

**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN THE TOWN OF YOUNTVILLE AND HILARY GAEDE
COMMUNICATIONS DIRECTOR/TOWN CLERK**

This First Amendment to Employment Agreement (hereinafter, this "First Amendment") is entered into and effective April 1, 2025 (the "Effective Date") by and between Town of Yountville, California, a Municipal Corporation, hereinafter called the "Town" and Hilary Gaede hereinafter called "Director," with respect to the following Recitals:

RECITALS

WHEREAS, Employer and Director entered into that certain "Employment Agreement" effective May 21, 2024, a copy of which is attached hereto as Exhibit "A" and fully incorporated herein by this reference; and

WHEREAS, Employer and Director now wish to amend the Employment Agreement as provided in this First Amendment.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions set forth herein, Employer and Director hereby agree as follows:

1. Section 4 (Compensation), subsection D., of the Employment Agreement is hereby replaced in its entirety and amended to read as follows:

D. The Town Manager may, on an annual basis, award special performance one-time cash bonuses not to exceed five percent (5%) of Director's annual base salary. These one-time cash bonuses may be given any time during the year provided the employee received at least a Standard rating on their last evaluation. Such one-time cash bonuses are not considered pensionable compensation.

2. Unless expressly amended in this First Amendment, all provisions, conditions, covenants, and terms of the Employment Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Town of Yountville has caused this First Amendment to be signed on its behalf, and duly attested, and Hilary Gaede signed this First Amendment, as of the day and year first above written.

ATTEST

DIRECTOR

By: Hilary Gaede
Hilary Gaede
TOWN CLERK

By: Hilary Gaede
Hilary Gaede

Date: 4/15/2025 | 11:00 AM PDT

TOWN OF YOUNTVILLE

By: Brad Raulston
Brad Raulston, Town Manager

Date: 4/16/2025 | 3:26 PM PDT

APPROVED AS TO FORM:

By: Gary Bell
Gary B. Bell,
Town Attorney

Date: 4/15/2025 | 1:59 PM PDT

EXHIBIT A
**EMPLOYMENT AGREEMENT
BETWEEN THE TOWN OF YOUNTVILLE AND HILARY GAEDE
COMMUNICATIONS DIRECTOR/TOWN CLERK**

RECITAL

The Town Manager has selected Hilary Gaede (hereafter, "Director") to serve as Communications Director/Town Clerk of the Town of Yountville (hereafter, the "Town") effective May 21, 2024, and Hilary Gaede accepts such employment subject to approval of this employment agreement (hereafter, this "Agreement"). Accordingly, the parties agree as follows:

AGREEMENT

Effective Date

This Agreement shall become effective on May 21, 2024, and after it has been executed by Director and the Town Manager.

Term of Employment

Pursuant to the Town Personnel Rules and Policies, Director serves at the pleasure of the Town Manager and on an "at will" basis and has no property interest in or right to their continued employment during the term of this Agreement, subject to the terms and provision of this Agreement as set forth below. This Agreement will remain in full force and effect until one of the parties terminates it as provided in this Agreement.

Duties; Hours of Work

A. Director shall perform those functions and duties specified by State law, the Yountville Municipal Code, any applicable job description, and by direction of the Town Manager. Director shall perform such duties in accordance with the highest professional and ethical standards of the Director position. Director shall not engage in any activity, which is, or which may become, incompatible with the Town of Yountville or office of Director, as provided for by federal, state, and local law. During the term of this Agreement, Director shall be exclusively employed by the Town, unless prior authorization otherwise is received from the Town Manager, which authorization will not be unreasonably withheld.

B. Director shall maintain a regular work schedule consistent with that approved for other management employees of the Town. Director's duties may require

more than eight (8) hours per day and/or forty (40) hours per week and may also include time outside normal office hours such as attendance at Town Council and board and commission meetings. Director is an exempt employee under the Fair Labor Standards Act and shall not be entitled to additional compensation for such time.

Compensation

A. Director shall receive an annual base salary of \$144,083.64 payable in equal semi-monthly payments to be made at the same time as other employees are paid.

B. Director's compensation shall be reviewed with the Town Manager at least annually in connection with the annual review required by Section 14 below or at other times as may be determined by Town Manager. Merit based salary increases for Directors are at the sole discretion of the Town Manager during the term of this Agreement, dependent on the quality of job performance by Director as determined by the Town Manager and the Town's fiscal condition.

C. Salary increases are based on merit only and may be revoked in the event Director receives an unsatisfactory evaluation, either at the annual evaluation or at any additional evaluation completed by the Town Manager. If the Town Manager revokes a salary increase based on an unsatisfactory evaluation, Director's salary shall be decreased to an appropriate step as determined by the Town Manager.

D. The Town Manager may, on an annual basis, award special performance one-time cash bonuses not to exceed \$3,000. These one-time cash bonuses may be given any time during the year provided the employee received at least a Standard rating on their last evaluation. Such one-time cash bonuses are not considered pensionable compensation.

E. Director will be responsible for 100% of the employee contribution to the California Public Employees Retirement System (PERS), which, for those employees classified as "miscellaneous" employees under PERS, is currently 7.75% for "PEPRA" PERS members and subject to change.

Health Insurance

A. Town shall contribute an amount equal to 90% of the cost of the Kaiser Health plan provided to employees through the PERS Health program. The cost shall be

determined for each insurance coverage type as currently defined by PERS Health Program: employee only, employee and one (1) dependent and employee and two (2) plus dependents. Any balance owed by the employee for a plan selected which costs more than the contribution provided for by the Town shall be deducted by use of payroll deduction upon effective date of health benefits. The Town will pay full cost of dental plan available through the Town for Director and dependents.

B. Director may elect not to receive health coverage from the Town. Directors who elect not to receive health coverage from the Town will be required to sign a release form. Any employee who signs a release form shall receive monthly payments equal to five hundred dollars (\$500) per month. From time-to-time, said amount will be adjusted as set forth in this Agreement.

Life Insurance

Town shall provide term life insurance in the amount of your base salary not to exceed \$150,000. Such life insurance shall be provided through the same insurance company providing life insurance to other Town employees, or by another insurer acceptable to Town.

Administrative Leave

Director shall devote their full time to this position and shall not be eligible for any overtime compensation. In lieu of any overtime compensation, Director shall receive eighty (80) hours per year as reimbursement for attending evening and weekend meetings and other events requiring representation of the Town.

By June 30 of each year, Director will be cashed out any accrued but unused Administrative Leave as of that date.

Annual Vacation Leave

Director is subject to the rules regarding the accumulation of vacation time and payment for unused vacation time upon separation in the Town Personnel Rules and Policies.

Other Leaves and Benefits

Town shall afford Director such other benefits as are provided to other management employees of the Town on the same terms as provided to those employees except as otherwise expressly provided herein.

Automobile Allowance

In recognition of the fact that the Director's normal duties require frequent use of an automobile, Director shall receive \$200 per month as an automobile allowance.

Residency

Director and Town mutually agree that it is desirable for Director to live within proximity to the Town of Yountville to fully and effectively execute Director's duties under this Agreement, the Yountville Municipal Code, any applicable job description, and other applicable federal, state, and local law. Director hereby agrees to and shall, for the duration of this Agreement, establish and maintain their primary residence within a 30minute travel time to and from Yountville Town Hall located at 6550 Yount Street, Yountville, CA 94599.

Professional Memberships & Meetings; Other Expenses

Town recognizes that certain expenses of a non-personal and job-related nature may be incurred by Director. Town agrees to reimburse Director for reasonable expenses which are authorized by the Town budget, approved of in advance by the Town Manager, and which are supported by expense receipts, statements, or personal affidavits, and audited in like manner as other demands against the Town.

Retirement Program and Deferred Compensation

Town shall provide the same PERS retirement benefits to Director as are received by other employees of the Town who are classified as "PEPRA" employees under PERS. "PEPRA" (i.e., those members joining CalPERS after January 1, 2013; not defined as "Classic" under PEPRA) will receive retirement benefits calculated at a benefit formula of 2.0% at age 62. Town shall match the employee up to 7% of base salary per month into a deferred compensation plan.

Annual Performance Evaluation

The Town Manager shall evaluate Director's performance at least once annually. The Town Manager and Director shall annually develop mutually agreed performance goals and criteria which the Town Manager shall use in reviewing Director's performance in the following year. It shall be Director's responsibility to initiate this review each year. Director will be afforded an adequate opportunity to discuss each evaluation with the Town Manager.

Indemnification

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

Other Terms and Conditions of Employment

A. The Town Manager may from time to time fix other terms and conditions of employment relating to the performance of Director, provided such terms and conditions are not inconsistent with or in conflict with the provision of this Agreement, the Yountville Municipal Code, or other applicable law.

B. The provisions of the Town's Personnel Rules and Regulations ("Rules") applicable to other management employees of the Town shall apply to Director, except that if the specific provisions of this Agreement conflict with the Rules, the terms of this Agreement shall prevail. Without limiting the generality of the exception noted in the previous sentence, however, no provision of the Rules or this Agreement shall confer upon Director a property right in this employment or a right to be discharged only upon cause. Director is an at-will employee serving at the pleasure of the Town Manager and may be dismissed at any time with or without cause, subject only to the provisions of this Agreement.

C. Director shall be exempt from paid overtime compensation and from Social Security taxes other than the mandatory Medicare portion of such taxes.

Termination

A. Director is not part of the competitive (classified) service and therefore is an at-will employee. As an at-will employee, Director may be terminated with or without cause, and without advance notice.

B. If Director is terminated by the Town Manager without cause, Director, after termination and upon executing a claim waiver and release of liability, will be entitled to three months of severance pay at Director's base salary rate. The severance pay will be paid at the time of separation from Town employment.

C. If Director is terminated by the Town Manager for cause, Director is not entitled to any severance pay whether or not advance notice is provided. If Director is

terminated for cause, Director must be given notice of the cause and supporting evidence. Director is entitled to meet with the Town Manager at which time Director may reply orally and/or in writing to the cause and supporting evidence. The meeting is not an evidentiary hearing. There is no right to appeal the Town Manager's decision. The Town Manager's decision is final. For purposes of this Agreement, the term "for cause" shall include any of the following:

- (i) use of alcohol or drugs that impedes performance of duties;
- (ii) conviction of a felony or misdemeanor involving moral turpitude (a plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed a conviction for this purpose);
- (iii) a proven claim of either sexual harassment or abuse of employees in violation of law or adopted Town policy;
- (iv) willful and repeated failure to carry out the lawful directives or policy decisions of the Town Council or the Town Manager; or
- (v) willful abandonment of the position or continued and unexcused absence from duty.

D. Director may voluntarily terminate employment, by resignation or retirement or some similar other manner, at any time during the term of this Agreement, subject to at least 30 days' written notice by Director to the Town Manager, unless the Town Manager and Director 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 vacation leave or other payments required by law.

E. Notwithstanding any other provision of this Section 17 to the contrary, the Town Manager shall not terminate Director without cause for a period of 120 days following their appointment as the Town Manager. The purpose of this Subsection 17.E. is to allow a newly-appointed Town Manager sufficient time to observe the actions and abilities of Director in the performance of their duties under this Agreement, any applicable job description, and other applicable federal, state, and local law. After the expiration of the 120-day period, there shall be no limitation on the Town Manager's ability to terminate Director without cause in accordance with this Agreement. Nothing in this Subsection 17.E. shall: (i) limit the authority of the Town Manager to terminate Director for cause, (ii) limit the authority of Director to voluntarily terminate employment, or (iii) alter the "at-will" status of Director's employment.

Compliance With Law

This Agreement is subject to all applicable provisions of federal and state law, the provisions of the Yountville Municipal Code, and to any other ordinances, rules, and regulations of the Town applicable to the Director.

General Provisions

A. This Agreement constitutes the entire agreement between the parties. Town and Director hereby acknowledge that they have neither made nor accepted any other promise or obligation with respect to the subject matter of this Agreement.

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

C. Any notice to Town pursuant to this Agreement shall be given in writing, either by personal service or by registered or certified mail, postage prepaid, addressed as follows:

Town Manager
Town of Yountville
6550 Yount Street
Yountville, CA 94599

With a courtesy copy to the Town Attorney at the following address or the address then shown in the records of the Town for the Town Attorney:

Gary B. Bell, Esq.
Yountville Town Attorney
333 University Ave. Ste 200
Sacramento, CA 95825

Any notice to Director shall be given in a like manner, and, if mailed, shall be addressed to Director at the address then shown in Town's personnel records. For the purpose of determining compliance with any time limit stated in this Agreement, a notice shall be deemed to have duly given (a) on the date of delivery, if served personally, or (b) on the second calendar day after mailing, if mailed.

D. Venue for any disputes arising from or relating to this Agreement shall lie in the Superior Court for the County of Napa, California. If an action at law or in equity

Yountville – H. Gaede

First Amendment to Employment Agreement

is necessary to enforce or interpret this Agreement, the prevailing party shall be entitled to reasonable and actual attorneys' fees and costs with respect to the action.

E. A waiver of any of the terms and conditions of this Agreement shall not be construed as a general waiver and either party shall be free to enforce any term or condition of this Agreement with or without notice to the other notwithstanding any prior waiver of that term or condition.

Amendments

This represents the entire agreement between the parties. Amendments to this agreement may be made at such times as approved by the Town Manager and Director and shall be in writing.

[SIGNATURES ON FOLLOWING PAGE]

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

DIRECTOR

Dated: 5/24/2024 | 1:15 PM PDT

Hilary Gaede

Hilary Gaede

TOWN

Dated: 5/24/2024 | 2:04 PM PDT

Brad Raulston

Bradford Raulston, Town Manager

APPROVED AS TO FORM

Dated: 5/24/2024 | 12:51 PM PDT

Gary B. Bell

Gary B. Bell, Town Attorney

ATTEST

Dated: 5/24/2024 | 1:15 PM PDT

Hilary Gaede

Hilary Gaede, Town Clerk