CITY OF CHICO
EMPLOYMENT AGREEMENT
Administrative Services Director

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into on October 5, 2014, by and between the City of Chico, State of California, a municipal corporation (the "City") and Frank Fields ("Employee"). The City and Employee may be collectively referred to herein as the "Parties".

WHEREAS, Employee currently serves as the Accounting Manager of the City; and

WHEREAS, the City desires to employ Employee as Administrative Services Director of the City, and to perform such related duties and functions;

WHEREAS, Employee desires to serve as Administrative Services Director;

WHEREAS, the City and Employee desire to agree in writing to the terms and conditions of Employee's employment as Administrative Services Director.

NOW, THEREFORE, the Parties hereto agree as follows:

Section 1. EMPLOYMENT.

City agrees to employ Employee to perform the following services:

a. Employee agrees to serve as the Administrative Services Director, responsible for managing and directing the Administrative Services Department under the direction of the City Manager. Employee's responsibilities as Administrative Services Director shall include acting as, and performing the duties of, the Finance Director as defined in the Chico City Charter, Chico Municipal Code and other applicable laws.

b. Employee shall perform the duties of the position, as described in the job description for Administrative Services Director and the Chico Municipal Code and shall act as the City's auditor for investigations of fraud, waste and abuse in City operations when so assigned by the City. Employee shall perform the duties of his position to the best of Employee's ability in accordance with professional and ethical standards of the profession and shall comply with all general rules and regulations established by the City.

c. Employee shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with the reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission (FPPC) and the City's Conflict of Interest Code.

d. Employee agrees to remain in exclusive employ of the City during the term of this Agreement.

Section 2. TERM, TERMINATION.

The term of this Agreement shall commence on October 5, 2014, and shall continue until terminated by either Employee or City as follows:

a. Employee may terminate this Agreement at any time upon providing fourteen (14) days advance written notice to City.

b. The City may terminate this Agreement at any time upon the City Manager providing notice to Employee of the effective date of the termination.

Employee understands, acknowledges and agrees that the position for which City is hiring Employee is an at-will position which is not within the classified service of the City and that the City may terminate this Agreement at any time with or without advance notice and that there is no express or implied promise made to Employee for any form of continued employment.

In the event Employee's employment with the City is terminated, City shall pay Employee any accrued and unpaid salary and the cash value of any accrued vacation leave, all subject to federal and state withholding requirements. Such amount shall be paid within thirty (30) days of the Employee leaving City employment.

Section 3. SEVERANCE BENEFIT.

In the event this Agreement is terminated by the City, a severance benefit of four (4) months shall be provided to Employee.

Section 4. PERFORMANCE EVALUATION.

The City Manager shall evaluate Employee's performance annually and may, in addition, establish goals and performance objectives to be accomplished during the next year and used as one basis for the next performance evaluation.

Section 5. SALARY.

a. Base Salary. City agrees to pay Employee an annualized base salary at the rate of one hundred thirty-nine thousand dollars ($139,000), payable bi-weekly, at the same time as other employees are paid and subject to customary withholding.

b. Merit Increases. Upon the conclusion of the annual performance evaluation by the City Manager of Employee's performance, the City Manager may increase Employee's base salary in an amount not to exceed five percent (5%) per year. Such merit increases are not automatic and are at the discretion of the City Manager. The failure of the City Manager to complete an annual performance evaluation by April 10 of any year shall be deemed to be a satisfactory evaluation for that year for the purposes of the granting of a merit increase.

Section 6. BENEFITS.

Employee shall be entitled to the employment benefits as set forth in Exhibit "A" hereto. As used herein, "benefits" include, but are not limited to vacation, sick leave, paid holidays, management leave, retirement benefits and payments, health insurance, dental insurance, and life insurance. The benefits provided shall be with the plans generally offered by the City to employees of the City as they exist at the date this contract is entered into and as may be

amended or changed from time to time.

Section 7. PROFESSIONAL DEVELOPMENT

The City Manager shall include an amount in the proposed budget for each year, consistent with the City's policies, to allow Employee to attend professional conferences, training programs, and to pay for Employee's dues in professional organizations and cost for certifications and certification materials. Memberships include the California State Municipal Finance Officers (CSMFO), Government Finance Officers Association (GFOA), Association of Government Accountants (AGA), the American Institute of Certified Public Accountants (AICPA), the International City/County Managers Association (ICMA), and/or any other organization which pertain to performing the duties associated with serving as the City's Finance Director and Administrative Services Director.

Section 8. NOTICES.

Any notices required by this Agreement shall be in writing and either given in person or by first class mail with postage prepaid and addressed as follows:

To City: Mark Orme
City Manager
City of Chico
P.O. Box 3420
411 Main Street
Chico CA 95928

To Employee: Frank Fields
Administrative Services Director
City of Chico
P.O. Box 3420
411 Main Street
Chico CA 95928

Copy to: Vincent C. Ewing
City Attorney
City of Chico
P.O. Box 3420
411 Main Street
Chico CA 95928

Notice shall be deemed given as of the date of personal service or as of the date of deposit in the U.S. Postal Service.

Section 9. ASSIGNMENT.

This Agreement is not assignable by either City or Employee.

Section 10. SEVERABILITY.

If any provision or any portion of the Agreement is held to be illegal or void by a court having jurisdiction over the Parties, the remainder of this Agreement shall remain in full force and effect, unless the parts found to be void are wholly inseparable from the remaining portions of the Agreement.

Section 11. ENTIRE AGREEMENT

This Agreement is the final expression of the complete agreement of the Parties with respect to the matters set forth herein and supersedes in their entirety all prior oral or written agreements. This Agreement cannot be modified except by written mutual agreement signed by the Parties.

Section 12. COUNTERPARTS.

This Agreement may be executed in one or more counterparts each of which shall be deemed and original and all of which shall constitute one and the same instrument.

City:

Mark Orme
City Manager

Employee:

Frank Fields

APPROVED AS TO FORM AND CONTENT:

Vincent C. Ewing, City Attorney

Authorized pursuant to CMC § 2R.04.490

EXHIBIT A

LEAVE

Employee shall be entitled to the following leave benefits:

Holidays - Employee shall be entitled to observe all legal holidays recognized by the City on the days that they are observed by the City.

Sick Leave –Sick leave shall accrue, without limitation at the amount of 8 hours per month. Sick leave may be used for actual personal sickness of or injury to Employee or Employee's family member, and for medical, dental and vision care appointments. "Family member" includes a spouse, children, step-children, parent, step-parents and parents-in-law. Time off work as a result of a proven job-related illness shall not be charged against accumulated sick leave.

Sick leave shall be deducted from accrued sick leave on an hour-for-hour basis. If Employee utilizes all of Employee's accrued sick leave and is still unable to return to work due to illness or injury, Employee shall automatically be placed on leave without pay, unless Employee advises the Finance Department to charge the additional sick time against accrued vacation leave.

If Employee becomes eligible to retire on an ordinary disability retirement, pursuant to the City's contract with the Public Employees Retirement System, due to a non-job-related illness or injury, Employee shall be entitled to utilize all of Employee's accrued sick leave prior to the effective date of such retirement.

Upon termination of service, no compensation for accrued sick leave shall be made except that: 1) upon retirement or termination in good standing, Employee may, depending on years of City service, convert up to 60% of accrued sick leave to cash, in an amount not to exceed $5,000 (see Attachment 1 for schedule); and 2) upon a service retirement, accumulated sick leave shall be credited to Employee's retirement account in accordance with the provisions of the retirement plan referenced herein, except that in the event of any election to convert such sick leave to cash, the retirement sick leave credit shall be reduced commensurately.

Birth or adoption of a child - In the event of the birth or adoption of a child, Employee shall be entitled to leave of absence with pay for a period of ten (10) consecutive days. Such leave shall only be taken within fourteen (14) days after the date of such birth or adoption.

Bereavement leave - If any member of Employee's immediate family dies, Employee shall be entitled to a period of five (5) work days of leave with pay. Such leave shall be taken within seven (7) days after the death of the family member or within seven (7) days of the date of the funeral or memorial service for the deceased. Immediate family shall include a spouse, child, step-child, parent, step-parent, sibling, parent-in-law, grandparent, spouse's grandparent or grandchild.

Vacation –As of the date of this Agreement, Employee shall accrue vacation at the rate as set forth on Attachment 1 which sets forth the rate of accrual and maximum accrual rates. Employee's prior service with the City will be used to establish the current rate of accrual.

Floating Holiday - Employee shall be entitled to one (1) day of floating holiday leave per calendar year. Floating holiday leave which is not used during a calendar year shall not carry over to the next year and any floating holiday leave not taken by December 31 of any year shall be removed, without compensation.

Management Leave - In addition to the other leaves granted herein, Employee shall be entitled to ninety-six (96) hours of management leave per calendar year. Management leave which is not used during a calendar year shall not carry over to the next year and shall be removed without compensation.

INSURANCES

Life insurance - City agrees to provide Employee with term life insurance in the amount of one thousand dollars ($1,000) per each one thousand dollars ($1,000) in salary, and Employee's spouse and minor children with term life insurance in the amount of one thousand five hundred dollars ($1,500).

Long-term disability insurance - City agrees to pay its long-term disability insurance carrier sixty percent (60%) of the monthly premium cost of the long-term disability insurance plan for Employee with a minimum contribution of one percent (1%) of Employee's salary. Employee agrees to pay the remaining forty percent 40% of such monthly premium. If the total rate for the plan is less than the one percent (1%) minimum contribution set forth above, the City's contribution shall be the actual premium amount and Employee shall not be required to make a contribution.

City shall structure the manner in which the premium is paid so that the long-term disability insurance premium is considered a post-tax employee-paid contribution so that benefits which might be received by Employee would be treated as such for tax purposes.

Vision insurance - City agrees to provide Employee with vision insurance which provides vision care benefits to Employee only. Employee may purchase vision insurance coverage for Employee's spouse and dependent children at Employee's sole cost and expense through a bi-weekly payroll deduction of the additional premium amount.

Medical and Dental Insurance - City agrees to provide a maximum contribution toward medical and dental insurance as set forth in Attachment 2.

Workers Compensation- City agrees to provide workers' compensation insurance in accordance with all applicable provisions of California law. It is recognized that, as a long standing City practice, City has provided its miscellaneous employees the same workers' compensation benefits as provided to safety employees under California Labor Code section 4850. City agrees to continue to provide such benefits to Employee provided that such Labor

Code section remains applicable to City's safety employees.

FICA - Medicare Contribution

Contribution - The Federal Insurance Contributions Act (FICA) mandates that employees hired after April 1, 1986, be covered by and make payroll contributions for the Medicare portion of the Act at a rate of 1.45% of their salary. The City is also required to contribute 1.45% of salary for such coverage. City agrees to pay both the City and employee contributions. If, in the future, the Federal Government mandates that all City employees shall be covered by and make payroll contributions for the Medicare portion of FICA, Employee shall be required to make the employee contribution and City's payment thereof shall terminate.

RETIREMENT PLAN

PERS- City will provide Employee with the retirement benefits set forth in that certain "Contract Between the Board of Administration, Public Employees' Retirement System and the City Council of the City of Chico" which was in effect as of the date of this contract.

City shall pay the required City contribution rate and Employee shall pay the Employee contribution rate as established by that contract.

VEHICLE ALLOWANCE

City shall pay Employee a vehicle allowance of two hundred dollars ($200) per month in lieu of any other mileage reimbursement for the purpose of owning, maintaining and insuring a personal vehicle. Employee must maintain in full force and effect a liability insurance policy covering such vehicle and Employee's use thereof, with liability limits of at least five hundred thousand dollars ($500,000) combined single limits. The payment of this vehicle allowance shall be for full months of employment during which the requirement for maintenance of a vehicle and insurance are met.

ATTACHMENT 1

VACATION ACCRUAL

Employee shall accrue vacation leave in accordance with the following schedule:

Length of Service	Bi-weekly accrual rate	Annual accrual rate	Maximum accrual
7th through 144	5.85	152.10	380
145th through 156th month	6.16	160.16	400
157th through 168th month	6.47	168.22	420
169th through 180th month	6.78	176.28	440
181th through 192th month	7.09	184.34	460
193th through 204th month	7.39	192.14	480
205th month and forward	7.69	199.94	500

SICK LEAVE CONVERSION UPON TERMINATION

Employees may convert accrued sick leave to cash in accordance with the following schedule:

Years of City Service	Maximum Conversion %/Maximum $ Amount
0-5 years	0
5-10 years	15% / $1,500
10-15 years	30% / $3,000
Over 15 years	60% / $5,000

Attachment 2

MEDICAL AND DENTAL INSURANCE CARRIERS AND CONTRIBUTIONS

City shall provide Employee with medical and dental insurance through the carrier or carriers with which City contracts to supply such insurance benefits for City employees.

City Contributions - The City and Employee shall each contribute to the City's cost of the health insurance premiums as set forth below.

January 1, 2014					
MEDICAL					
City Contribution					
	EPO	PPO 90/10	PPO 80/20	HDHP	HSA*
Single	501.00	327.29	371.18	374.00	78.14
Double	1080.00	692.21	787.94	797.00	125.02
Family	1385.13	901.03	1023.12	1026.00	156.27
Employee Contribution					
	EPO	PPO 90/10	PPO 80/20	HDHP	HSA
Single	79.00	252.71	163.82	0.00	-
Double	154.00	540.79	349.06	0.00	-
Family	203.87	686.97	442.88	0.00	-
DENTAL					
		City Contribution		Employee Contribution	
Single, Double Family		62.03		20.67	
VISION					
		City Contribution		Employee Contribution	
Single		5.40		0.00	
Double		5.40		5.41	
Family		5.40		8.75	

Subsequent Premium Increases
In the event that the City's premium rates increase in the future, City and Employee shall negotiate regarding the amount of the City and Employee share of those increased premiums. In the event an agreement as to such contribution rates is not reached prior to increased rates becoming effective, the dollar amount of the City's share shall remain as set forth above and the Employee shall pay the increased amount until a different agreement is reached.

Employee not Required to Participate in City's Insurance Plan
If Employee has alternative group medical insurance coverage Employee is not required to participate in City's medical insurance plan. In order to opt out of coverage under the City's medical insurance plan, Employee is required to provide verification of such alternative coverage to the Human Resources Office during an enrollment period and must continue to provide

verification of coverage under another plan during the open enrollment period in all subsequent years that Employees choose to opt out of City's medical insurance plan. At any time during which Employee opts out of City's medical insurance plan, Employee shall receive a payment of $200.00 per month:

1. Into Employee's Medical Flexible Spending Account established with the City's Section 125 Plan; or
2. Into Employee's City deferred compensation account; or
3. As cash to the Employee.

If Employee ceases to be covered by alternative coverage at any time, Employee shall be required to immediately enroll in City's medical insurance plan.

4848-9252-4318, v. 1