CITY OF LA HABRA AGREEMENT FOR THE OFFICE OF CITY MANAGER

THIS AGREEMENT, made and entered into this 21 day of July7, 2014 by and between the CITY OF LA HABRA, Orange County, State of California, a Municipal corporation, hereinafter referred to as "the City" and JAMES SADRO, hereinafter referred to as "Employee."

RECITALS:

WHEREAS, the City desires to retain the services of Employee as City Manager of the City of La Habra; and

WHEREAS, the City Council of the City of La Habra desires to provide certain benefits, establish certain conditions of employment and to establish working conditions for Employee; and

WHEREAS, Employee desires to provide said services as City Manager to the City under the terms and conditions hereinafter set forth; and

WHEREAS, Employee represents that he is willing and qualified to provide such services to the City;

WHEREFORE, in consideration of the respective mutual covenants and promises hereinafter contained and made subject to all of the terms and conditions hereof, the parties hereto do hereby agree as follows:

1. DUTIES

The City hereby agrees to retain the services of Employee as City Manager to perform the functions and duties specified in Title 2, Chapter 2.16 of the La Habra Municipal code and to perform other legally permissible and proper duties and functions as designated by the City Council from time to time.

2. TERMS OF AGREEMENT

(a) Other than part-time employment subject to the prior approval of the City Council, Employee agrees to remain in the exclusive employment of the City and not to become otherwise employed while this Agreement is in effect. Employee agrees that any other employment engaged in by him shall not interfere with the performance of his duties under this Agreement.

(b) The term of this Agreement shall commence on July 1, 2014, and remain in effect for a term of three (3) years, ending on June 30, 2017. The term of the Agreement may be extended only upon the mutual written agreement of both parties. If either of the two parties desire to extend Employee's employment beyond the termination date, they must notify the other party in writing of their proposal no later than six (6) months prior to the Agreement's termination.

(c) This Agreement in its entirety may be renegotiated at any time so long as City and Employee desire and mutually agree to such terms in writing.

(d) The City Council shall conduct an annual performance evaluation of Employee by or before July 1st of each year during the term of this Agreement. The annual performance evaluation shall include goals set forth by the City Council, shall include any pay or benefit enhancements the City Council may feel is warranted, and shall include any extensions of this Agreement that the City Council may feel is warranted. Future annual performance evaluations shall be measured against Employee's achievement of the goals set forth in the previous year's annual performance evaluation.

3. TERMINATION

(a) This Agreement may be terminated by the City Council for cause or misconduct by Employee. After giving notice to Employee that this Agreement is terminated for cause or misconduct, the City shall have no obligation to continue the employment of Employee or to provide compensation or benefits. For purposes of termination, "cause" is defined as willful breach of duty by Employee in the course of employment or habitual neglect of duty by Employee in the course of employment or continued incapacity of Employee to perform the duties of employment as City Manager.

(b) If Employee is terminated by the City Council without cause, then Employee is entitled to a severance pay and benefits as follows: full pay and benefits and CalPERS retirement service credit accrual for six months or through the end of the original term of the contract, whichever is shorter. Six (6) months prior to the beginning of the third year of this Agreement, the City Council and Employee shall reopen this section for discussion to determine whether the six month severance time period discussed above shall be extended to nine months or through the end of the original term of the contract, whichever is shorter.

(c) Employee may voluntarily terminate this Agreement any time upon thirty (30) days written notice to the City Council and shall not be entitled to any severance pay or benefits upon such voluntary termination.

4. COMPENSATION

(a) Employee shall receive, as salary for his performance of the duties of City Manager, the sum of $213,808.00 per year.

(b) Employee shall contribute 7% of his salary towards the City's PERS retirement plan cost.

(c) The City shall maintain a minimum of a five (5) percent differential between Employee's salary and that of the next highest paid employee for the term of this agreement.

(d) For each pay period, City shall contribute an amount that is two (2) percent of Employee's salary for such pay period to his personal 457 Deferred Compensation Plan account.

5. EMPLOYEE BENEFITS

(a) Employee shall be entitled to all of the same types and categories of benefits as other City Executive Management employees, including, but not limited to, sick leave accrual, health benefits insurance coverage, long-term disability insurance, life insurance, and CalPERS retirement plan.

(b) Notwithstanding the above, the City shall pay for 90 percent of the costs of all insurance coverage offered by the City and provided for Employee, the Employee's spouse, and the Employee's dependents.

(c) Employee shall accrue 160 hours of vacation leave annually, which may be increased in an amount as determined by the City Council.

(d) Employee shall be credited with 64 hours of non-accruable administrative leave each fiscal year.

(e) Employee's expenses for attendance at employment related conferences, seminars, training, meetings, or membership dues for employment related associations, or certification/re-certification fees related to such memberships shall be paid for in advance, or reimbursed to the Employee, by the City.

(f) Employee shall be subject to the City's Travel and Meeting Reimbursement Policy.

(g) Employee's prior years of service with City shall not be otherwise reduced or adversely impacted by the execution of this Agreement for purposes of, but not limited to, calculation, accrual or distribution of benefits.

6. INDEMNIFICATION

City shall defend, save harmless, and indemnify Employee against any claim for negligent tort or omissions, professional liability claim or demand, or other legal action, whether groundless or otherwise, arising out of an alleged negligent act or omission occurring in the performance of his duties as Employee in accordance with the provisions of California Government Code Section 825. Said indemnification shall extend beyond termination of employment to provide full and complete protection to Employee by City for any acts undertaken or committed in his capacity as Employee, regardless of whether the notice of filing of a lawsuit for such tort, claim, demand, or other legal action occurs during or following employment with City.

7. NOTICES

Any notices to be given hereunder by either party to the other shall be in writing and may be transmitted by personal delivery or by mail, postage prepaid. Mailed notices shall be addressed to the parties as follows:

If sent by Employee to City:	If sent to Employee by City:
City Clerk City of La Habra 201 E. La Habra Blvd. La Habra, CA 90631	James Sadro 223 Winding Lane Brea, CA 92821

Notices delivered personally shall be deemed communicated as of the date of actual receipt; mailed notices shall be deemed communicated as of the date of postmark.

8. ATTORNEYS' FEES

In the event any legal proceeding is instituted to enforce any term or provision of the Agreement, the prevailing party in said legal proceeding shall be entitled to recover reasonable attorneys' fees and costs from the opposing party in an amount determined by the Court to be reasonable not to exceed the La Habra City Attorney's current hourly rate.

9. REIMBURSEMENT TO CITY REQUIRED

Notwithstanding the foregoing, the following provisions requiring reimbursement for certain compensation and/or indemnification provided to Employee by the City apply:

(a) Paid Leave:

Pursuant to Government Code section 53243, in the event that Employee is convicted of a crime involving the abuse of his office or position, as defined by Government Code section 53243.4, with the City, any paid leave salary provided by the City for the time period in which the Employee is under investigation for such crimes shall be fully reimbursed by Employee to the City.

(b) Legal Defense:

Pursuant to Government Code section 53243.1, in the event that Employee is convicted of a crime involving abuse of his office or position, as defined by Government Code section 53243.4, Employee shall fully reimburse the City for all the costs of his legal criminal defense.

(c) Severance:

Pursuant to Government Code section 53243.2, in the event that Employee is convicted of a crime involving abuse of his office or position, as defined by Government Code section 53243.4, Employee shall fully reimburse the City for any cash settlement, including but not limited to severance pay, paid to Employee related to his termination under this Agreement.

10. ENTIRE AGREEMENT

This Agreement supersedes any and all other agreements whether oral or written, between the parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to said matter, and each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that any other agreement or modification of this Agreement shall be effective only if executed in writing and signed by both City and Employee.

11. VALIDITY

The validity in whole or in part of any provision of this Agreement shall not void or affect the validity of any of the other provisions of this Agreement.

12. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

13. EFFECT OF WAIVER

The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the date and year first above written.

CITY OF LA HABRA:

TOM BEAMISH, MAYOR

EMPLOYEE:

JAMES SADRO

ATTEST:

CITY CLERK, CITY OF LA HABRA
A Municipal Corporation of the State of California

TAMARA D. MASON, MMC
CITY CLERK, CITY OF LA HABRA

APPROVED AS TO FORM:

RICHARD D. JONES
CITY ATTORNEY