

RESOLUTION 2025 - 72

**A RESOLUTION OF THE CITY COUNCIL OF SUNNYSIDE,
WASHINGTON, AUTHORIZING THE INTERIM CITY MANAGER TO
EXECUTE AN EMPLOYMENT AGREEMENT WITH MONICA L.
HOFSTETTER TO SERVE AS FINANCE DIRECTOR**

WHEREAS, the City of Sunnyside requires the services of a qualified Finance Director to manager and oversee the City's financial operations and ensure compliance with applicable laws, regulations, and policies; and

WHEREAS, the Interim City Manager and Monica L. Hofstetter have negotiated an employment agreement establishing the terms and conditions of employment, including duties, compensation, benefits, and termination provisions; and

WHEREAS, the City Council finds it to be in the best interest of the City to approve said employment agreement;

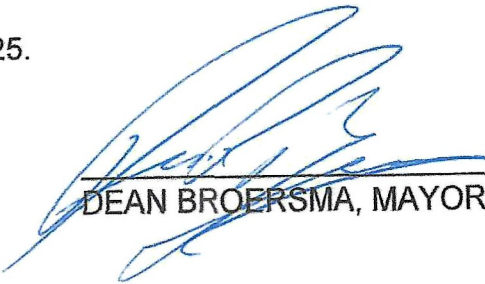
**NOW THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF
THE CITY OF SUNNYSIDE, WASHINGTON:**

SECTION 1. The City Council authorized the Interim City Manager to execute an employment agreement with Monica L. Hofstetter to serve as Finance Director attached here to as Exhibit A.

SECTION 2. The City Clerk is authorized to make the correction of scrivener's/clerical errors, references, Resolution numbering, section/subsection numbering and any references thereto.

SECTION 3. This Resolution shall be effective upon passage, approval and signatures heron in accordance with law.

PASSED this 22nd day of September 2025.



DEAN BROERSMA, MAYOR

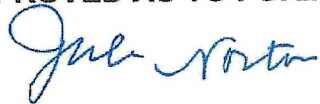
ATTEST:



Jacqueline Renteria

JACQUELINE RENTERIA, CITY CLERK

APPROVED AS TO FORM:



Julie K. Norton

BY: JULIE K. NORTON, CITY ATTORNEY

**FINANCE DIRECTOR EMPLOYMENT AGREEMENT
BETWEEN
CITY OF SUNNYSIDE, WASHINGTON
AND
MONICA L. HOFSTETTER**

1. **Date and Parties.** This Employment Agreement (hereafter "Agreement"), for reference purposes, shall be deemed made and entered into this 1st day of September between the City of Sunnyside, Washington, a municipal corporation (hereafter the "City"), and Monica L. Hofstetter (hereafter "Employee").

2. **Agreement Term.**

A. The City agrees to employ the Employee as the Finance Director to perform the duties and functions of the Finance Director and to perform such other proper and permissible duties as the Finance Director shall from time to time designate. The term of this Agreement shall be automatically renewed on September 1, 2025 each year, unless at least sixty days prior to the end of the annual increment the City advises the Employee in writing of its intent not to renew.

B. The parties agree that the Employee shall be an "exempt" employee who is not eligible for overtime compensation under either Washington State, federal, or local law. Employee shall devote such time, attention, and best efforts to managing the City's business and finance operation as is reasonably necessary to meet the City's goals and to operate the City's business efficiently within the annual budget as approved by the Council. The Parties acknowledge that the efficient and smooth operation of the City are of primary importance, and that the actual amount of time spent by the Employee to provide such services may vary. During the term of this Agreement, Employee shall not engage in any other business or activity that will conflict with the Employee's duties and responsibilities as set forth in this Agreement.

C. The Employee's employment shall continue until they give thirty (30) days written notice of resignation to the City, or until the City gives Employee notice of termination, or requests or requires Employee's resignation; provided however, that nothing contained herein shall prohibit the Employee or the City from mutually agreeing to amend, in writing, any term, provision or section of this Agreement, or to add or delete provisions of this Agreement at any time whatsoever.

3. **Termination and Severance Pay.**

A. The Employee's employment is terminable at the will of the City Manager. "At-will" employment means either the City Manager or the Employee may terminate the employment relationship with the City at any time, for any reason, or for no reason. In the event the Employee's employment is terminated by the City Manager as herein provided, or the employee is requested or required to resign their position

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as the Finance Director by the City Manager at a time when the Employee is willing and able to perform the duties of the Finance Director, then, in that event, the City agrees to pay the Employee compensation as set forth in this Section 3 (so long as Employee executes a release as contemplated in Section 3(c)). Provided, however, in the event the Employee's employment is terminated for "cause," then the City shall have no obligation to pay the severance compensation package designated in this Section 3.

For the purposes of this Agreement, the term "cause" shall mean and include the following (see also Chapter 15.02 Causes for Disciplinary Action of the City's Personnel Policy Manual):

1. The Employee's indictment or conviction in a court of law for any crime or offense that in the City's reasonable judgment makes the Employee unfit for continued employment, prevents them from performing their duties or other obligations or adversely affects the reputation of the City.
2. Fraud or dishonesty by the Employee related to their employment.
3. Misfeasance or malfeasance (including failure to follow state laws applicable to Cities or City officials)
4. Violation of a key City policy or this Agreement by the Employee (including, but not limited to, acts of harassment or discrimination, use of unlawful drugs or drunkenness on Employer's premises during normal work hours).
5. Insubordination (i.e., conduct such as refusal to follow direct orders of the City Manager).
6. Dereliction of duty by the Employee (e.g., failure to perform minimum duties after warning and reasonable opportunity to correct).
7. Intentional or grossly negligent conduct by the Employee that is significantly injurious to the City.

B. The severance compensation shall be as follows:

1. A lump sum cash payment equals two (2) months' of the then-current salary for the position of Finance Director. The current salary is the base salary on the termination date, including any other incentive pays to which they may be entitled.
2. The City shall continue to pay its portion of the cost of equal medical insurance coverage for the Employee and their eligible family members for medical, dental, vision and life insurance plans offered by the City and on which the Employee and their family members were enrolled on the date of termination or resignation. Provided, if by the policy terms, the City cannot continue a particular benefit, then the City shall pay the Employee a sum equal to the premium payments not to exceed more than two months. Provided, in the case of benefits covered by COBRA, the City will pay the amount equal for the COBRA coverage.

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3. Severance compensation (if applicable) shall be paid in a lump sum (subject to the usual and customary withholdings) with the next regular payroll following the pay period in which the severance and release agreement provided for in Section C below is signed and returned to the City by the Employee and the revocation period has expired.
- C. In consideration of the Employee's receipt of the severance compensation described in subsection B above, the Employee agrees to execute, in a form satisfactory to the City's designated attorney, a release of all claims against the City, its elected and appointed offices, employees or agents, for any and all claims (known & unknown) arising out of the Employee's employment with the City and the Employee's termination of employment by the City. If the Employee elects to forego the severance compensation, their failure to execute a release of claims shall not be breach of this Agreement.
- D. In the event the Employee voluntarily resigns or retires from their position with the City, the Employee will give the City thirty (30) days written notice. Any such voluntary resignation or retirement by the Employee shall not require the payment of the severance compensation pursuant to the provisions of this Agreement, but the Employee shall receive hereto benefits to which they would be entitled under existing City policies upon voluntary resignation or retirement. Notwithstanding the foregoing notice requirement, upon receiving the Employee's notice of intent to voluntarily resign or retire, nothing shall prevent the City Manager from releasing the Employee prior to the expiration of said notice period.
- E. The Employee's employment pursuant to this Agreement shall terminate automatically on the date of their death or permanent/disqualifying disability. No compensation shall be payable after their death or permanent/disqualifying disability, except as provided in this Section, other than base salary and employee benefits accrued through the date of their death or permanent/disqualifying disability, whichever is applicable, including any benefits payable in the event of the Employee's death or permanent/disqualifying disability, whichever is applicable. The Employee's estate will not be entitled to any other compensation under this Agreement. For purposes of this Agreement, the Employee shall be deemed permanently disabled and/or disqualified if they are unable to perform the essential functions of his position with the City, as medically determined by an independent physician, selected, and paid for by the City, with or without a reasonable accommodation.
- For purposes of this Agreement, if the Employee's employment terminates by reason of their disability, their employment separation date shall be deemed to be the last day of the ninety (90) day period set forth above.
- F. For the purposes of this agreement if the Employee's employment terminates by reason of death, all compensation and benefits due to the Employee up to the date of their death shall be paid to the beneficiary designated on the Employee's

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Department of Retirement Services beneficiary designation form in accordance with State Statute (RCW, Title 11).

4. Salary and Benefits.

- A. The City agrees to pay the Employee, for their services rendered pursuant hereto, a gross annual salary of \$135,200 subject to applicable withholdings, and equally distributed in twelve (12) monthly or twenty-four (24) bi-monthly payments. Payable according to the current City payroll schedule.
- B. The Employee's performance shall be evaluated annually. Upon satisfactory performance the Employee may receive a salary increase as determined by the City Manager. Any discretionary, performance based, salary increase will be in addition to any general cost of living increase applicable to similarly situated department directors (if any).
- C. In addition to the base salary paid by the Employer to Employee, Employer agrees to pay an amount equal to two percent (2%) of Employee's base salary permissible under Federal and state law into the designated retirement or deferred compensation plan on the Employee's behalf, in equal proportionate amount each pay period. The Employer and Employee shall fully disclose to each other the financial impact of any amendment to the terms of Employee's retirement benefit.

5. Sick Leave, Vacation, and Administrative Leave.

- A. Sick Leave: The Employee shall be credited with 40 hours of sick leave upon hire and will earn eight (8) hours sick leave per month of employment.
- B. Vacation: The Employee shall be credited with 40 hours of vacation leave upon hire and will earn 16.00 hours of vacation leave per month. Vacation leave may be used as accumulated.
- C. Executive Administrative Leave: The Employee shall receive executive leave of 80 hours each year, to be identified as "Executive Administrative Leave."
 - 1. This leave shall be used in the year earned and shall not be accumulated.
 - 2. At separation for whatever reason, any remaining Executive Administrative Leave shall be forfeited and the employee shall not receive any compensation for the forfeited leave.

- 6. Insurance Benefits. The City will pay a portion of the cost of medical insurance coverage, as determined appropriate by the City at its discretion, for the Employee and his eligible family members in the same manner as applicable to other department directors.

- 7. PERS Retirement System. Both the City and the Employee shall make contributions to the applicable PERS retirement plan in accordance with plan rules and regulations and required contribution levels.

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8. **Holidays.** The Employee shall have the City recognized holidays days off with pay. The City recognized holidays are set forth in the City's Personnel Policy Manual, Chapter 3.09. When a day recognized as a holiday falls on Sunday, the following Monday is observed as the holiday. When a day recognized as a holiday falls on Saturday, the preceding Friday is observed as the holiday. The Employee will additionally be eligible for the "Floating Holiday."
9. **Bonding.** Any bonding costs required of the Employee shall be the responsibility of the City.
10. **General Business Expenses:**
 - A. The City agrees to budget and pay for professional dues and subscriptions of the Employee necessary for continuation and full participation in state and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the City. To include education reimbursement for license/degree pertaining to CPA and/or Master's Degree or above.
 - B. The City agrees to budget and pay for travel and subsistence expenses of the Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and the good of the Employer.
 - C. The Employer recognizes that certain expenses of a non-personal, but job-related nature, are incurred by the Employee and agrees to reimburse or to pay said general expenses. Such expenses may include meals where Employer business is being discussed or conducted and participation in the social events or various organization when representing the Employer. Such expenditures are subject to annual budget constraints as well as state and Employer ethics and purchasing policies.
11. **Effective Date.** The effective date of this Agreement shall be September 1, 2025.
12. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement between the parties as to the subject matter herein and no other agreements or understandings, written or otherwise, shall be binding upon the parties upon execution of this Agreement. The terms of this Agreement supersede all prior agreements between the parties.
13. **Severability.** If any provision of this Agreement shall be held invalid, the remainder shall nevertheless be deemed valid and binding. Any provision held invalid may be reformed by a court of competent jurisdiction or by an arbitrator (as applicable) to reflect the parties' original intent expressed in this Agreement as closely as possible.

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It is the intention of the parties hereto that each provision hereof is agreed to separately in the event one or more of such provisions shall be held invalid. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of the Employee.

14. **Amendments.** No amendments or modifications relating to the subject matter of this Agreement shall be binding and enforceable unless in writing and signed by the affected parties hereto. Parties to this Agreement anticipate that modification, amendments, rescission, and superseding Agreements may be necessary, based on change of duties or structure of organization. Any superseding Agreement must reference this Agreement and effective date and agreed to by the parties hereto.
15. **Best Efforts.** The Employee agrees and covenants to devote their best and full-time efforts to his employment with the City under the terms of this Agreement. Employee shall adhere to the standards of conduct as set out in the City's policies (resolutions, motions, personnel policies, etc.), state law, any delegation of authority, or other written or oral directives of the City Manager or Council, any of which may be amended from time to time with or without notice, as determined necessary by the Manager or Council. Employee is expected to maintain and promote a supportive, productive, respectful and constructive work environment at all times while employed by the City. When dealing or interacting with members of the general public, stakeholders, and other employees, Employee is expected to display a high degree of professionalism and treat such persons with dignity, integrity, and respect. Employee shall refrain from behaving or engaging in conduct that is detrimental, disrespectful or otherwise negatively impacts the reputation of the City or its operations.
16. **Return of Equipment, Property and Documents.** Employee agrees that upon termination and/or administrative leave for any reason, and unless otherwise agreed in writing, Employee will return to the City all City vehicles, equipment, documents, files, keys, PINs, passwords, access devices, and records, of any nature whatsoever obtained by or for the City in connection with the City's work or any other aspect of the City's business (the "City Property"). The City Property will be returned in as good a condition as when received, except for normal wear and tear. This paragraph may be enforced by the City by an action for injunction. Nothing in this paragraph shall prohibit the City from pursuing any other remedies available to it for breach or threatened breach of this provision, including recovery of damages.
17. **Opportunity for Independent Review by an Attorney.** The parties each represent that: (a) they have had reasonable time to consider this Agreement prior to executing it; (b) they have had the opportunity to have this Agreement reviewed by their attorney if they so desired; (c) they fully understand the significance and consequences of this Agreement; (d) they have carefully read this Agreement and have consulted with their respective attorney(s) concerning its contents and legal consequences to the extent they deem necessary and have requested any change in language necessary or desirable to affect their respective intent and expectations so that the rule of construction of contracts construing ambiguities against the drafting party shall be inapplicable; and (e) they have voluntarily signed this Agreement after full reflection and analysis.

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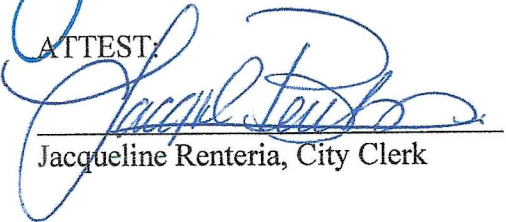
CITY OF SUNNYSIDE:

MONICA L. HOFSTETTER


Jim Bridges, Interim City Manager


Monica L. Hofstetter, Finance Director

ATTEST:


Jacqueline Renteria, City Clerk

CITY CONTRACT NO: A-2025-90

RESOLUTION NO: 2025-72

COUNCIL MTG: 09/22/2025