

CITY MANAGER EMPLOYMENT AGREEMENT

THIS CITY MANAGER EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 14th day of May 2013 by and between the CITY OF PALOS VERDES ESTATES, California, a Municipal Corporation, hereinafter called the "CITY," and ANTON DAHLERBRUCH, hereinafter called "EMPLOYEE."

RECITALS

A. City desires to engage the services of Employee, and Employee desires to accept employment as City Manager of the City of Palos Verdes Estates.

B. The City Council desires to accomplish the following:

- (1) Retain the services of Employee and provide inducement for him to remain in such employment;
- (2) Make possible full work productivity by assuring Employee's future security;
- (3) Encourage the highest standards of fidelity and public service on the part of Employee; and
- (4) Provide a just means for terminating Employee's services at such time as he may be unable fully to discharge his duties, or when City may desire otherwise to terminate his employment.

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

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

1. Appointment/Duties. As of the effective date set forth in Section 2, City appoints and agrees to employ Employee as full-time City Manager of City to perform the functions and duties specified in the job specification and the Municipal Code (Chapter 2.08) and the Government Code of the State of California, and to perform such other legally permissible and proper duties and functions as the City Council may from time to time assign. Employee is expected to conform to the ICMA Code of Ethics and must comply with all applicable provisions of the City's conflict of interest code. Employee shall not consult or engage in other non-City connected business (other than community volunteer) without the prior knowledge and express written approval of the City Council.

2. Term. The Term of this Agreement is three years and shall commence June 3, 2013 ("effective date"), and continue to June 3, 2016, unless terminated by either party as provided herein.

3. Termination and Resignation.

A. Employee is an at-will employee holding office at the pleasure of the City Council as provided in PVEMC section 2.08.010. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate, by a majority vote of the City Council, the services of Employee without cause, at any time during the term of this Agreement, subject only to the City providing written notice to Employee and complying with paragraph D of this Section 3. City's obligation to make contributions to Employee's retirement plan and to pay insurance premiums and other benefits shall cease upon termination of the employer-employee relationship with Employee.

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from Employee's position with City, subject only to Employee providing 30 days prior written notice to the City.

C. Notwithstanding the provisions of Paragraph A of this Section 3, in the event Employee is terminated by City for "cause," then City may terminate this Agreement immediately and Employee shall be entitled to only the compensation accrued up to the date of termination. As used in this section, "cause" shall mean any of the following:

- (1) Conviction of any felony or crime of moral turpitude.
- (2) Conviction of a misdemeanor arising directly out of the Employee's duties pursuant to this Agreement.
- (3) Willful abandonment of duties or removal from office by a Grand Jury.
- (4) Pattern of intentional failure to comply with lawful direction given by City Council at a public meeting or failure to competently discharge duties resulting in two below acceptable written performance evaluations at least six months apart.

D. In the event Employee is terminated by the City Council at any time during the term of this Agreement that Employee is still willing and able to perform the duties required by the Agreement, and the termination is without cause as "cause" is defined in Paragraph C above, then, subject to the limitations set forth in Government Code Section 53260, the City shall pay Employee a lump sum cash payment equal to six months base salary ("Severance"). In addition, City shall extend to Employee, at his sole expense, the right to continue health insurance as may be required by and pursuant to the terms and conditions of the Consolidated Omnibus Budget Reconciliation Act Of 1986 (COBRA). The word "termination" in this paragraph shall include a reduction in salary or other financial benefits of Employee, unless in the same percentage of an across-the-board reduction for all management employees, or elimination of Employee's position (except as provided in Paragraph 3(C)), or Employee's resignation, if preceded by a request by the City Council that he resign. Employee is the City Manager for the purposes of the benefits under the Joint Powers Insurance Authority of which the City is currently a member, although not obligated by this contract to maintain its membership.

E. Effect of Payment of Severance/Release.

(1) It is understood and agreed by the parties hereto that Employee is employed at will, and that upon the City's full payment of Severance benefits to Employee, any right of Employee to continued employment with City is terminated and Employee releases and discharges City and its officers, agents and employees from any claim, demand, or cause of action or damages for wrongful termination.

(2) This Section does not otherwise affect, waive, nor release any other rights Employee may have under this Agreement or applicable law which cannot be superseded by this Agreement.

(3) This Section will survive termination of the Agreement.

4. Revolving Door. Employee must comply with Government Code § 87406.3 for a period of one year after separating from service with City. This section will survive termination of this Agreement.

5. Salary, Additional Compensation and COLA. City agrees to pay Employee for the services required by this Agreement an annual base salary of \$200,000 payable on the City's regular paydays.

At any time as desired by the City Council, but at least annually, City agrees to review Employee's performance and/or to establish specific goals for Employee.

The City Council, may, at its sole discretion, decide to award Employee additional compensation for a cost of living adjustment or for outstanding performance on such terms as it deems appropriate. Any salary increase during the term of this Agreement shall be by amendment to this Agreement.

6. Other Compensation.

A. Vehicle allowance. The City shall pay Employee an additional \$375 per month as a vehicle allowance. The vehicle allowance is intended to reimburse Employee for the use of his private vehicle for City business. Employee must provide his own vehicle for his use in performing his duties and is responsible for all maintenance, repair, fuel and insurance expenses for said vehicle.

B. Cell phone allowance. The City shall pay Employee an additional \$60 per month as a cell phone allowance. The cell phone allowance is intended to reimburse Employee for the use of his mobile phone, which is necessary to assure availability in the event of an emergency and for the general convenience of the City. Employee must provide his own mobile phone for use in performing his duties.

C. Deferred compensation. As of the Effective Date, Employee shall be eligible to contribute to 457k and 401(a) plans offered through the ICMA Retirement Trust.

7. Hours of Work. Employee's duties may involve expenditures of time in excess of eight hours per day, 40 hours per week, and may also include time outside normal office hours such as attendance at City Council meetings, although Employee may manage his time. Employee shall be exempt from paid

overtime compensation and from Fair Labor Standard Act work hours restrictions and may modify his schedule within reason to adjust for attendance at meetings at night and during other times outside of ordinary business hours.

8. Retirement and Insurance Benefits.

A. Retirement. During the term of this Agreement, City shall contribute the employer's portion of Employee's membership in the Public Employees Retirement System (PERS). The employee's portion of Employee's membership is 7% of his salary. The City agrees to apportion responsibility for the Employee's portion as follows: Effective June 3, 2013, Employee shall contribute 2% and the City shall contribute 5%; effective July 1, 2014, Employee shall contribute 4% and the City shall contribute 3%; effective July 1, 2015, Employee shall contribute 6% and the City shall contribute 1%. The retirement formula for Employee shall be 2%@55. Employee shall pay any legally required Social Security withholding.

B. Medical and Other Insurance. City shall pay the full premium for health insurance for Employee and Employee's dependents as of the effective date of this Agreement (baseline premium) and any annual increase up to 10% of the baseline premium. Employee shall pay the annual increase amount above the baseline premium, if any. These include health, dental, and vision. If still in effect upon retirement, Employee shall be entitled to retiree medical insurance benefits set forth in paragraph 4.3 of Resolution R11-27, as it may be amended from time to time or its successor policy governing management and confidential positions.

C. Life Insurance. As provided to other city employees, employee shall receive \$200,000 Life Insurance coverage as part of the City's group life insurance policy. Employee shall designate the policy beneficiaries.

D. Disability Insurance. City will pay the full premium of the disability insurance on the terms provided to the City by Reliance Standard in effect on the effective date of this Agreement. The City reserves the right to terminate the disability insurance should the premium costs increase by over 25% in any policy year.

E. Other Benefits. City shall provide and pay for all other insurance mandated by State law.

F. Waiver. Employee waives any other insurance benefits.

9. Sick Leave, Vacation and Holidays.

A. Sick Leave. Employee shall be entitled to 12 days of sick leave per year or the same number of days provided to other management staff, whichever is greater. The City's sick leave policy shall apply to Employee.

B. Vacation and Holidays. Employee shall be entitled to paid vacation in accordance with the personnel rules consistent with accrual, including the cap on the number of hours subject to accrual, of management and

confidential employees. Employee shall also be entitled to the same number of paid holidays per year as provided in the Municipal Code. On the first day of his employment under this Agreement, the City shall credit Employee with 40 hours of accrued Vacation.

C. Executive Leave. Employee shall be entitled to 12 days of executive leave per fiscal year. On the first day of his employment under this Agreement, the City shall credit Employee with 80 hours of accrued Executive Leave. Executive leave for the first year shall be prorated based on length of service. Employee's unused Executive Leave shall be lost and not paid as additional salary.,

10. Memberships.

A. Professional. City agrees to pay Employee's membership dues in the International City Management Association ("ICMA"), and Employee shall have a reasonable right to attend meetings of the ICMA and the California League of Cities at City expense.

B. Community. Subject to approval by the concessionaire, City shall arrange for membership to be made available to Employee, at Employee's sole expense, in one of the following: Palos Verdes Golf Club, Palos Verdes Beach Club, Palos Verdes Tennis Club, or Palos Verdes Stables. The City shall use its best efforts to have the initiation fee waived. Employee shall pay any monthly fees.

11. Expenses. City recognizes that Employee may incur certain expenses of a nonpersonal and job affiliated nature. City agrees to reimburse Employee for reasonable expenses that are submitted within thirty days for approval and that are supported by expense receipts, statements or personal affidavits, and an audit thereof in like manner as other demands against the City. Employee shall also be entitled to the same expense reimbursement benefits as other City classified staff.

12. Other Terms and Conditions of Employment. 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 provisions of this Agreement, the Municipal Code, or other applicable law.

13. General Provisions.

A. The text herein shall constitute the entire agreement between the parties. No representations have been made or relied upon except as set forth herein. This Agreement may be amended or modified only by written agreement of the Parties.

B. If Employee dies or becomes incapacitated during the term of this Agreement, any accrued and unpaid wages provided by the terms of this Agreement shall be paid by City to employee's beneficiaries.

C. If any provision or portion hereof contained in this Agreement is held to be unconstitutional, invalid or unenforceable the remainder of

this Agreement or portion thereof shall be deemed severable and shall not be affected and shall remain in full force and effect unless to do so would defeat the intent of this employment agreement.

D. This Agreement shall be effective as of May 14, 2013.

E. In the event that any provision of this Agreement conflicts with a provision of the City's Municipal Code, Personnel Rules or other City policy, the provisions of this Agreement shall govern.

14. Notices. All notices or other communications required hereunder shall be in writing and shall be personally delivered (including by means of a professional messenger service), or sent by First Class, prepaid U.S. mail with a copy either sent by fax or email. Unless otherwise indicated in writing, such notice shall be addressed as follows:

TO CITY: City of Palos Verdes Estates
340 Palos Verdes Drive West
Palos Verdes Estates, CA 90274
FAX: 310-378-5980
EMAIL: citycouncil@pvestates.org
Attn: Mayor

TO EMPLOYEE: Anton Dahlerbruch
At the home address then shown in City's files

15. Assembly Bill 1344 Compliance

To the extent CITY provides: (i) paid leave to Employee pending an investigation; (ii) funds for the legal criminal defense of the Employee; and/or (iii) a cash settlement to Employee related to the termination of the Employee, pursuant to this Agreement and Government Code Section 53243 et seq., Employee shall fully reimburse the City for any and all amounts paid by the City which fall within subsections (i) through (iii) in the event that the Employee is convicted of a crime involving the abuse of his office or position.

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

CITY OF PALOS VERDES ESTATES

By Ellen Perkins
ELLEN PERKINS, MAYOR PRO TEMPORE

ATTEST



VICKIE KRONEBERGER
DEPUTY CITY CLERK

EMPLOYEE



ANTON DAHLERBRUCH