

STAFF REPORT

DATE: August 19, 2025

TO: City Council

FROM: Christopher Bensch, Human Resources Director
Council Subcommittee on City Manager Recruitment (Vice Mayor Donna Neville and Councilmember Gloria Partida)

SUBJECT: City Manager Appointment and Employment Agreement

Recommendation

Approve Resolution authorizing the mayor to execute the employment agreement with Daryel R. Dunston for the position of City Manager and amending fiscal year 2025/2026 General Fund operating budget to implement the employment agreement.

Fiscal Impact

With approval of this employment agreement, the base salary for the City Manager will be \$288,452.74, with an effective date of September 15, 2025.

The total cost for the City Manager position is funded in the fiscal year (FY) 2025/26 Budget at \$456,077. The ongoing annual total cost of Mr. Dunston's contract is \$422,755. The decrease in total cost is primarily related to fact that as a new employee to the City of Davis, Mr. Dunston will not be immediately eligible for any longevity pay. The budgeted annual total cost includes wages, PERS normal cost and an allocation of the unfunded liability, OPEB allocation, medical and other benefits.

Due to the vacancy savings for the period of time from 4/1/2025 through 9/15/2025 along with the lower ongoing costs, the FY 2025/26 salaries and benefits budget will not need to be increased. The ongoing cost of the contract will be incorporated in the FY 2026/2027 salaries and benefits budget during the mid-cycle adjustments that will be presented in May 2026.

Background and Analysis

After conducting a nation-wide search, the recommendation is to appoint Daryel R. Dunston as the next City Manager for the City of Davis effective Monday, September 15, 2025.

Biographical Background

Mr. Dunston has almost two decades of professional experience in local government, most recently serving as an Assistant City Manager for the City of Santa Rosa, overseeing the departments of Planning & Economic Development, Housing and Community Services, Information Technology, City Clerk, and code enforcement

operations. Prior to that, he served in multiple capacities with the City of Oakland, including Senior Policy Advisor in the Office of the Vice Mayor, Senior Planner in the Human Services Department, Operations Section Chief within Oakland's Emergency Operations Center during height of the COVID-19 pandemic and Oakland's inaugural Homelessness Administrator in the Office of the City Administrator. His past experience also includes time as an Assistant Fire Marshall and Firefighter/EMT for the Prince George's County Fire Department in Maryland and a senior director in the Community Impact Department at the San Francisco Foundation.

Mr. Dunston is distinctly skilled at complex project management, government administration, policy development and emergency operations with an ability to develop strong, effective working relationships. He has a wide range of experience including leading labor negotiations, developing annual budgets and revenue projections and performing short- and long-range planning development.

Mr. Dunston holds a Bachelors of Arts degree from the University of Virginia and a Master of Public Affairs from the UC Berkeley Goldman School of Public Policy. He was noted as one of the North Bay Business Journal's Forty Under 40 in 2023.

Contract Details

In reviewing compensation factors for Mr. Dunston's contract, the following issues have been considered by the City Council:

1. City Manager salary range was last updated in July 2024, and resulting total compensation for the City Manager was identified to be 0.52% below market median.
2. The 2025 cost-of-living adjustment determined by the Social Security Administration was 2.5%
3. Mr. Dunston's 8 years of public agency service in California

Taking into consideration these factors, the following compensation package is recommended:

1. Base annual Salary of \$288,452.74.
2. CalPERS special compensation and other health and welfare benefits to match same levels available to unrepresented management employees in accordance with Council Resolution No 25-093.
3. Maintenance of provisions that existed in prior City Manager contract including:
 - a. \$200/month Technology & Transportation Allowance
 - b. Up to 3% performance bonus annually, first eligible after serving for 12 months
 - c. Up to 8 months of severance pay

Non-total compensation items recommended:

1. Contract term of 4 years
2. Starting Vacation Accrual rate of 160 hours per year, based on 8 years of public agency service in California.
3. Maximum vacation leave cash out to be 120 hours to match allowance provided to other unrepresented executive management employees
4. Perform a total compensation study as of August 2026, and every two years after. Since this contract does not include any scheduled cost of living increases in subsequent years, total compensation studies will be needed to ensure that the City Manager position does not fall too far below the market.
5. Maintaining all other existing city manager contract provisions.

Attachments

1. Resolution
2. Employment Agreement

RESOLUTION NO. 25-XXX, SERIES 2025

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS
APPROVING THE APPOINTMENT OF AND EMPLOYMENT AGREEMENT WITH
CITY MANAGER AND AUTHORIZING MAYOR TO EXECUTE SAID AGREEMENT**

WHEREAS, the City Manager and the City Council have reached agreement on matters relating to the appointment and employment conditions of the City Manager, as reflected by the written contract amendment, attached hereto, and made a part hereof; and

WHEREAS, this Council finds that the provisions and agreements contained in said Employment Agreement are fair and proper and in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Davis does hereby approve as follows:

1. The appointment of and the Employment Agreement between the City and Daryel Dunston, attached hereto, and incorporated herein, are hereby approved; and
2. The Mayor is hereby authorized and directed to execute said agreement on behalf of the City of Davis.

PASSED AND ADOPTED by the City Council of the City of Davis on this 19th day of August, 2025, by the following vote:

AYES:

NOES:

Bapu Vaitla
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

EMPLOYMENT AGREEMENT BETWEEN THE CITY OF DAVIS AND DARYEL DUNSTON

THIS EMPLOYMENT AGREEMENT (the “Agreement”) is between the City of Davis, a municipal corporation (the “City”) and Daryel Dunston (“Employee”). It is effective on the Employee’s first day to assume the role on September 15, 2025 (the “Effective Date”).

This Agreement is entered into on the basis of the following facts, among others:

A. The City Council of the City desires to appoint Employee as the City Manager of the City, and Employee desires to accept this appointment.

B. The City and Employee desire to establish specific terms and conditions relating to compensation and benefits, performance evaluations, and related matters.

C. To the extent City’s Unrepresented Management is subject to cost-savings measures, such as work furloughs, salary reductions, changes to health or welfare benefits and allowances, or any other change to the monetary terms, Employee will be subject to the same downward adjustment and adhere to the change in terms as applicable to Unrepresented Management. In the event such cost-saving measures are subsequently eliminated (i.e, former salary or benefit levels are restored), Employee will receive the same restoration of salary or benefits as Unrepresented Management.

BASED UPON THE FOREGOING, THE CITY AND EMPLOYEE AGREE AS FOLLOWS:

1. At-Will Employee Appointed. The City appoints and employs Employee as City Manager, and Employee accepts the appointment and employment, beginning work as City Manager on September 15, 2025. The City Manager shall also serve as the Executive Director of the Successor Agency to the City of Davis Redevelopment Agency and any similar City of Davis agencies. In accordance with current procedures, Employee shall account for their

time expended on behalf of said agencies in order for the City to be reimbursed by said agencies for the provision of Employee's services.

2. Duties of Employee. Employee shall perform the duties established for the City Manager by State law, the Davis Municipal Code, the City Manager job description, the directions of the City Council, or as otherwise provided by law, ordinance, or regulation.

(a) Full Energy and Skill. Employee shall faithfully, diligently, and to the best of Employee's abilities, perform all duties that may be required under this Agreement. Employee agrees that Employee has a duty of loyalty and a general fiduciary duty to the City. Employee shall devote the whole of Employee's working time, skill, experience, knowledge, ability, labor, energy, attention and best effort exclusively to the City's business and affairs.

(b) No Conflict. Employee shall not engage in any employment, activity, consulting service, or other enterprise, for compensation or otherwise, which is actually or potentially in conflict with, inimical to, or which interferes with the performance of Employee's duties. Further, Employee shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the City of Davis (except for stock ownership in any company whose capital stock is publicly held and regularly traded) without prior approval of the City Council. For and during the term of this Agreement, Employee further agrees, except for a personal residence or residential property acquired or held for future use as Employee's personal residence, not to invest in any other real estate property improvements within the corporate limits of the City without the prior consent of the City Council.

(c) Outside Activities. Employee shall not spend more than eight (8) hours per month in teaching, consulting, expert witness testimony, speaking, or other non-City

connected business for which compensation is paid without express prior consent of the City Council. Employee will take personal leave (i.e. vacation time) for all outside activities of this nature.

(d) Hours of Work. The position of City Manager is an FLSA-exempt position. Employee is expected to engage in those hours of work that are necessary to fulfill the obligations of the City Manager's position. Employee does not have set hours of work, as the City Manager is expected to be available at all times. It is recognized that Employee must devote a great deal of time to the business of the City outside of the City's customary office hours, and to that end Employee's schedule of work each day and week shall vary in accordance with the work required to be performed and in accordance with any specific direction provided by the City Council.

3. Term. This Agreement shall be effective from the Effective Date through September 14, 2029 unless terminated earlier by either party in accordance with the provisions set forth in Paragraph 8 or by the event of the death or permanent disability of Employee.

(a) The Term of this Agreement shall automatically renew and extend for an additional four (4) year term beginning on September 15, 2029, unless written notice not to renew and extend is given by the City to Employee no later than eight (8) months prior to the renewal date (i.e. not later than January 15, 2029). If notice of non-renewal is given by the City, the Agreement shall remain in effect for the remaining term and Employee will be expected to continue Employee's duties for the remainder of the Agreement term, unless the Agreement is terminated earlier under Paragraph 8 below. The parties expressly agree that notice of non-renewal shall not be deemed a termination triggering any severance payment whatsoever.

However, while this Agreement specifies a contract term, the existence of such term does not alter the employee's at-will employment.

4. Initial and Annual Evaluations. Each year on or about the anniversary of the Effective Date, or at a time mutually agreed upon by the City Council and Employee, the City Council shall conduct an evaluation of Employee's performance and provide guidance and direction regarding the City Council's goals and objectives which Employee shall be tasked with implementing.

5. Compensation.

(a) Salary. Employee shall receive the base annual salary of Two hundred eight-eight thousand, four hundred and fifty-two dollars and seventy-four cents (\$288,452.74).

(b) Performance Bonus. Upon completion of each evaluation, the City Council may, at its sole discretion, award Employee a performance bonus based upon their performance and accomplishment of the City Council's goals and objectives. The amount of the bonus, if any, shall be determined by the City Council and shall not exceed 3% of Employee's annual base salary in effect the date evaluation is completed, subject to applicable payroll tax withholdings and deductions. Performance Bonus is not pension reportable compensation. Eligibility shall be based on each calendar year of the contract. Employee's eligibility for a performance bonus shall begin after the first twelve (12) months of employment.

(c) Annual Salary Adjustments. In addition to any performance bonus, at the City Council's sole discretion, salary adjustments may be given to Employee at or around the time of the annual review and evaluation by the City Council. Any such salary adjustment will be memorialized as an amendment to this Agreement and, if not already provided for there, on the

City's publicly-available pay schedule. The City shall perform a compensation study for the City Manager position, evaluating total compensation (salary and benefits) with comparable agencies, on or about August 2026, and every two years thereafter for the duration of this agreement.

(d) Technology and Transportation Allowance. In recognition of the significant demands placed on the position of City Manager and the need for the Employee to have continuously available information and communications for business-related purposes, Employer shall provide Employee with an allowance of \$200 per month. The allowance shall be used for procuring technology-related equipment and services that enhance Employee's ability to perform their duties, including cell phone; and travel expenses associated with ensuring accessibility and responsiveness to the needs of the City and community.

6. Regular Benefits and Allowances. Except as otherwise provided in this Agreement, Employee will be eligible for, and shall receive, all regular health and welfare benefits (e.g., health/dental/vision/life insurance, CalPERS retirement benefits) as are provided to employees of the City's miscellaneous executive managers in Resolution No. 25-093, Exhibit A, Sections 3 and 4, as they may from time to time be amended or adjusted, and as approved by City Council. Nothing shall prevent the City Council from providing Employee alternative benefits to those provided to the executive management employees. To the extent there is any inconsistency between the benefits available to the majority of miscellaneous executive managers, the terms of this Agreement shall control.

7. Additional Benefits and Allowances. In addition to the benefits specified in Paragraph 6, Employee shall receive the following additional benefits and allowances.

(a) Leave Accruals

(i) Except for the starting vacation accrual rate, employee shall be eligible for and receive the same accrual rates for sick leave, City paid holidays, floating holiday leave, and management leave, as provided to other exempt management employees under Resolution No. 25-093, Exhibit A, Sections 6 and 7. In recognition of Employee's prior public agency service in California, Employee will be credited with eight (8) years of service toward Vacation accrual rates and will start at an accrual rate of twenty (20) days (160 hours) per year. Employee will then follow the vacation accrual schedule as provided to other exempt management employees.

(iii) Leave Cash Out. Employee will be eligible to cash out up to 120 hours of vacation per calendar year as long as Employee has a minimum of 160 hours of accrued vacation on the books. Irrevocable election must be submitted in the calendar year prior to hours being accrued and cashed out. Employee may elect to apportion the hours between no more than two (2) pay periods per year, limited to the amount of vacation leave accrued as of the time of the cash-out. For example, if Employee accrues eighty (80) hours of vacation leave per year at a rate of 3.0769 hours per pay period, it will take Employee seven (7) pay periods to accrue twenty (20) hours sought to be cashed out. Therefore, Employee could not receive a cash payment for twenty (20) hours until the eighth pay period of the year.

8. Termination of Employment.

(a) No Property Interest. Employee understands and agrees that Employee has no constitutionally-protected property or other interest in Employee's employment as City Manager. Employee understands and agrees that Employee works at the will and pleasure

of the City Council, and that Employee may be terminated, or asked to resign, at any time, with or without cause, by a majority vote of its members. Notice of termination shall be provided to Employee in writing. "Termination," as used in this Agreement, shall also include 1) a request that Employee resign; 2) a reduction in salary or other financial benefits to Employee in a significant amount which is inconsistent with a reduction in salary or financial benefits for employees in the executive management unit; 3) a material reduction in the powers and authority of the City Manager (excluding placement on paid administrative leave); or 4) the elimination of the City Manager position. Any such notice of termination or act constituting termination shall be given at or effectuated at a duly noticed regular or special meeting of the City Council.

(b) Termination Immediately Before or Following City Council Election. No action by the City Council to terminate Employee, other than for gross mismanagement or an act of moral turpitude (as described in Paragraph 8(e)), will be made within ninety (90) days either before a City Council election or immediately following a City Council election. Nothing in this paragraph alters the "at will" status of Employee's employment with City.

(c) Notice Required of Employee. Employee may voluntarily terminate employment at any time by giving not less than sixty (60) days' notice.

(d) Severance. If Employee is asked to resign or is terminated as City Manager, then Employee shall be paid for any accrued, but unused, vacation and management leave, but not accrued sick leave. Upon compliance with the conditions in this Paragraph, Employee shall also be eligible to receive two severance benefits: first, a cash payment equivalent to the sum of Employee's then-current monthly salary multiplied by eight (8) months (or by the remaining number of months in the Agreement term, whichever is less); and second, continuation

of Employee's monthly COBRA-eligible health benefits, at then-current levels and subject to Employee's required contribution(s) (if any), multiplied by eight (8) months (or by the remaining number of months in the Agreement, or until the time Employee obtains other employment, whichever is less). Eligibility for severance benefits are expressly conditioned upon Employee's execution of (i) a waiver and release of any and all of Employee's claims against the City, its Councilmembers, officers, and employees, and (ii) a covenant not to sue any of those parties

Unless determined otherwise by the City Council in its sole discretion, the cash payment will be made on a pro-rated, monthly basis over the number of months involved. All normal payroll taxes and withholdings as required by law shall be made with respect to any amounts paid under this section. Employee expressly agrees to provide notice to the City within two (2) business days of accepting employment elsewhere, and the City's obligation to pay for any further health benefits shall terminate upon Employee's acceptance of such alternative employment.

(e) Ineligibility for Severance Under Certain Conditions. If the termination of Employee is the result of gross mismanagement and/or an act or acts of moral turpitude, Employee shall not be paid any severance pay except as provided in the remainder of this subsection. In such an instance, Employee's sole remedy shall be a judicial action in declaratory relief to determine whether there was substantial evidence of gross mismanagement and/or an act or acts of moral turpitude. If the court determines there was not substantial evidence, Employee shall receive the severance pay provided in this subsection, but no other damages or litigation expenses.

9. Payment of Expenses of Employment. The City shall pay the following usual and customary employment expenses.

(a) The cost of any fidelity or other bonds required by law for the City Manager position.

(b) The cost to defend and indemnify Employee to the full extent of the law as provided by the California Government Claims Act (Government Code §810 *et seq.*), or otherwise. The City will determine, in its sole discretion, whether to compromise and settle any such claim or suit against Employee and the amount of any settlement or judgment rendered thereon.

(c) Subject to Budget Approval, reasonable dues for Employee's membership in professional organizations associated with the office of City Manager. The City will allow Employee reasonable time away from the City to participate in the annual conferences of these organizations.

(d) Subject to Budget Approval, the cost of attending conferences or other events (i.e. retirement dinners, out-of-town meetings, professional seminars, etc.) necessary for the proper discharge of Employee's duties. The City will not reimburse Employee for any expenses related to membership in service clubs.

(e) Subject to Budget Approval, the cost of Professional Development/training, not to exceed five thousand dollars (\$5,000) per fiscal year. The City will allow Employee reasonable time away from the City to attend professional development training.

10. Miscellaneous.

(a) Notices. Notices given under this Agreement shall be in writing and shall be:

(i) served personally; or

- (ii) sent by facsimile (provided a hard copy is mailed within one (1) business day); or
- (iii) delivered by first-class United States mail, certified, with postage prepaid and a return receipt requested; or
- (iv) Sent by Federal Express, or some equivalent private overnight delivery service.

Notices shall be deemed received at the earlier of actual receipt or three (3) days following deposit in the United States mail or overnight delivery service. Notices shall be directed to the addresses shown below, provided that a party may change such party's address for notice by giving written notice to the other party in accordance with this subsection.

CITY:

City of Davis
Attn: Mayor
23 Russell Boulevard
Davis, CA 95616
Phone: (530) 757-5602
Fax: (530) 757-5603

EMPLOYEE:

Daryel Dunston
23 Russell Blvd
Davis, CA 95616
Phone: 530-757-5602
(home address & phone as on file)

- (b) Compliance with Government Code §§53243, 53243.1, & 53243.2.

If Employee is convicted of a crime involving an abuse of Employee's office or position, all of the following shall apply:

(i) If Employee is provided with administrative leave pay pending an investigation, Employee shall be required to fully reimburse the City for such amounts paid;

(ii) If the City pays for the criminal legal defense of Employee (which would be in its sole discretion, as it is not generally required to pay for a criminal defense), Employee shall be required to fully reimburse the City such amounts paid; and

(iii) If this Agreement is terminated based on actions underlying such conviction, any cash settlement related to the termination that Employee may receive from the City shall be fully reimbursed to the City by Employee or void if not yet paid to Employee.

(iv) For this subsection, “abuse of office or position” means either (a) an abuse of public authority, including waste, fraud, and violation of the law under color of authority, or (b) a crime against public justice, including but not limited to a crime described in Title 7 (commencing with Section 92) of Part 1 of the Penal Code.

(c) Entire Agreement/Amendment. This Agreement constitutes the entire understanding and agreement between the parties as to those matters contained in it, and supersedes any and all prior or contemporaneous agreements, representations and understandings of the parties. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by the parties and attached hereto.

(d) Attorney’s Fees. Except as provided elsewhere in this Agreement, if any legal action or proceeding is brought to enforce or interpret this Agreement, the prevailing party, as determined by the court, shall be entitled to recover from the other party all reasonable costs and attorney’s fees, including such fees and costs as may be incurred in enforcing any judgment or order entered in any such action.

Nothing in this subsection shall be read to prevent the parties from agreeing to some alternative method of dispute resolution. If such a method is agreed to, any final determination shall include an award of attorney's fees and costs by the presiding officer.

(e) Severability. In the event any portion of this Agreement is declared void, such portion shall be severed from this Agreement and the remaining provisions shall remain in effect, unless the result of such severance would be to substantially alter this Agreement or the obligations of the parties, in which case this Agreement shall be immediately terminated.

(f) Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking, or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking, or condition. To be effective, a waiver must be in writing, signed and dated by the parties.

(g) Representation by Counsel; No Presumption of Drafter. The parties acknowledge and agree that they were, or had the opportunity to be, represented individually by legal counsel with respect to the matters that are the subject of this Agreement and that they are fully advised with respect to their respective rights and obligations resulting from signing this Agreement. The Parties further agree that this Agreement shall not be interpreted or construed against or in favor of either Party by reason of who caused this Agreement to be drafted and that this Agreement is the product of the representation of each Party by independent legal counsel.

(h) Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Employee and the City agree that venue for any dispute shall be in Yolo County, California.

(i) Paragraph Headings. The headings on each of the paragraphs, sections and subsections of this Agreement are for the convenience of the parties only and do not limit or expand the contents of any such paragraph, section or subsection.

(j) No Assignment. Employee may not assign this Agreement in whole or in part.

Dated: _____ CITY OF DAVIS
By _____
Mayor

Dated: _____ EMPLOYEE

Daryel Dunston

Attest:

City Clerk

Approved as to Form:

City Attorney