

**CITY COUNCIL OF THE CITY OF SONORA
STAFF REPORT**

MEETING DATE: JANUARY 21, 2020

TO: CITY COUNCIL

FROM: DOUGLAS L. WHITE, CITY ATTORNEY

SUBJECT: CONSIDERATION AND APPROVAL OF AN EMPLOYMENT AGREEMENT WITH MARY ROSE AXIAK-RUTIKANGA FOR CITY ADMINISTRATOR.

RECOMMENDATION:

Staff recommends the Sonora City Council (“City Council”) consider and approve the proposed employment agreement for Mary Rose Axiak-Rutikanga as Sonora City Administrator (“City Administrator”) and to authorize the Mayor to execute the agreement on behalf of the City of Sonora.

BACKGROUND:

Tim Miller, longtime City Administrator for the City of Sonora retired at the end of 2019. After a recruitment, the Council interviewed qualified candidates and authorized the City Attorney to engage in negotiations with their highest-ranked candidates. Council subsequently approved the terms of an employment agreement to hire Mary Rose Axiak-Rutikanga as the City’s designated City Administrator subject to a background check, physical and drug screening.

DISCUSSION:

Ms. Axiak-Rutikanga a native of the Motherload region, having grown up in Copperopolis and graduated from Bret Harte High School in Angels Camp. She is a Sonora resident. She has a Master’s Degree in Public Administration and a Bachelor’s Degree in Government. She has been employed in the public sector for many years, most recently as the Deputy County Executive Officer for the County of Merced. In that position, Ms. Axiak-Rutikanga was responsible for planning, organizing, managing, developing and implementing Merced County’s long-range and annual budget of \$700 million, as well as providing administrative direction to the County’s Departments on budgetary matters. One of her largest projects was overseeing the County’s \$45 million jail remodel. She also was in charge of fiscal planning and procedures and made recommendations to the County Administrative Officer and Board of Supervisors regarding the feasibility and impact of new programs and legislation. She also was responsible for training, evaluating and supervising County staff. Prior to her employment in Merced County, Ms. Axiak-Rutikanga worked for Calaveras County in a similar position, as well as in the private sector focusing on grant writing and securing grants and donations for projects and services.

Ms. Axiak-Rutikanga was interviewed by the Council and was determined to be a fit candidate for the City Administrator position.

FISCAL IMPACT

Ms. Axiak-Rutikanga's salary is \$130,000 per year.

- She will be an at-will employee.
- Her health, dental, vision and life insurance benefits will be the same as those offered to other City employees. She will be paying 20% of the costs of her health insurance.
- The City will match any contribution Ms. Axiak-Rutikanga makes to a deferred compensation plan, up to five percent (5%) of her salary.
- The City will budget and pay for up to a total of five thousand dollars (\$5,000.00) per year for the cost of enrollment, tuition, fees, travel and subsistence expenses for courses, institutes and seminars necessary for Ms. Axiak-Rutikanga's professional development and for the good of the City.

ENVIRONMENTAL

No environmental impact.

OPTIONS

1. The City Council may approve the Employment Agreement for City Administrator;
2. The City Council may continue consideration of the Employment Agreement for City Administrator, with instructions to staff for any changes; or
3. The City Council may reject the Employment Agreement.

ATTACHMENTS

Employment Agreement for City Administrator.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into this 21st day of January 2020, by and between the City of Sonora, a California municipal corporation ("City") and Mary Rose E. Axiak-Rutikanga, an individual ("Employee"). City and Employee may individually be referred to herein as "Party" or collectively as "Parties." There are no other parties to this Agreement.

RECITALS

A. City requires the services of a person with proven executive and administrative qualifications to fill the position of Sonora City Administrator ("City Administrator").

B. City, acting by and through the Sonora City Council ("City Council") has evaluated Employee's knowledge, experience, administrative skills and abilities and desires to hire and appoint Employee as City Administrator pursuant to the terms of this Agreement.

C. The Parties desire to execute this Agreement pursuant to the authority of and subject to the provisions of California Government Code sections 53260 and 36506.

NOW, THEREFORE, in consideration of the mutual covenants entered into between the Parties and in consideration of the benefits that accrue to each, it is agreed as follows:

AGREEMENT

Section 1. Recitals. The recitals set forth above ("Recitals") are incorporated herein by this reference and made a part of this Agreement. In the event of any inconsistencies between the Recitals and Sections 1 through 15 of this Agreement, Sections 1 through 15 will prevail.

Section 2. Effective Date. This Agreement shall become effective once executed by both the City and Employee ("Effective Date").

Section 3. Appointment of City Administrator, Duties and Term.

3.1. Appointment of City Administrator and Duties. Commencing February 3rd, 2020, Employee shall serve as City Administrator of City and shall be vested with the powers, duties, and responsibilities set forth in Chapter 2.48 of the Sonora Municipal Code ("S.M.C."), the City Administrator Job Description, and under California law. Employee shall further perform the functions and duties specified under the laws of the State of California, the S.M.C., the ordinances and resolutions of the City, and such other duties and functions as the City Council may from time-to-time assign. The City Council may also designate Employee as the chief executive of other City-related legal entities, such as a redevelopment agency, financing authorities, or joint powers authorities.

3.2. No Secondary Employment. Employee agrees to devote all of her productive time, ability and attention to the City's business. During the Term, as defined in Section 3.5 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 she may see fit; and further provided that such volunteer services shall not interfere with her duties on behalf of the City.

3.3. Exempt Employee. The general business hours for City employees are Monday through Friday, 8:00 a.m. to 4:00 p.m. However, it is recognized by the Parties that Employee is an exempt employee for purposes of the Fair Labor Standards Act of 1938 (29 U.S.C., § 201 et seq.). As such, Employee shall not receive overtime or extra compensation for hours worked outside of the City's general business hours which are necessary to fulfill the duties of the City Administrator's position, unless otherwise provided in this Agreement.

3.4. Hours of Work. The City Administrator is an exempt employee and, as such, is expected to engage in those hours of work that are necessary to fulfill the obligations of the City Administrator's position. The City Administrator does not have set hours of work as the City Administrator is expected to be reasonably available at all times. However, the Council recognizes the significant importance and priority that Employee places on her family and therefore, Employee shall have the right to participate in family, school and athletic activities and may flex her work schedule during the week to accommodate those activities, provided that participation in these activities does not interfere with Employee conducting required City business or attending necessary City events or meetings. If at any time the City Council believes that this flexible schedule is no longer in the City's best interest, they retain the right to review this provision and revoke this privilege.

It is recognized that the City Administrator must devote additional time outside normal office hours to the business of the City, and to that end, the City Administrator's schedule of work each day and week shall vary in accordance with the work required to be performed. The City Administrator's performance will be evaluated on accomplishments, not hours worked. For purposes of utilizing leave balances, Employee's work schedule shall be based upon a forty (40) hour work week and not an eight (8) hour day.

3.5 Term. The term of this Agreement shall be for three (3) years from the Effective Date ("Term"), subject to the provisions of Section 11 of this Agreement.

Section 4. At-Will Employment.

4.1. At Will. Employee is an at-will employee serving at the pleasure of the City Council as provided in Government Code section 36506. Accordingly, the City Council may terminate Employee's employment at any time, with or without cause. Only if Employee is terminated by City without good cause, as defined in Section 11.4 of this Agreement, shall Employee be entitled to a severance.

Unless otherwise specified in this Agreement, Employee shall be bound by all the policies, rules and regulations of City now in force and effect applicable to Employee's position, and by all such other applicable policies, rules and regulations as may be hereafter implemented

and called to her notice and will faithfully observe and abide by the same. No such policy, rule or regulation shall alter, modify or revoke Employee's status as an at-will employee or any other provision of this Agreement.

4.2. No Property Right in Employment. Employee understands and agrees that the terms of her employment are governed solely by this Agreement. Employee further understands and agrees that this Agreement does not confer a right of employment for any specified term and that she is not entitled to due process for any disciplinary action under the City's personnel policies and rules, including termination.

Section 5. Compensation and Evaluations.

5.1. Base Salary. City agrees to pay Employee an annual salary of One Hundred Thirty Thousand Dollars (\$130,000.00) ("Base Salary"), payable in installments at the same time that the other City employees are paid. Employee shall receive all cost of living salary increases at the same time and rate as are granted to department heads and/or other unrepresented management employees.

5.2. Review and Evaluation. The City Council will review and evaluate Employee's performance of her duties as City Administrator pursuant to the terms of this Agreement ("Review and Evaluation") on not less than an annual basis, and to provide Employee with a written performance review. The annual Review and Evaluation shall generally be conducted in September of each year, or at the City Council's discretion. The Council may also provide under this Agreement other increases in salary and/or benefits as they deem appropriate based on employee performance and will not require an amendment of this Agreement.

5.3. Benefits. During the Term of this Agreement, Employee shall be entitled to receive the benefits identified in the attached schedule of benefits. The City shall pay employee contributions to the Public Employees' Retirement system on behalf of the City Administrator as identified on the attached schedule of benefits.

5.4. Deferred Compensation. The City agrees to make a deposit into a deferred compensation retirement account of up to five percent (5%) of Employee's Base Salary to the qualifying account of Employee's choosing. See the attached schedule of benefits regarding this contribution.

Section 6. Automobile.

6.1 The City Administrator shall have use during her employment of an automobile provided to her by City, with said automobile to be used on City business and City-related business, such as conferences and meetings. City shall be responsible for paying the cost of liability, property damage, and comprehensive insurance, and for the purchase of, operation, maintenance, repairs and replacement of said automobile.

6.2 If it is necessary for City Administrator to use a personal vehicle for City business and City-related business, such as conferences and meetings, the City Administrator shall be reimbursed at the then current allowable IRS mileage rate.

Section 7. General Expenses. City recognizes that certain job-related expenses will be incurred by City Administrator, and City hereby agrees to reimburse or to pay said general expenses in accordance with City policies. The Finance Director is hereby authorized to disburse such monies upon receipt of duly executed invoices, petty cash vouchers, receipts, statements, or other appropriate documentation.

Section 8. Communications Allowance. City will provide City Administrator with a cellular phone and tablet computer for use in any City-related business. The phone and tablet computer shall each be the property of the City, and Employee shall have no reasonable expectation of privacy in either device.

Section 9. Dues and Subscriptions. City agrees to budget and pay for the professional dues and subscriptions of City Administrator, as needed for the continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for her continued professional participation, growth, and advancement, and for the good of the City, including, but not limited to, League of California Cities (LCC) and the International City/County Management Association (ICMA).

Section 10. Professional Development.

10.1. Travel Expenses. City hereby agrees to budget and pay for travel and subsistence expenses of City Administrator for professional and official travel, meetings and occasions adequate to continue the professional development of City Administrator and to adequately pursue necessary official and other functions for City.

10.2. Courses and Seminars. City also agrees to budget and to pay up to a total of five thousand dollars (\$5,000.00) per year for the cost of enrollment, tuition, fees, travel and subsistence expenses of City Administrator for short courses, institutes and seminars that are necessary for her professional development and for the good of the City.

Section 11. Termination of Employment and Severance.

11.1. Voluntary Resignation. Employee may resign at any time and agrees to give the City at least thirty (30) calendar days advance written notice of the effective date of the Employee's resignation, unless the Parties otherwise agree in writing. If the Employee retires from full-time public service with the City, the Employee shall provide ninety (90) calendar days advance written notice. The Employee's actual retirement date will be mutually established between the Parties. During the notice period, all rights and obligations of the Parties under this Agreement shall remain in full force and effect. Promptly after the effective date of resignation or retirement, the City shall pay to Employee all salary and benefit amounts both accrued and owing under this Agreement. In the event of voluntary resignation or retirement, Employee shall not be entitled to severance as set forth in Section 11.4 of this Agreement.

11.2. Termination by City Council. The City may, with or without cause or prior notice, terminate this Agreement and Employee's employment with the City. Employee shall be given written notice setting forth the reasons for such termination. If Employee is terminated for good cause, as defined in Paragraph 11.3 below, the City shall not be required to pay any severance under this Agreement, and City shall have no obligation to Employee beyond those benefits accrued as of Employee's last day of employment and those City is obligated to provide under federal or state law. In the event Employee is terminated by the City Council for misconduct which could stigmatize Employee's reputation or impair her ability to earn a living, Employee may, within ten (10) calendar days of receipt of said notice, make a written request for a "name-clearing" hearing (as described in *Lubey v. City and County of San Francisco* (1979) 98 Cal.App.3d 340, and its progeny) before the City Council. The "name-clearing" hearing would solely be to provide Employee an opportunity to clear her name. The City Council may determine whether the allegations in the notice of termination are supported. If the City Council determines that the allegations are not supported, a decision shall be issued to reflect that the Employee's termination was without fault. Such a decision, however, will not require that Employee be reinstated to her position. The hearing shall take place at a regularly scheduled City Council meeting in accordance with the S.M.C.'s standard practice and any applicable provisions of state law. The decision whether to terminate City Administrator shall be made by a minimum four-fifths (4/5) vote of the whole City Council as then constituted in closed session and reported out of closed session as required by the California Government Code. In the event that Employee does not request a "name-clearing" hearing before the City Council, the City Council's decision to terminate will be effective by the close of business on the tenth (10th) day after the notice was provided to Employee of the City's intent to terminate her employment.

11.3. Good Cause - Defined.

"Good Cause", for purposes of this Agreement, means a fair and honest cause or reason for termination. These reasons include, but are not limited to:

1. Conviction of a felony;
2. Disclosing confidential information of City;
3. Gross carelessness or misconduct;
4. Unjustifiable and willful neglect of the duties described in this Agreement;
5. Mismanagement;
6. Failure to perform duties to the standard set by the City;
7. Any conduct which violates the City's Personnel Rules and for which a City employee may be terminated;

8. Repeated and protracted unexcused absences from the City Administrator 's office and duties;
9. Willful destruction or misuse of City property;
10. Conduct that in any way has a direct, substantial, and adverse effect on the City's reputation;
11. Willful violation of federal, state, or City discrimination laws;
12. Continued substance abuse which adversely affects performance of Employee's duties as City Administrator;
13. Refusal to take or subscribe any oath or affirmation which is required by law;
14. Disability that renders Employee unable to perform the essential functions of her job with or without reasonable accommodation which places an undue burden on the City;
15. Dishonesty;
16. Engaging in other employment or activities which conflict with, or present the appearance or possibility of conflicting with, City's legitimate business interests; and
17. Continuous or repeated failure or refusal to perform Employee's duties to the standards set by City.

Notwithstanding any provision in this Agreement to the contrary, the City Council may place Employee on investigatory leave with full pay and benefits at any time during the Term of this Agreement.

11.4. Termination Without Good Cause. In the event City terminates this Agreement without cause, the City shall pay Employee a sum equal to six (6) months Base Salary ("Severance"). This Severance is subject to the restrictions of Government Code section 53260. Any cash settlement related to the termination of this Agreement received by Employee from the City, shall be fully reimbursed to the City if Employee is convicted of a crime involving an abuse of her office or position while employed with the City, pursuant to Government Code section 53243.2. Severance shall be paid in the same manner as to other City employees unless otherwise agreed to by the City and Employee. The City agrees to make a contribution to Employee's deferred compensation account based on the value of the Severance, calculated using the rate ordinarily contributed on regular compensation. In the event the City terminates this Agreement, Employee shall be entitled to continued medical and dental benefits at her own cost, pursuant to the provisions of the federal Consolidated Omnibus Budget Reconciliation Act ("COBRA").

Section 12. Indemnification. City shall defend, hold harmless and indemnify Employee against any tort, personnel, civil rights or 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 Employee's duties as City Administrator in accordance with California's Tort Claims Act (Government Code section 825 et seq.) and shall provide a defense to Employee in accordance with Government Code sections 995 through 996.5. The City may decline to defend or indemnify Employee only as permitted by the Government Code. 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. In the event City provides funds for legal criminal defense pursuant to this Section, Employee shall reimburse City for such legal criminal defense funds if Employee is convicted of a crime involving an abuse of office or position, as provided by Government Code sections 53243 through 53243.4.

Section 13. Bonding. City shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 14. Notices. Any notice or communication required hereunder between City and Employee must be in writing, and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS; or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday or holiday shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Sonora ATTN: City Clerk
 94 N. Washington St.
 Sonora, California 95370

and Churchwell White LLP
 ATTN: Douglas L. White
 1414 K Street, 3rd Floor
 Sacramento, California 95814

If to Employee: City of Sonora
ATTN: Mary Rose E. Axiak-Rutikanga
94 N. Washington Street
Sonora, California 95370
w/cc: home address on file with City Administrative Services

Section 15. General Provisions.

15.1. Modification of Agreement. This Agreement may be supplemented, amended, or modified only by a writing signed by the City and Employee.

15.2. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

15.3. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any Section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

15.4. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles and capacities herein stated on behalf of any entities, persons, states or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by the state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

15.5. Headings. The headings in this Agreement are included for convenience only and neither affect the construction or interpretation of any Section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

15.6. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

15.7. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

15.8. Waiver. No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

15.9. Counterparts. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

15.10. Venue. Venue for all legal proceedings shall be in the Superior Court of the State of California, in and for the County of Tuolumne.

15.11. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret Sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been entered into by and between Employee and City as of the date of the Agreement set forth above.

CITY:

City of Sonora, a California
municipal corporation

By: _____
Jim Garaventa, Mayor

Date Signed: _____

By: _____
Chris Gorsky, H.R. Director

Date Signed: _____

Approved as to Form and Content:

By: _____
Douglas L. White, City Attorney

EMPLOYEE:

By: _____
Mary Rose E. Axiak-Rutikanga,
an individual

Date Signed: _____

**CITY ADMINISTRATOR EMPLOYMENT AGREEMENT
MARY ROSE RUTIKANGA**

Schedule of Benefits

1. **Leave.** Employee shall receive the following leave time:

A. Vacation. Employee shall earn twenty (20) days or one hundred sixty (160) hours of vacation each year covered by this Agreement. Vacation shall accrue at the rate of 6.154 hours per pay period. Accrual shall be limited to forty (40) days or three hundred twenty (320) hours. Employee may sell up to ten (10) days or eighty (80) hours of vacation in each calendar year covered by this Agreement. Upon separation from the City, Employee shall be paid for any accrued vacation.

B. Administrative Leave. Employee shall be credited with twelve (12) days or ninety-six (96) hours of administrative leave as of July 1st of each year covered by this Agreement. Administrative Leave shall accrue at the rate of 3.693 hours per pay period. Accrual shall be limited to twenty-four (24) days or one hundred ninety-two (192) hours. Employee may sell up to ten (10) days or eighty (80) hours of administrative leave in each calendar year covered by this Agreement. Upon separation from the City, Employee shall be paid for any accrued administrative leave.

C. Sick Leave. Employee shall earn twelve (12) days or ninety-six (96) hours of sick leave each year covered by this Agreement. Sick leave shall accrue at the rate of 3.692 hours per pay period. Accrual shall be unlimited. Employee may sell up to sixty (60) days or four hundred and eighty (480) hours of sick leave upon separation from the City. At Employee's option, upon retirement, all, or any unpaid portion of, accrued sick leave may be reported to CalPERS to be incorporated in the Employee's Retirement Service Credit balance. Employee may use a maximum of twelve (12) days per fiscal year of sick leave accrual for the purpose of family sick leave.

D. Other Leave. Employee shall be entitled to bereavement leave, jury duty, subpoena, military leave and disability leave in accordance with Article 14 of the City's Personnel Rules and Regulations.

2. **Holidays.** Employee shall be entitled to all paid holidays as approved by the City Council for City staff.

3. **Insurance.** City at its expense will provide the following coverages:

A. Medical. Employee will choose which coverage she desires between the City's Anthem Blue Cross PPO or EPO plans. Employee will pay twenty percent (20%) of the City's cost for Employee-only coverage and will pay one hundred percent (100%) of costs related to Employee's covered dependents, if any.

B. Dental. One Thousand Dollars (\$1,000.00) maximum per calendar year; Preventative - no deductible; Other treatment - \$25.00 per calendar year deductible; and Basic services paid at 80%, employee responsible for 20% of cost of services. Major services paid at 50%, employee responsible for 50% of cost of services.

C. Life Insurance. Accidental Death and Dismemberment – One (1) Year of Annual Salary Term Life Insurance – One (1) Year of Annual Salary Spouse - \$25,000.00.

D. Vision. City shall provide Employee with a coverage through VSP vision care program at the City's expense.

E. Long Term Disability. City shall provide and pay for long term disability insurance for Employee.

F. Retirement Medical Insurance. If Employee retires after at least ten (10) years of service to the City. She will be eligible to receive Retirement Medical Insurance through the City. Up to age sixty (60), Employee will be responsible to pay fifty percent (50%) of the cost of the premiums. Between ages sixty (60) to sixty-five (65), Employee will be responsible to pay twenty-five (25%) of the cost of the premiums. After the age of sixty-five (65), Employee will no longer be eligible to receive Retirement Medical coverage from the City.

4. Annual Physical. City shall pay Employee an allowance of \$250.00 per fiscal year for an annual physical examination.

5. Compensation. The City shall provide Employee with the opportunity to contribute to the Employee's preferred 457-Plan account. The Employee's contribution will be made from her pre-tax earnings. The City will match Employee's contribution up to five percent (5%) of her salary.

6. Retirement. The City shall provide the Employee with the California Public Employees' Retirement System's (CalPERS) Two Percent (2%) at Sixty-Two (62) Plan for Miscellaneous Members, pursuant to the contractual provisions between the City of Sonora and CalPERS. Employee shall pay eight percent (8%) of her salary to fund the employee share of the pension. The City shall match the eight percent (8%) employee contribution amount.