employee may participate in Town Employee Assistance Program, and Anniversary Awards, or similar benefits provided to all employees, on the same terms as other employees and to the extent that such programs exist.

3.7.6 Work Schedule. The normal work schedule for Employee is from 8:00 a.m. to 5:00 p.m., Monday through Friday. Additional work hours are anticipated for meetings, workload, events and other work-related requirements. Employee shall receive no extra compensation for hours worked in excess of the normal schedule.

3.7.7 Professional Memberships & Meetings; Other Expenses. Town shall pay for Employee's professional membership in the League of California Cities and International City / County Management Association (ICMA). Town shall pay for Employee to attend the annual League of California Cities and ICMA conference. Town will pay for such other professional memberships and conference attendance subject to budgetary limits. Town recognizes that certain expenses of a non-personal and job-related nature may be incurred by Employee and shall reimburse Employee for reasonable expenses which are authorized by the Town budget and submitted in accordance with Town policies.

3.7.8 Indemnification. Town shall defend, hold harmless and indemnify Employee against any claim, demand, judgment, or action of any type or kind arising within the course and scope of Employee's employment to the extent required by Government Code Sections 825 and 995.

3.8 Notices

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage pre-paid, addressed as follows:

Town	Town of Mammoth Lakes P.O. Box 1609 Mammoth Lakes, CA 93546 ATTN: Mayor
Employee:	Robert Patterson 4330 Crowley Lake Dr Crowley Lake, CA 93546

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. 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.

3.9 General Provisions

3.9.1 Entire Agreement. The text herein shall constitute the entire agreement between the Parties.

3.9.2 Severability. 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.

3.9.3 Bonding. If applicable, the Town shall bear the full cost of any fidelity or other bonds required of Employee in the performance of his duties as Town Manager.

3.9.4 Modification. Any modification of this Agreement will be effective only if it is in writing and signed by both Parties. The Town Council may from time to time fix other terms and conditions of employment relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provision of this Agreement, the Town's Municipal Code, or other applicable law.

3.9.5 Effect of Waiver. The failure of either Party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other Party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

3.9.6 Assignment. Neither this Agreement, nor any right, privilege or obligation of Employee hereunder shall be assigned or transferred by him without the prior written consent of the Town Council. Any attempt at assignment or transfer in violation of this provision shall, at the option of the Town Council, be null and void and may be considered a material breach of this Agreement.

3.9.7 Law Governing Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue shall be in Mono County, California.

3.9.8 No Presumption of Drafter. The Parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the Parties, and this Agreement reflects their mutual agreement regarding the subject matter of this Agreement. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any Party to be the drafter of this Agreement and, therefore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.

3.9.9 Attorneys' Fees. If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to recover such amount as the court may award as reasonable attorneys' fees and costs.

3.9.10 Assistance of Counsel. Each Party to this Agreement warrants to the other Party that it has either had the assistance of counsel in negotiation for, and preparation of, this Agreement or could have had such assistance and voluntarily declined to obtain such assistance.

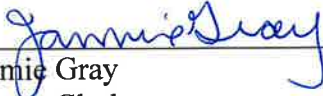
[signatures on following page]

IN WITNESS WHEREOF, the Town of Mammoth Lakes has caused this Employment Agreement to be signed and executed on its behalf by its Mayor, and duly attested by its Town Clerk, and Employee has signed and executed this Employment Agreement effective on the day and year first above written.

TOWN OF MAMMOTH LAKES

By: 
Bill Sauser
Mayor

ATTEST:


Jamie Gray
Town Clerk

Approved as to Form by 
Andrew Morris
Town Attorney

EMPLOYEE

By: 
Robert Patterson