

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the 16th day of December 2016, by and between the CITY OF LA HABRA HEIGHTS, California, a Municipal Corporation, hereinafter called the "City", and JARAD HILDENBRAND, hereinafter called "Employee."

RECITALS

A. City desires to employ the services of Employee in the position of City Manager/City Clerk/Community Development Director, and Employee desires employment as City Manager/City Clerk/Community Development Director of City; and

B. The City Council desires to encourage the highest standards of fidelity and public service on the part of Employee and provide a just means for terminating Employee's employment and this Agreement when City may desire to do so; and

C. The parties further desire to establish Employee's conditions of employment.

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

1. **Duties** City hereby employs Employee as City Manager/City Clerk/Community Development Director of City to perform the functions and duties of the City Manager/City Clerk/Community Development Director as specified in City's Municipal Code and to perform such other legally permissible and proper duties and functions as the City Council may from time to time assign to Employee. Employee agrees to devote Employee's full time and effort to the performance of this Agreement and to remain in the exclusive employ of City. Additional employment must be approved by the City Council.

2. **Hours of Work** Employee's duties may involve expenditures of time in excess of 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 City Council meetings. Employee shall not be entitled to additional compensation for such time. Employee shall be exempt from paid overtime compensation.

3. **Term** This Agreement shall be effective December 16, 2016 and will remain in force and effect for three (3) years unless terminated as provided herein.

4. **Salary** City shall pay Employee an annual salary of One Hundred Forty-Six Thousand Dollars (\$146,000) for the performance of Employee's duties as City Manager/City Clerk/Community Development Director, less customary and legally required payroll deductions. Salary adjustments shall be considered by the City Council annually in conjunction with Employee's annual performance evaluation pursuant to paragraph 9 of this Agreement and will only be granted by merit.

5. **Retirement and Deferred Compensation** . Employee shall pay Employee cost of membership in the Public Employees Retirement System (PERS) during the term of this Agreement. City shall match annually based on anniversary date a maximum of Four Thousand Dollars (\$4,000) in a City 457 deferred compensation account.

6. **Medical, Dental and Vision Insurance** City shall provide the monthly premiums for medical, dental and vision insurance ("insurance plans") at the same rate of benefits provided to other City employees. Amount in excess of total flexible benefit plan amount is paid out-of-pocket by Employee. Rates are set by insurance plans and shall be adjusted annually according to PERS Monthly Premiums for Contracting Agencies, City provides coverage for employee and one (1) dependent for health, dental and vision.

7. **Other Benefits**

(A) Employee shall be entitled to vacation leave of eighty (80) hours per year with a maximum accrual of 300 hours. Employee shall cease to accrue additional vacation leave until Employee's accumulated vacation leave falls below 300 hours.

(B) Employee shall be entitled to sick leave of eight (8) hours per calendar month for a total of ninety-six (96) hours per year. Employee may accumulate a maximum of 120 hours of sick leave. Employee shall cease to accrue additional sick leave until Employee's accumulated sick leave falls below 120 hours.

(C) Employee shall be entitled to management leave of forty (40) hours per year upon execution of this agreement.

(D) Employee shall be provided with a monthly cell phone allowance of Forty Dollars (\$40) per month.

(E) Employee shall be provided with a City vehicle (Toyota Prius). As per Section 21 of City's Personnel Rules and Regulations, use of City-owned vehicles shall be relied upon as the primary means of vehicle usage for City business as it provides City the greatest control over operating costs, usage, maintenance, inspection and insurance. Use of the vehicle assigned to the manager on a permanent basis is limited to daily commuting to and from the City and for City business only. The vehicle is not provided for Employee's personal use and Employee may not transfer family members, friends or others who are not City Employees or are not persons whose business activities are related to the City.

City will provide insurance and maintenance of the City-owned vehicle. Although City is provided automobile liability coverage for all City vehicles under the California JPIA Memorandum of Coverage, Employee will abide by insurance requirements as stated in City's Personnel Rules and Regulations. Employee shall promptly provide insurance and driver license information at the beginning of this Agreement and must comply with all training and other reporting requirements of City's Vehicle Usage Policy.

(F) Employee shall be provided with a monthly gasoline allowance of Thirty Dollars (\$30) per month.

8. **General Expenses** City recognizes that certain expenses of a non-

personal and job-related nature may be incurred by Employee. City agrees to reimburse Employee for reasonable expenses which are submitted to the City Council for approval and which are supported by expense receipts and statements, and audit thereof in like manner as other demands against City.

9. **Performance Evaluation** The City Council shall review and evaluate Employee's performance at least once annually on or before Employee's anniversary date. The City Council and Employee shall develop mutually agreeable performance goals and criteria which the City Council shall use in reviewing Employee's performance. It shall be Employee's responsibility to initiate this review each year.

10. **Non-Assignment of Agreement** This Agreement is intended to secure the individual services of Employee and is not assignable or transferable by Employee to any third party.

11. **Governing Law/Venue** This Agreement shall be interpreted according to the laws of the State of California. Venue for any action or proceeding regarding this contract shall be in Los Angeles County.

12. **Enforceability** If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

13. **Conflict of Interest** Employee agrees that during the term of this Agreement, he will not maintain any financial interest or engage in any other contract employment, occupation, work, endeavor, or association, whether compensated for or not, that would in any way conflict with or impair Employee's ability to perform the duties described in this Agreement.

14. **Indemnification** City shall defend, hold harmless and indemnify Employee against any claim, demand, judgment, or action of any type or kind arising within the course and scope of his employment to the extent required by Government Code §§ 825 and 995.

15. **Other Terms and Conditions of Employment**

(A) The City Council may from time to time fix other terms and conditions of employment relating to the performance of Employee provided such terms and conditions are not inconsistent with or in conflict with the provision of this Agreement, the Municipal Code, or other applicable law.

(B) The provisions of City's Personnel Rules and Regulations ("Rules") shall apply to Employee to the extent they explicitly apply to the position of City Manager/City Clerk/Community Development 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 Employee a property right in his employment, a right to be discharged only upon cause during tenure as City Manager/City Clerk/Community Development Director, or a right to any additional benefit or any consideration other than provided in this

Agreement. At such times as Employee is serving as City Manager/City Clerk/Community Development Director, Employee is an at-will employee serving at the pleasure of the City Council and may be dismissed at any time with or without cause and with or without notice, subject to the provisions of this Agreement.

16. General Provisions

(A) This Agreement constitutes the entire agreement between the parties. City and Employee hereby acknowledge that they have neither made nor accepted any other promise or obligation with respect to the subject matter of this Agreement. This Agreement may be amended only by a writing signed by Employee, approved by the City Council, and executed on behalf of City.

(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) This Agreement may be terminated by either party with or without cause subject to the requirements of paragraph 17 below regarding severance. Employee must provide City with forty five (45) days' written notice prior to the effective date of termination of this Agreement, but this notice requirement can be waived at City's discretion. Notice of termination to City shall be given in writing to City, either by personal service or by registered or certified mail, postage prepaid, addressed to City as follows:

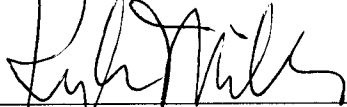
Deputy City Clerk
City of La Habra Heights
1245 North Hacienda Road
La Habra Heights, CA 90631

Any notice to Employee shall be given in a like manner, and, if mailed, shall be addressed to Employee at the address then shown in City's personnel files. For the purpose of determining compliance with any time limit stated in this Agreement, a notice shall be deemed to have been duly given on the date of delivery, if served personally on the party to whom notice is to be given, or on the second (2nd) calendar day after mailing in the manner provided in this section.

17. Severance If City terminates this Agreement without cause, as defined in this paragraph, then City shall pay Employee severance equal to two (2) months' salary in the amounts in effect at the time the notice of termination is given. In addition, City is a member of the California Joint Powers Insurance Authority (CJPIA). The CJPIA provides its members a Chief Executive Separation Payment, under which Employee is eligible subject to the terms and conditions set forth in the CJPIA's Memorandum of Liability Coverage. City shall have cause to terminate Employee without payment of severance under this paragraph if Employee is found by the City Council to have engaged in criminal conduct involving dishonesty or moral turpitude or other willful misconduct that would be a basis for discharge for cause under City's personnel rules regarding disciplinary action.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

CITY OF LA HABRA HEIGHTS



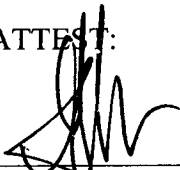
KYLE MILLER
MAYOR

EMPLOYEE




JARAD L. HILDENBRAND

ATTEST:



GRACE ANDRES
DEPUTY CITY CLERK

APPROVED AS TO FORM:



JOHN BROWN
CITY ATTORNEY