

EMPLOYMENT AGREEMENT

CITY MANAGER

This Agreement by and between the City of West Sacramento, California a municipal corporation, hereinafter called "Employer," and Aaron Laurel, hereinafter called "Employee," is hereby entered into on July 1, 2018. Both Employer and Employee understand and agree as follows:

WITNESSETH:

WHEREAS, Employer desires to employ Employee as City Manager; and

WHEREAS, the City Council of the Employer, hereinafter called "Council" desires to provide benefits, to establish conditions of employment, and to set working conditions of said Employee; and

WHEREAS, Employee commences employment as City Manager of West Sacramento on July 1, 2018.

WHEREAS, the parties acknowledge that Employee will be a member of the International City/County Management Association (ICMA) and that Employee will be subject to the ICMA Code of Ethics.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1: Duties

A. Employer has agreed to employ Aaron Laurel as City Manager of Employer to perform functions and duties specified in Chapter 2.08 of the Municipal Code of West Sacramento and to perform other legally permissible and proper duties and functions as the Council shall from time to time assign to the City Manager.

B. Employee shall remain in the exclusive employment of the City and devote Employee's full energy, skill, ability and productive income-generating time, attention and effort to the business of the City while so employed.

C. 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 his duties as City Manager. Employee acknowledges that he is subject to the various conflict of interest requirements found in California Government Code and state and local policies and regulations.

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

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

3. All data, studies, reports and other documents prepared by Employee while performing his duties during the term of this Agreement shall be furnished to and become the property of the City, without restriction or limitation on their use.

D. During the course of employment or at any other time, Employee agrees not to disclose, communicate, use to the detriment of the City or for the benefit of any other person (including Employee) or misuse in any way any confidential information or data concerning City. Employee acknowledges and agrees that all such confidential information received by Employee will be received in confidence and as a fiduciary of the City.

Section 2: Term

A. Employee agrees to serve at the pleasure of the Council, at will, and without any fixed term.

B. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Council to terminate the services of Employee at any time, subject only to the provisions set forth in Section 3 of this agreement. Notwithstanding the forgoing, during the period beginning with the date a new City Council member takes the oath of office and ending 90 days thereafter, Employer may not terminate Employee except "For Cause", as defined in paragraph C in Section 3 below.

C. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with Employer, subject only to the provision set forth in Section 4 of this agreement.

Section 3: Termination and Severance Pay

A. In the event Employee is terminated by the Council during such time that Employee is willing and able to perform his duties under this agreement, other than for one of the reasons described in paragraphs B or C below, then in that event Employer agrees to pay Employee a lump sum cash payment equal to six (6) months' aggregate salary and to continue payment of medical insurance premiums for twelve (12) months of the federally mandated COBRA period. Employee will be allowed to continue medical coverage at his own expense for the remainder of the COBRA period. Receipt of severance pay and continued payment of medical insurance premiums will be contingent on Employee signing a waiver of any claims, known or unknown, against Employer, the City Council, and Employer's officials and employees.

B. In the event Employee is terminated by the Council during the first two years of this Agreement for failure to adequately perform the Duties described in Section 1, as documented during any performance evaluation pursuant to Section 7, then Employer agrees to pay Employee a lump sum cash payment equal to three (3) months' aggregate salary and to continue payment of medical insurance premiums for twelve (12) months

of the federally mandated COBRA period. Employee will be allowed to continue medical coverage at his own expense for the remainder of the COBRA period. Receipt of severance pay and continued payment of medical insurance premiums will be contingent on Employee signing a waiver of any claims, known or unknown, against Employer, the City Council, and Employer's officials and employees.

C. In the event the Employee is terminated for cause, then Employee shall be entitled to only the compensation accrued up to the date of termination and such other termination benefits and payments as may be required by law, and Employer shall have no obligation to pay the aggregate severance sum designated in the above paragraphs A or B. For purposes of this Agreement, "For Cause" termination shall include the following reasons: (i) conviction of a felony or other crime involving moral turpitude; (ii) fraud, material dishonesty; (iii) willful or persistent failure to carry out Employee's duties; (iv) gross negligence, incompetence, or misconduct; (v) engaging in unlawful discrimination or harassment of employees or any third Party while on City premises or time; (vi) death or disability; (vii) civil liability for a violation of a statute or law constituting misconduct in office. For purposes of this Agreement, "Disability" shall mean the Employee's inability, because of physical or mental illness or incapacity or otherwise, to perform his essential duties under this Agreement for a period of 180 days or more in any period of 360 days.

D. In the event Employer at any time during the term of this agreement, other than for reasons described in paragraphs B or C above, reduces the salary or other financial benefits of Employee in a greater percentage than applicable across-the-board reduction for all other management employees of Employer, or in the event Employer refuses, following written notice, to comply with any other provision benefitting Employee herein, then Employee may, at his option, be deemed to be "terminated" at the date of such reduction or such refusal to comply, and will be entitled to the severance pay provisions in the above paragraph A.

Section 4: Resignation

In the event Employee voluntarily resigns his position with Employer, then Employee shall give Employer two months' notice, in advance, unless the parties agree otherwise in writing.

Section 5: Disability

If Employee is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health, the provisions set forth in the City personnel rules and the California Family Rights Act and the Family and Medical Leave Act shall apply.

Section 6: Salary

Effective the beginning of the pay period inclusive of July 1, 2018, Employer agrees to pay Employee for his services rendered pursuant hereto an annual base salary of \$200,000 payable in installments at the same time as the other management employees of the Employer are paid.

Section 7: Performance Evaluation

A. The Council shall review and evaluate the performance of the Employee at least annually at a mutually agreeable time. The review and evaluation shall be in accordance with specific criteria developed jointly by Council and Employee. Said criteria may be added or deleted by the Council from time to time in consultation with the Employee. Further, the Mayor may provide the Employee with a summary written statement of the findings of the Council and provide an adequate opportunity for the Employee to discuss his evaluation with the Council. Upon completion of its review of Employee's performance, the parties may agree to an adjustment in Employee's total compensation, which the parties acknowledge will require an amendment to this Agreement.

B. Annually, the Council and Employee shall define such goals and performance objectives that they determine necessary for the proper operation of West Sacramento and in the attainment of the Council's policy objectives and shall further establish a relative priority among those various goals and objectives, said goals and objectives to be reduced to writing. They shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriates provided.

C. In effecting the provisions of this Section, the Council and Employee mutually agree to abide by the provisions of applicable law.

Section 8: Hours of Work

Employer recognizes that Employee must dedicate a great deal of time outside the normal office hours to business of the Employer, and to that end Employee will be allowed to take management leave as set forth in Exhibit A, attached hereto and incorporated herein.

Section 9: Vacation, Sick and Other Leave

A. Employee shall accrue, and have credited to his personal account vacation, sick and other leave as provided in Exhibit A.

Section 10: Disability, Health and Life Insurance

A. Employer agrees to put into force and to make required premium payments for Employee as set forth in Exhibit A.

B. Employee agrees to submit once per year to a complete physical examination as set forth in Exhibit A.

Section 11: Retirement

A. Employee will be enrolled in the CalPERS 2.5% @ 55 plan as set forth in Exhibit A and Employee will pay the 8% employee share of the rate.

B. Employer agrees to execute all necessary agreements provided by ICMA Retirement Corporation (ICMA-RC) for Employer's continued participation in ICMA-RC 401A plan as set forth in Exhibit A. The parties shall fully disclose to each other the financial impact of any amendment to the terms of Employee's retirement benefit.

Section 12: Professional Development, Dues and Subscriptions

Employer hereby agrees to budget and pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference, the California League of Cities, the California Association for Local Economic Development, and such other national, regional, state, and local governmental groups and committees thereof which Employee serves as a member. Employer further agrees to budget and pay for professional dues and subscriptions necessary for his continuation and full participation in national, regional, state and local associations. For all activities in this Section the amount budgeted shall not exceed \$10,000 annually. All amounts in addition to said sum shall require prior Council approval.

Section 13: General Expenses

Employer recognizes that certain expenses of a non-personal and generally job-affiliated nature are incurred by Employee, and hereby agrees to reimburse or to pay said general expenses upon proper submittals pursuant to City policy.

Section 14: Indemnification

To the extent required under state and local law, Employer shall defend, save harmless, and indemnify Employee against any tort, 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 Manager.

Section 15: Bonding

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 16: Other Terms and Conditions of Employment

A. The Council, in consultation with the City Manager, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this agreement and are set forth in writing.

B. All provisions of Employer's policies, procedures, code, and regulations relating to vacation and sick leave, retirement and pension system contributions, holidays, and other benefits and working conditions as they now exist or hereafter may be amended, shall apply to Employee as they would to other employees of Employer, in addition to said benefits, enumerated specifically for the benefit of Employee except as herein provided to the extent they are not in conflict with this Agreement.

C. If the City provides (i) paid leave salary to the Employee pending an investigation, (ii) funds for the legal criminal defense of the Employee, or (iii) severance pay to the Employee in accordance with section 3 hereof, then in the event the Employee is convicted of a crime involving an abuse of his office or position as defined in California

Government Code Section 53243.4, all such sums paid by the City to the Employee or for the Employee's benefit shall be fully reimbursed to the City by the Employee.

Section 17: Notices

Notices pursuant to this agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- (1) EMPLOYER: Mayor Christopher L. Cabaldon
1110 West Capitol Avenue-3rd Floor
West Sacramento, California 95691

- (2) EMPLOYEE: Aaron Laurel
1110 West Capitol Avenue-3rd Floor
West Sacramento, California 95691

Alternatively, notices required pursuant to this agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 18: General Provisions

- A. The text herein shall constitute the entire agreement between the parties.

- B. This agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.

- C. If any provision, or any portion thereof, contained in this agreement is held unconstitutional, invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

- D. All exhibits attached hereto are incorporated herein as part of this agreement as if fully set forth herein.

- E. This agreement may not be modified or amended or any of its provisions waived except by a subsequent written agreement executed by each of the parties.

- F. Employee and Employer agree and acknowledge that the provisions of this agreement have been arrived at through negotiation and that each party has had a full and fair opportunity to revise the provisions of this agreement and to have such provisions reviewed by legal counsel, and that both parties agree that they either have had the provisions of this agreement reviewed by legal counsel or have voluntarily chosen not to do so. Employee expressly agrees and acknowledges that the City Attorney was representing solely the Employer regarding this agreement and not Employee.

IN WITNESS WHEREOF, the City Council of West Sacramento has caused this agreement to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and the Employee has signed and executed this agreement, both in duplicate, the day and year first above written.

EMPLOYER:

EMPLOYEE:

Christopher L. Cabaldon
Mayor

Aaron Laurel
City Manager

ATTEST:

APPROVED AS TO FORM:

Kryss Rankin, City Clerk

Jeffrey Mitchell, City Attorney

CITY MANAGER
EFFECTIVE 07/01/2018

Annual Physical:	Employee shall submit to an annual physical at City's expense. Cost not to exceed \$500.
Car Allowance:	City shall pay employee \$500 per month as a car allowance.
Cellular Phone:	City provided phone or stipend (\$75 month).
Holidays:	Ten (10) set in Personnel Rules and 3.5 floating holidays. Floating holidays are credited each July.
Life Insurance:	City pays premium for \$300,000 term life insurance policy.
Long-Term Disability:	City pays premium for Standard LTD program offered to management employees.
Management Leave:	Eighty (80) hours per fiscal year. No accumulation. Eighty (80) hours is credited at the beginning of each fiscal year.
Medical, Dental, & Vision Insurance:	City shall pay 100% of the premiums for coverage for employee and family.
Medical after Retirement:	City shall pay 100% of the premiums for medical and dental coverage for employee and family. Vision is offered for up to 18 months (COBRA) and is paid by the retiree.
Money Purchase Plan (401a):	City contributes 4.5% of base salary, mandatory employee contribution of 5.5%. Contributions to be in equal, proportional amounts each pay period.
Retirement:	CalPERS 2.5% @ 55 plan, includes highest thirty-six months for final compensation determination, 1959 Survivor's Benefit (3rd Level) and Unused Sick Leave Credit. Employee pays entire 8% employee contribution.
Salary:	\$200,000 annually.
Sick Leave:	Accrual rate is eight (8) hours a month.
Vacation:	Accrual per year based on years of employment with the City: 1-5 yrs = 10 days; 6-10 yrs = 15 days; 11-19 yrs = 20 days; 20+ yrs - 25 days. Maximum accumulation = 456 hours per year. Total payoff at separation.

See Personnel Rules for further information on Employer/Employee relations, personnel practices, and terms and conditions of employment.