

EMPLOYMENT AGREEMENT
Deborah R. Presson/City of Chico

This Agreement is made and entered into between the City of Chico of the State of California, a municipal corporation, ("the City") and Deborah R. Presson ("Presson").

RECITALS

WHEREAS, the Charter of the City of Chico ("Charter") provides for the appointment by the City Council ("Council") of a city clerk; and

WHEREAS, the Council desires to employ Presson as City Clerk of the City of Chico; and

WHEREAS, Presson desires to serve as City Clerk of the City of Chico; and

WHEREAS, the City Council, as City's appointing power, and Presson desire to agree in writing to the terms and conditions of Presson's employment as City Clerk.

AGREEMENT

The City and Presson agree as follows:

1. Duties and Authority
 - a. The City hereby employs Presson to hold the office and perform the functions and duties of City Clerk, as specified in Article IX of the Charter of the City of Chico, and such other legally permissible and proper duties and functions as the Council may assign.
 - b. The parties affirm that (1) Presson is an at-will employee of the City whose employment as City Clerk may be terminated by the City at any time without cause; (2) there is no express or implied promise to Presson in this Agreement for continued employment by the City as City Clerk; and (3) this Agreement is the sole and exclusive basis for the employment relationship between Presson and the City as to the office of City Clerk.
 - c. Presson shall not engage in any activity which is or may become a conflict of interest or a contract prohibited by law, or which may create an incompatibility of office as defined under California law.
 - d. Presson agrees to remain in the exclusive employ of the City during the term of this Agreement, however, the Agreement shall not be construed to preclude incidental and occasional teaching or writing performed by Presson on Presson's time off.

2. Salary and Benefits

- a. The City shall pay Presson an annual base salary of \$132,710.50, payable in bi-weekly installments at the same time and in the same manner as other City employees are paid and subject to customary withholding of sums required by federal and state income tax payments, and other amounts customarily withheld from salary, such as Presson's share of insurance premium payments.
- b. During Presson's tenure as City Clerk, Presson shall be entitled to the employment benefits set forth in Exhibit "A" hereto. As used herein, "benefits" include, but are not limited to, vacation, sick leave, paid holidays, administrative leave, deferred compensation, retirement benefits and payments, health insurance, dental insurance, and life insurance.
- c. Pursuant to an annual evaluation by the Council of Presson's performance, the Council may, by minute order or resolution, increase Presson's salary or benefits or both.

3. Performance Evaluation

- a. Upon execution of this Agreement, the Council and Presson shall confer on goals, expectations and objectives for Presson to be used as the basis for an initial performance evaluation during April of 2013. The Council and Presson shall also develop criteria and a format for an annual performance evaluation.
- b. In April of each year thereafter, the Council shall conduct an evaluation of Presson's performance using the process and criteria mutually agreed upon between Presson and Council and shall define and prioritize goals, expectations and performance objectives for Presson for the next twelve months.

4. Term; Termination

The term of this Agreement shall commence on the date first set forth above and remain in full force and effect until terminated as follows:

- a. (1) A majority of Council (four of seven members) votes, at a duly noticed Council meeting, to terminate Presson's employment without cause; or
(2) Presson resigns in writing following an offer by a majority of the Council to accept Presson's resignation in lieu of termination;
- b. Subject to federal and state law, the City may terminate this Agreement and Presson's employment under it if Presson becomes permanently disabled or suffers a serious health condition such that he is unable to perform her duties.
- c. Presson may resign in writing at any time and agrees to provide written notice to the

Council 180 days in advance of the effective date of resignation. Such a resignation terminates this Agreement without any action by Council.

- d. Upon Presson's conviction of any crime involving moral turpitude or any felony.

5. Severance Pay

- a. If Presson's employment is terminated under any circumstances described in subsection 5.a., above, the City shall pay Presson severance pay as follows: 1) twelve (12) months salary, determined by reference to Presson's salary in effect on the date of termination; and 2) the value of all accrued but unused administrative, sick, vacation and other leave for which Presson would be entitled to be paid upon termination of this Agreement as set forth in Exhibit A hereto. The aggregate amount paid for such leaves shall be calculated by dividing Presson's then current salary by two thousand eighty (2080) and multiplying the result by the sum of all leave hours eligible for compensation under this subsection. This cash payment may be paid, at the option of Presson in one (1) lump sum upon date of termination, or in one (1) lump sum on January 1 of the calendar year following termination, or in six (6) equal monthly installments commencing upon the date of termination. Such payment(s) will release the City from any further obligations under this Agreement.
- b. Presson shall be required to reimburse City for any payment made under subsection a., above if, after receiving such payment, she is convicted of a crime involving abuse of office or position as the City Clerk. For purposes of this section, the term "abuse of office or position" shall have the meaning set forth in California Government Code § 53243.4.
- c. If Presson's employment is terminated with cause or pursuant to either subsection 5.b., 5.c., or 5.d., above, the City is not obligated to pay severance of any kind, except for the value of accrued but unused leave to which Presson is entitled.

6. Bonding

Pursuant to section 903 of the Charter, the City shall bear the full cost of any fidelity or other bonds required of Presson under any law or ordinance.

7. Defense and Indemnification

- a. The City shall provide a defense to Presson as to any claim, action, suit or proceeding against Presson for any tort, professional liability claim, or other cause or demand of a civil nature, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Presson's duties as City Clerk or resulting from the exercise of discretion by Presson in connection with the performance of Presson's duties and responsibilities as City Clerk, unless the act, omission, or exercise of

discretion involved intentional, willful or wanton misconduct by Presson. Presson may request, and the City shall not unreasonably refuse to provide, independent legal counsel at the City's expense to defend Presson in any such action, suit or proceeding. If the City agrees to Presson's request, the choice of such legal counsel shall be made by the City. The defense provided by the City for Presson shall continue until a final conclusion of the claim, action, suit or proceeding, including any appeals brought by any party.

- b. The City shall indemnify Presson against any and all losses, damages (except punitive damages), judgments, interest, settlements, fines, court costs, and other reasonable costs and expenses of civil legal proceedings, including attorneys fees awarded against Presson, and any other liabilities incurred by, imposed upon, or suffered by Presson in connection with or resulting from any claim, action, suit or proceeding in which Presson is entitled to a defense by the City pursuant to subsection a, above. Any settlement of any such claim, action, suit or proceeding may only be made with prior approval of the City in order for indemnification, as provided in this section, to be available to Presson.
- c. The City shall have no obligations of any kind to Presson under this Agreement as to any criminal matter in which Presson is a defendant.

8. Notices

Any notice given pursuant to this Agreement shall be given in writing, by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- a. If to City: Mayor, City of Chico
411 Main Street
P.O. Box 3420
Chico, CA 95927
- b. If to Presson: Deborah R. Presson
411 Main Street
P.O. Box 3420
Chico, Ca 95927

Alternatively, notice required pursuant to this Agreement may be given, if to Presson, by personal service on Presson, or, if to the City, by personal service on the Mayor, Vice Mayor, or City Manager.

9. Other Terms and Conditions of Employment

The City, upon agreement with Presson, may establish other terms and conditions of employment, as may be determined from time to time, and relating to Presson's engagement as

City Clerk, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Charter or any other law.

10. Entire Agreement

This Agreement sets forth and establishes the entire understanding between the City and Presson relating to the employment of Presson as City Clerk by the City. Any prior representations by either party to the other, and any prior discussion between the parties are merged into and rendered null and void by the Agreement. During the life of this Agreement, any provision of this Agreement may be amended by the parties by mutual written agreement. Such amendments shall be incorporated into and made a part of this Agreement. This Agreement supersedes in its entirety any prior employment agreement entered into between the City and Presson.

11. Assignment

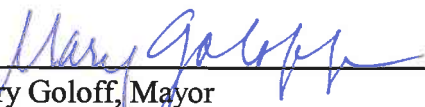
This Agreement is not assignable by Presson or the City.

12. Severability


The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. If any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the judicial expungement or modification of the invalid provisions.

13. Counterparts

This Agreement may be executed in counterparts each of which shall be deemed an original, but all of which together constitute one and the same document.

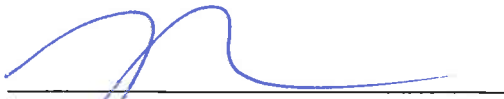


Mary Goloff, Mayor
City of Chico



Deborah R. Presson

Approved as to Form:



Lori J. Barker
City Attorney

Exhibit A

LEAVE

Presson shall be entitled to the following leave benefits:

Holidays - Presson 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 at the rate of 8 hours per month. Sick leave may be used for actual personal sickness of or injury to Presson or a family member of Presson, and for medical, dental and vision care appointments. "Family member" includes a spouse, children, step-children, parent, step-parents and parent-in-law. Time off work as a result of a proven job-related illness shall not be charged against accumulated sick leave.

Upon termination of service, no compensation for accrued sick leave shall be made except: 1) depending on the length of service with City, as set forth on Attachment 1 hereto, at retirement or termination in good standing, Presson may convert up to 60% of her accrued sick leave to cash, in an amount not to exceed \$5,000, and 2) upon a service retirement, accumulated sick leave shall be credited to Presson's retirement account in accordance with the provisions of the retirement plan referenced below, except that in the event of any election to convert such sick leave to cash, the retirement sick leave credit shall be reduced commensurately.

Presson shall be permitted to transfer up to a maximum of 96 hours per calendar year of her accrued sick leave to any other permanent city employee who is ill or injured and has exhausted his or her accrued sick leave for use by such employee as personal (not family) sick leave. This transfer of sick leave, if not used, shall be subject to re-crediting to Presson at her request.

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

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

Vacation - Presson shall accrue vacation at a rate based on length of service with the City. The rate of accrual and maximum accrual rates for vacation are set forth on Attachment 1 hereto. In the event Presson's employment with the City is terminated, City shall pay Presson the cash value of any accrued vacation leave, all subject to federal and state withholding requirements.

Floating Holiday - Presson shall be entitled to one 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 - Presson shall be entitled to 96 hours of management leave per calendar year in addition to the other leaves granted herein. Management leave which is not used during a calendar year shall not carry over to the next year and shall be removed without compensation.

INSURANCE

Life insurance - City agrees to provide Presson with term life insurance in the amount of \$1,000 per each whole \$1,000 in salary, and her spouse and minor children with term life insurance in the amount of \$1,500.

Long-term disability insurance - City agrees to pay its long-term disability insurance carrier 60% of the monthly premium cost of the long-term disability insurance plan for Presson with a minimum contribution of 1% of her salary. Presson agrees to pay the remaining 40% of such monthly premium. If the total rate for the plan is less than the 1% minimum contribution set forth above, the City's contribution shall be the actual premium amount and Presson 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 contribution so that benefits which might be received by Presson would be treated as such for tax purposes.

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

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

Presson agrees that any actions taken by an employee health care committee, as well as any votes of employees, as to changes in health providers or plans shall be advisory only.

Workers Compensation - City agrees to provide workers' compensation insurance in accordance with all applicable provisions of State 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 Presson provided that such Labor Code section remains applicable to City's safety employees.

FICA - Medicare 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 fo 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, Presson shall be required to make the employee contribution and City's payment thereof shall terminate.

Retirement Plan

PERS- City will provide Presson 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, and as subsequently amended, and City shall pay the required City contribution rate as established by that contract.

EPMC- Presson shall contribute a portion of her regular earnings each bi-weekly payroll period as the employee contribution to the retirement plan, in accordance with the applicable provisions of the California Government Code and the aforementioned contract. Effective February 18, 2007, City adopted a resolution implementing the provisions of Government Code Section 20636 (c) (4), which authorizes City to report Employer Paid Member Contribution (EPMC) to PERS as additional compensation for employees. The City shall pay 4% of the 8% employee contribution rate as EPMC.

Attachment I

Vacation Accrual

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

Length of Service	Bi-weekly accrual rate	Annual accrual rate	Maximum accrual balance
7th through 96th month	4.62	120.12	320
97th through 108th month	4.93	128.18	320
109th through 120th month	5.23	135.98	340
121th through 132th month	5.54	144.04	360
133th through 144th month	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

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

<u>Years of City Service</u>	<u>Maximum Conversion %/Maximum \$ Amount</u>
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 AND EMPLOYEE CONTRIBUTIONS The City and Presson shall make the following contributions per month toward the monthly premium rate for Presson’s medical, dental and vision insurance plans, as defined herein. Presson’s share shall vary based on the medical or vision plan selected by the Employee.

January 1, 2013					
MEDICAL					
City Contribution					
	EPO	PPO 90/10	PPO 80/20	HDHP	HSA*
Single	531.23	347.02	393.36	397.00	78.14
Double	1,144.80	733.79	835.77	845.00	125.02
Family	1,468.83	955.57	1,084.59	1,088.00	156.27
Employee Contribution					
	EPO	PPO 90/10	PPO 80/20	HDHP	HSA
Single	83.77	267.98	173.64	0.00	-
Double	163.20	573.21	370.23	0.00	-
Family	216.17	723.43	469.41	0.00	-
DENTAL					
	City Contribution		Employee Contribution		
Single, Double Family	58.53		19.52		
VISION					
	City Contribution		Employee Contribution		
Single	5.40		0.00		
Double	5.40		5.41		
Family	5.40		8.75		

Future Rate Increases

City and Presson shall negotiate regarding the amount of the City’s and Presson’s share of increased premiums in years subsequent to 2013. In the event no agreement as to such contribution rates is reached prior to increased rates becoming effective, the dollar amount of the City’s share shall remain the same as in 2013 and the Presson shall pay the increased amount until a different agreement is reached.

Employees not Required to Participate in City’s Insurance Plan

If Presson has alternative group medical insurance coverage, Presson 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, Presson is required to provide verification of such alternative coverage to the Human Resources Department 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 Presson opts out of City's medical insurance plan, Presson shall receive a payment of \$200.00 per month which Presson can elect to receive in any one of the following manners:

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

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