[AS AMENDED NOVEMBER 17, 2014]

[AS AMENDED JUNE ____, 2018]

THIS amended AGREEMENT is entered into this _____day of June 2018, by and between Raymond M. Rodriguez (hereinafter referred to as "EMPLOYEE") and the City of San Pablo (hereinafter referred to as "CITY").

CITY and EMPLOYEE entered into an employment agreement on March 30, 2010, under which EMPLOYEEE serves as CITY'S city manager;

NOW, THEREFORE, in consideration of the faithful performance of the terms and considerations set forth herein, the parties hereto mutually agree as follows:

1. <u>Employment.</u>

- a. Effective May 3, 2010, EMPLOYEE shall be employed as City Manager for a term of twelve (12) months, unless mutually agreed to end earlier. This twelve (12) month term shall automatically recommence on the first day of each succeeding month, unless notice of termination is given by the City Council as specified herein. This section is intended to comply with Section 53260, et seq. of the Government Code of the State of California.
- b. Nothing in the Agreement shall prevent, limit, or otherwise interfere with the right of the City Council to terminate the service of EMPLOYEE at any time, subject only to the provisions set forth in Section 6 of this Agreement. EMPLOYEE'S service with the CITY is an at-will position which may be terminated for any or no cause by the City Council.
- c. EMPLOYEE agrees to remain in the exclusive employ of the CITY during the terms of the Agreement. However, EMPLOYEE shall not be precluded from

occasional teaching or writing, performed during EMPLOYEE'S time off, or during administrative leave or vacation, with the concurrence and knowledge of City Council.

- 2. Compensation. EMPLOYEE shall receive the following compensation:
- a. <u>Salary</u>. As of July 1, 2018, following a 3% cost of living increase, EMPOLOYEE'S annual salary shall be \$250,897. No further salary is allowed for EMPLOYEE'S service for any other board, commission or agency.
- b. <u>Benefits</u>. EMPLOYEE's benefits are as set forth in Resolution No. 2018

 -_____, "Resolution of the City Council of the City of San Pablo Amending the Salary and Compensation for the Contract Employees Group," attached hereto as Exhibit A, as it may be amended and except as set forth specifically in this Agreement, in which case the terms of this Agreement supersede those set forth in the attached Exhibit..
- c. <u>Performance and Retention Bonuses</u>. Commencing on his anniversary date of May 3, 2015, and every three years thereafter, EMPLOYEE shall receive a bonus payment of \$5,000 in addition to base salary, payable 30-days after his annual anniversary date of May 3rd, less legally required employment and applicable tax withholdings, contingent upon a satisfactory or greater annual performance evaluations rating by the City Council. For the purposes of this provision, the Council shall prepare a written summary rating sheet for presentation to payroll.
- d. <u>Deferred Compensation</u>. Effective January 1, 2015, CITY shall annually match EMPLOYEE'S contribution to his ICMA 457 deferred compensation account. The total maximum annual contribution to such account, as of January 1, 2018, as established by

IRS regulations, is \$18,500 per calendar year. As of the date of this agreement, the maximum CITY contribution therefore, is \$9,250 per calendar year.

- e. <u>Information Technology Allowance</u>. CITY shall pay EMPLOYEE an information technology allowance of \$750.00 each odd-ending fiscal year period.
- f. <u>Vehicle Allowance.</u> CITY shall pay EMPLOYEE a vehicle allowance of \$500 per month.
- g. <u>Sick Leave</u>. Upon resignation or termination from CITY employment, except as outlined in Section 6.c., CITY shall pay EMPLOYEE 50% of all accrued sick leave in a lump sum payment or deposit the amount into the EMPLOYEE's ICMA 457 deferred compensation account, at EMPLOYEE'S option, prior to the effective date of separation from employment. At time of eligible retirement, Employee may convert 100% of accrued sick leave hours earned to retirement service credit in accordance with applicable CalPERS rules and regulations in effect.
- 3. <u>Business Expenses</u>. CITY agrees to pay for City related business expenses. Such expenses shall include all direct costs associated with memberships in professional associations and attendance at conferences, including annual memberships with ICMA and CCMF, within approved Department budget and per diem parameters in the City's Travel Expense Policy. CITY shall also budget and pay for an additional professional development and training program for executive management at a cost not to exceed \$15,000 to be expended by June 30, 2021..

- 4. <u>Code of Ethics</u>. The parties acknowledge that the City Manager is a member of the International City Management Association ("ICMA"). The Parties mutually desire that the City Manager be subject to and comply with the ICMA Code of Ethics, as it may be amended from time to time (Exhibit B). The CITY and the City Council agree that the City Council will not give the City Manager any order or direction that would require the City Manager to violate the ICMA Code of Ethics.
- 5. <u>Performance Evaluation.</u> Performance evaluations are an important way for the City Council and the City Manager to ensure effective communications about expectations and performance. The City Council recognizes that for the City Manager to respond to its needs and to grow in the performance of the City Manager's job, the City Manager needs to know how the City Council Members evaluate the City Manager's performance.
- a. To assure that the City Manager gets this professional feedback, the City Council shall conduct an evaluation of the City Manager's performance at least once every two-year period. The City Council and the City Manager agree that performance evaluations, for the purpose of mid-course corrections, may occur quarterly or several times during each calendar year.
- b. In January of each year, the City Manager shall notify the Mayor and City Council in writing of the requirement for an annual evaluation of his position. The Mayor shall then agendize before the City Council the timing of such evaluation. The City Manager and City Council will create goals or other outcome measures that will provide the basis for determining next year's performance. The City Council and the City Manager shall define such goals and performance objectives as they mutually determine are necessary for the proper operation of the CITY for the attainment of the City Council's policy objectives, and

the City Council and the City Manager shall further establish a relative priority among these goals and performance objectives.

- 6. <u>Termination.</u> The following provisions apply to any termination of employment by CITY:
- a. Employee is an at-will employee who may be terminated for any or no reason. In the event EMPLOYEE is terminated for any reason prior to the expiration of the employment term, except as set forth in subsection 6c, CITY shall pay EMPLOYEE a cash payment equivalent to his annual salary as referenced in Section 2, subpart a of this Agreement; provided, however, that such severance payment shall be contingent on EMPLOYEE first executing a release and waiver of all rights to sue the CITY or any city employee or official, which release and waiver shall be drafted by the city attorney.
- b. CITY shall pay the premiums for EMPLOYEE's medical and dental benefits pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) coverage for the same number of months for which EMPLOYEE is entitled to a lump sum cash payment under subsection 6a, or until EMPLOYEE either secures full-time employment or obtains other health insurance coverage, whichever of these events occurs first. EMPLOYEE shall notify CITY within five (5) days of securing new full-time employment or acquiring health insurance coverage.
- c. In the event EMPLOYEE is terminated for cause or malfeasance, CITY shall have no obligation to pay the severance, or allow any other benefits set forth in subsections 2c, 2d, 2e, 2g, 6a or 6b.
- d. If EMPLOYEE is convicted of a crime involving an abuse of his or her office or position as defined in California Government Code section 53243.4, then EMPLOYEE shall reimburse CITY for any paid leave, criminal defense, or cash settlement

as set forth in Article 2.6 of Title 5 of the California Government Code. In addition, CITY shall

have no obligation to pay the severance, or allow any other benefits set forth in subsections

2c, 2d, 2e, 2g, 6a or 6b.

e. EMPLOYEE may be removed only by a vote of at least three members

of the City Council, and may not be removed from office within 90 days next succeeding the

date of any general municipal election held in the CITY at which election a member of the

Council is elected. EMPLOYEE waives the protections of Sections 2.04.310 through

2.04.360 of the San Pablo Municipal Code except as specifically set forth in this Agreement.

f. In the event that the City Council formally asks the City Manager to

resign, then EMPLOYEE shall be entitled to resign, and still receive the severance benefits

subject to section 6.d above, provided he agrees to the release and waiver requirements of

all rights to sue to the CITY or any city employee of official, as provided in subsection 6a

above.

7. Resignation. If EMPLOYEE voluntarily resigns from the position of City

Manager, he will provide CITY with a minimum of thirty (30) days written notice. During the

period subsequent to the Notice of Resignation of EMPLOYEE, he shall continue to discharge

his duties as City Manager.

8.

Notices. Any notices required by this Agreement shall be either given in

person or by first class mail with the postage prepaid and addressed as follows:

CITY: Mayor

City of San Pablo

13831 San Pablo Avenue San Pablo, CA 94806

EMPLOYEE: Raymond M. Rodriguez

At his then-current address on file with CITY.

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9. Entire Agreement. This Agreement contains the entire agreement between the parties hereto. No promise, representation, warranty, or covenant not included in the agreement has been or is relied on by any party hereto. If any sections, subsections, sentences, clauses, phrases or portions of this Agreement are for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Agreement. The City Council declares it would have passed this and each section, subsection, phrase or clause of this Agreement whether or not any one or more sections, subsections, phrases or clauses may be declared invalid or unconstitutional on their face or as applied.