AMENDMENT TO EMPLOYMENT CONTRACT

BETWEEN

THE CITY OF CHICO

AND

MARK ORME

THIS AMENDMENT TO EMPLOYMENT AGREEMENT ("Amendment") is entered into by and between the City of Chico of the State of California, a municipal corporation, (the "City") and Mark Orme, an individual currently serving as the City Manager ("Orme"). The City and Orme may be collectively referred to herein as the "Parties".

RECITALS

A. The Parties entered into that certain Employment Agreement, commencing on July 3, 2014, a copy of which is attached hereto as Exhibit "A" (the "Employment Agreement") and incorporated herein by reference. The purpose of the Employment Agreement is to set forth the terms and condition whereby the City employs Orme.

B. The Parties desire to amend the Employment Agreement.

C. The Parties desire to enter into this Amendment in order to eliminate the City's obligation to pay four percent (4%) of Orme's eight percent (8%) employee contribution as Employer Paid Member Contribution ("EPMC"). The Parties desire to enter into this Amendment in order to obligate Orme to pay the entire eight percent (8%) rate as employee contribution to his retirement plan.

D. The Parties also desire to enter into this Amendment in order to include the correct employee benefits rates for the calendar years, 2014 and 2015.

THE PARTIES AGREE AS FOLLOWS:

1. Retirement Plan The "Retirement Plan" section consisting of the "PERS" and "EPMC" subsections in Exhibit "A" of the Employment Agreement shall be deleted, and shall be replaced with the following:

Retirement Plan

PERS- City will provide Orme 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.

Orme shall contribute a portion of his 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. Orme shall pay the entire 8% employee contribution rate.

2. Medical and Dental Insurance Carriers and Contributions Attachment 2 of the Employment Agreement shall be deleted, and shall be replaced with the following:

Attachment 2

MEDICAL AND DENTAL INSURANCE CARRIERS AND CONTRIBUTIONS

City shall provide Orme 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 Orme shall each contribute to the City's cost of the health insurance premiums as set forth below.

Effective 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	1,080.00	692.21	787.94	797.00	125.02
Family	1,385.13	901.03	1,023.12	1,026.00	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	VISION
City Contribution		
Single	62.03	5.40
Double	62.03	5.40
Family	62.03	5.40
[illegible]		
Single	20.67	0.00
Double	20.67	5.41
Family	20.67	8.75

Effective January 1, 2015

MEDICAL					
City Contribution					
	EPO	PPO 90/10	PPO 80/20	HDHP	HSA
Single	533.83	348.74	395.47	399.00	78.14
Double	1,151.76	738.24	839.92	850.00	125.02
Family	1,476.66	960.61	1,090.82	1,094.00	156.27
Employee Contribution					
	EPO	PPO 90/10	PPO 80/20	HDHP	HSA
Single	84.17	269.26	174.53	0.00	---
Double	164.24	576.76	372.08	0.00	---
Family	217.34	732.39	472.18	0.00	---

	DENTAL	VISION
City Contribution		
Single	58.95	5.47
Double	58.95	5.47
Family	58.95	5.47
[illegible]		
Single	19.65	0.00
Double	19.65	4.66
Family	19.65	10.24

Future Premium Rate Increases

In the event that the City's premium rates increase, City and Orme shall negotiate regarding the amount of the City and Orme 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 Orme shall pay the increased amount until a different agreement is reached.

Orme not Required to Participate in City's Insurance Plan

If Orme has alternative group medical insurance coverage, Orme is not required to participate in the City's medical insurance plan. In order to opt out of coverage under the City's medical insurance plan, Orme 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 Orme chooses to opt out of City's medical insurance plan. At any time during which Orme opts out of the City's medical insurance plan, Orme shall receive a payment of $100.00 per month:

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

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

The following California Government Code Sections are incorporated by this reference into this Agreement:

§ 53243. On or after January 1, 2012, any contract executed or renewed between a local agency and an officer or employee of a local agency that provides paid leave salary offered by the local agency to the officer or employee pending an investigation shall require that any salary provided for that purpose be fully reimbursed if the officer or employee is convicted of a crime involving an abuse of his or her office or position.

§ 53243.1. On or after January 1, 2012, any contract executed or renewed between a local agency and an officer or employee of a local agency that provides funds for the legal criminal defense of an officer or employee shall require that any funds provided for that purpose be fully reimbursed to the local agency if the officer or employee is convicted of a crime involving an abuse of his or her office or position.

§ 53243.2. On or after January 1, 2012, any contract of employment between an employee and a local agency employer shall include a provision which provides that, regardless of the term of the contract, if the contract is terminated, any cash settlement related to the termination that an employee may receive from the local agency shall be fully reimbursed to the local agency if the employee is convicted of a crime involving an abuse of his or her office or position.

§ 53243.3. On or after January 1, 2012, if a local agency provides, in the absence of a contractual obligation, for any of the payments described in this article, then the employee or officer receiving any payments provided for those purposes shall fully reimburse the local agency that provided those payments in the event that the employee or officer is convicted of a crime involving the abuse of his or her office or position.

§ 53243.4. For purposes of this article, "abuse of office or position" means either of the following:

(a) An abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority.

(b) A crime against public justice, including, but not limited to, a crime described in Title 7 (commencing with Section 92) of Part 1 of the Penal Code.

§ 53244. (a) A local public officer, as defined in subdivision (b), who is convicted by a state or federal trial court of any felony under state or federal law for conduct arising out of, or in the performance of, his or her official duties shall forfeit any contract right or other common law, constitutional, or statutory claim against a local public agency employer to retirement or pension rights or benefits, however those benefits may be characterized, including lost compensation, other than the accrued rights and benefits to which he or she may be entitled under any public retirement system in which he or she is a member. The forfeiture provided by this section shall

be in addition to, and independent of, any forfeiture of public retirement system rights and benefits pursuant to Section 7522.70, 7522.72, or 7522.74.

(b) For the purposes of this section, "local public officer" means a person, either elected or appointed, who exercised discretionary, executive authority in his or her employment.

(c) This section shall apply to any claim filed prior to the effective date of the act enacting this section, and still pending on that date, and any claim commenced after that date.

(d) Upon conviction, a local public officer as described in subdivision (a), and the prosecuting agency shall each notify the public employer who employed the local public officer at the time of the commission of the felony within 60 days of the felony conviction. The operation of this section is not dependent upon the performance of the notification required by this subdivision.

§ 3511.1. As used in this chapter, the following definitions apply:

(a) "Compensation" means annual salary, stipend, or bonus, paid by a local agency employer to a local agency executive.

(b) "Cost-of-living" means the California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the Department of Industrial Relations.

(c) "Local agency" means a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission, or agency thereof, or other local public agency.

(d) "Local agency executive" means any person employed by a local agency who is not subject to the Meyers–Milias–Brown Act (Chapter 10 (commencing with Section 3500)), Chapter 5 (commencing with Section 45100) of Part 25 of Division 3 of Title 2 of the Education Code, or Chapter 4 (commencing with Section 88000) of Part 51 of Division 7 of Title 3 of the Education Code, and who meets either of the following requirements:

(1) The person is the chief executive officer of the local agency.

(2) The person is the head of a department of a local agency.

§ 3511.2. On or after January 1, 2012, any contract executed or renewed between a local agency and a local agency executive shall not provide for the following:

(a) An automatic renewal of a contract that provides for an automatic increase in the level of compensation that exceeds a cost-of-living adjustment.

(b) A maximum cash settlement that exceeds the amounts determined pursuant to Article 3.5 (commencing with Section 53260) of Chapter 2 of Part 1 of Division 2 of Title 5.

3. Provisions of Employment Agreement to Remain in Full Force and Effect Except as otherwise specifically set forth in Paragraphs 1 through 2 of this Amendment, the provisions of the Employment Agreement shall remain in full force and effect.

4. Effective Date of Amendment This Amendment shall become effective upon execution by both the City and Orme.

5. Incorporation of Recitals The Recitals are incorporated herein and made an operative part of this Amendment.

IN WITNESS WHEREOF, the Parties hereto have duly approved and executed this Amendment on _____, 2014.

_____	_____
Scott Gruendl, Mayor City of Chico	Mark A. Orme
Approved as to Form and Content:	Attest:
_____	_____
Vincent C. Ewing City Attorney	Deborah R. Presson City Clerk

4818-3248-0032, v. 1

EXHIBIT A

EMPLOYMENT AGREEMENT
Mark A. Orme/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 Mark A. Orme ("Orme").

RECITALS

WHEREAS, Article VII of the Charter of the City of Chico ("Charter") requires appointment by the City Council ("Council") of a city manager to direct the executive affairs of the City and to implement the Council's policy determinations; and

WHEREAS, the Council desires to employ Orme as City Manager of the City of Chico; and

WHEREAS, Orme desires to serve as City Manager of the City of Chico; and

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

AGREEMENT

The City and Orme agree as follows:

1. Duties and Authority

   a. The City hereby employs Orme, to hold the office and perform the functions and duties of City Manager, as specified in Article VII 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) Orme is an at-will employee of the City whose employment as City Manager may be terminated by the City at any time without cause; (2) there is no express or implied promise to Orme in this Agreement for continued employment by the City as City Manager; and (3) this Agreement is the sole and exclusive basis for the employment relationship between Orme and the City as to the office of City Manager.

   c. Orme 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. Orme 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 Orme on Orme's time off.

2. Salary and Benefits

a. The City shall pay Orme an annual base salary of $207,500, 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 Orme's share of insurance premium payments.

b. During Orme's tenure as City Manager, Orme 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 Orme's performance, the Council may, by minute order or resolution, increase Orme's salary or benefits or both.

3. Professional Development.

City agrees to budget and pay for professional dues and subscriptions for Orme's participation in associations and organizations necessary and desirable for his continued professional growth and for the good of the City and for travel and subsistence expenses for attendance at professional and official functions, institutes and seminars for Orme's professional development and for the good of the City.

The amount to be funded by City for these purposes shall be proposed by Orme for inclusion in the annual budget each year during the budget preparation and review process. The amount to be included in the adopted budget each year shall be determined by the Council based on a review of the proposal and shall be subject to the availability of funds for these purposes.

4. Performance Evaluation

a. Upon execution of this Agreement, the Council and Orme shall confer on goals expectations and objectives for Orme to be used as the basis for an initial performance evaluation during April of 2014. The Council and Orme 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 Orme's performance using the process and criteria mutually agreed upon between Orme and Council and shall define and prioritize goals, expectations and performance objectives for Orme for the next twelve months.

5. Term; Termination

The term of this Agreement shall commence on July 3, 2014, 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 Orme's employment without cause; or

(2) Orme resigns in writing following an offer by a majority of the Council to accept Orme's resignation in lieu of termination;

b. Subject to federal and state law, the City may terminate this Agreement and Orme's employment under it if Orme becomes permanently disabled or suffers a serious health condition such that he is unable to perform his duties.

c. Orme 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 Orme's conviction of any crime involving moral turpitude or any felony.

6. Severance Pay

a. If Orme's employment is terminated under any circumstances described in subsection 5.a., above, the City shall pay Orme severance pay, but subject to, as follows: 1) six (6) months salary, determined by reference to Orme'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 Orme 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 Orme'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. The severance payment shall be paid in a lump sum upon the date of termination. Such payment will release the City from any further obligations under this Agreement.

b. Orme shall be required to reimburse City for any payment made under subsection a., above if, after receiving such payment, he is convicted of a crime involving abuse of office or position as the City Manager. For purposes of this section, the term "abuse of office or position" shall have the meaning set forth in California Government Code § 53243.4, as more fully set forth below.

c. If Orme's employment is terminated with cause or pursuant to 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 Orme is entitled.

7 Bonding

Pursuant to section 903 of the Charter, the City shall bear the full cost of any fidelity or

other bonds required of Orme under any law or ordinance.

8. Defense and Indemnification

a. The City shall provide a defense to Orme as to any claim, action, suit or proceeding against Orme 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 Orme's duties as City Manager or resulting from the exercise of discretion by Orme in connection with the performance of Orme's duties and responsibilities as City Manager, unless the act, omission, or exercise of discretion involved intentional, willful or wanton misconduct by Orme. Orme may request, and the City shall not unreasonably refuse to provide, independent legal counsel at the City's expense to defend Orme in any such action, suit or proceeding. If the City agrees to Orme's request, the City shall make the choice of such legal counsel. The defense provided by the City for Orme 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 Orme 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 Orme, and any other liabilities incurred by, imposed upon, or suffered by Orme in connection with or resulting from any claim, action, suit or proceeding in which Orme 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 Orme.

c. The City shall have no obligations of any kind to Orme under this Agreement as to any criminal matter in which Orme is a defendant.

9. 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

Copy to: Vincent C. Ewing
City Attorney
P.O. Box 3420
411 Main Street
Chico, CA 95928
vincent.ewing@Chicoca.gov

b. If to Orme: Mark A. Orme
Address in Human Resources Department file

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

10. Other Terms and Conditions of Employment

The City, upon agreement with Orme, may establish other terms and conditions of employment, as may be determined from time to time, and relating to Orme's engagement as City Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Charter or any other law.

11. Entire Agreement

This Agreement sets forth and establishes the entire understanding between the City and Orme relating to the employment of Orme as City Manager 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, the parties may amend any provision of this Agreement by mutual written agreement. Such amendments shall be incorporated into and made a part of this Agreement.

12. Assignment

This Agreement is not assignable by Orme or the City.

13. 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 both parties subsequent to the judicial expungement or modification of the invalid provisions have executed them.

14. Opportunity to Consult

Orme agrees and represents that prior to entering into this Agreement, he has had the opportunity to consult an attorney and other advisors of his choice concerning all terms and conditions of this Agreement.

15. 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.

Scott Gruendl, Mayor
City of Chico

Mark A. Orme

Approved as to Form and Content:

Vincent C. Ewing
City Attorney

Attest:

Deborah R. Presson
City Clerk

Exhibit A

Holidays

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

Automobile Allowance

Orme shall be provided with an automobile allowance of $400 per month in exchange for making a personal vehicle available for his own use in conducting and attending City-related business and/or functions during, before and after normal work hours.

Leave

Orme shall be entitled to the following leave benefits:

Sick Leave - Orme shall be credited with 40 hours of sick leave upon the commencement of this Agreement. Thereafter, he shall accrue sick leave at the amount of 8 hours per month. Sick leave may be used for actual personal sickness of or injury to Orme or for an employee's family member, 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, Orme may convert up to 60% of his 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 Orme'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.

Orme shall be permitted to transfer up to a maximum of 96 hours per calendar year of his 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 Orme at his request.

Birth or adoption of a child - In the event of the birth or adoption of a child, Orme 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 Orme's immediate family dies, he 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 of 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 - Orme shall be credited with 80 hours vacation upon the commencement of this Agreement. Thereafter, beginning on the date that Orme has been employed by City for six months, he 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 Orme's employment with the City is terminated, City shall pay Orme the cash value of any accrued vacation leave, all subject to federal and state withholding requirements.

Floating Holiday - Orme 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 - Orme shall be credited with 32 hours of management leave upon the commencement of this Agreement. Thereafter, Orme 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.

Insurances

Life insurance - City agrees to provide Orme with term life insurance in the amount of $1,000 per each whole $1,000 in salary, and his 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 Orme with a minimum contribution of 1% of his salary. Orme 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 Orme 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 Orme, would be treated as such for tax purposes.

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

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

Orme 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 Orme 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 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, Orme shall be required to make the employee contribution and City's payment thereof shall terminate.

Retirement Plan

PERS- City will provide Orme 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- Orme shall contribute a portion of his 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

Orme 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

Orme 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 Orme 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 Orme shall each contribute to the City's cost of health insurance premiums as set forth below.

MEDICAL					
City Contribution					
	PPO 90/10	PPO 80/20	EPO	HDHP	HSA
Single	335.30	383.24	520.17	389.82	78.14
Double	709.43	813.75	1120.84	828.78	125.02
Family	923.71	1055.65	1437.77	1067.54	156.27
Employee Contribution					
	PPO 90/10	PPO 80/20	EPO	HDHP	HSA
Single	267.98	173.64	83.77	0.00	---
Double	573.21	370.23	163.20	0.00	---
Family	728.43	469.41	216.17	0.00	---

DENTAL	
City Contribution	
	PPO
Single, Double & Family	58.53
Employee Contribution	
	PPO
Single, Double & Family	19.52

Effective January 1, 2015

In the event that the City's premium rates increase as of January 1, 2015, City and Orme 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 Orme shall pay the increased amount until a different agreement is reached.

Employees not Required to Participate in City's Insurance Plan

If Orme has alternative group medical insurance coverage, Orme is not required to participate in City's medical insurance plan. To opt out of coverage under the City's medical insurance plan, Orme 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 Orme opts out of City's medical insurance plan, Orme shall receive a payment of $200.00 per month, which Orme 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 Orme.

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

The following California Government Code Sections are incorporated by this reference into this Agreement:

§ 53243. On or after January 1, 2012, any contract executed or renewed between a local agency and an officer or employee of a local agency that provides paid leave salary offered by the local agency to the officer or employee pending an investigation shall require that any salary provided for that purpose be fully reimbursed if the officer or employee is convicted of a crime involving an abuse of his or her office or position.

§ 53243.1. On or after January 1, 2012, any contract executed or renewed between a local agency and an officer or employee of a local agency that provides funds for the legal criminal defense of an officer or employee shall require that any funds provided for that purpose be fully reimbursed to the local agency if the officer or employee is convicted of a crime involving an abuse of his or her office or position.

§ 53243.2. On or after January 1, 2012, any contract of employment between an employee and a local agency employer shall include a provision which provides that, regardless of the term of the contract, if the contract is terminated, any cash settlement related to the termination that an employee may receive from the local agency shall be fully reimbursed to the local agency if the employee is convicted of a crime involving an abuse of his or her office or position.

§ 53243.3. On or after January 1, 2012, if a local agency provides, in the absence of a contractual obligation, for any of the payments described in this article, then the employee or officer receiving any payments provided for those purposes shall fully reimburse the local agency that provided those payments in the event that the employee or officer is convicted of a crime involving the abuse of his or her office or position.

§ 53243.4. For purposes of this article, "abuse of office or position" means either of the following:

(a) An abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority.

(b) A crime against public justice, including, but not limited to, a crime described in Title 7 (commencing with Section 92) of Part 1 of the Penal Code.

§ 53244. (a) A local public officer, as defined in subdivision (b), who is convicted by a state or federal trial court of any felony under state or federal law for conduct arising out of, or in the performance of, his or her official duties shall forfeit any contract right or other common law, constitutional, or statutory claim against a local public agency employer to retirement or pension rights or benefits, however those benefits may be characterized, including lost compensation, other than the accrued rights and benefits to which he or she may be entitled under any public retirement system in which he or she is a member. The forfeiture provided by this section shall be in addition to, and independent of, any forfeiture of public retirement system rights and benefits pursuant to Section 7522.70, 7522.72, or 7522.74.

(b) For the purposes of this section, "local public officer" means a person, either elected or appointed, who exercised discretionary, executive authority in his or her employment.

(c) This section shall apply to any claim filed prior to the effective date of the act enacting this section, and still pending on that date, and any claim commenced after that date.

(d) Upon conviction, a local public officer as described in subdivision (a), and the prosecuting agency shall each notify the public employer who employed the local public officer at the time of the commission of the felony within 60 days of the felony conviction. The operation of this section is not dependent upon the performance of the notification required by this subdivision.

§ 3511.1. The following definitions apply:

(a) "Compensation" means annual salary, stipend, or bonus, paid by a local agency employer to a local agency executive.

(b) "Cost-of-living" means the California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the Department of Industrial Relations.

(c) "Local agency" means a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission, or agency thereof, or other local public agency.

(d) "Local agency executive" means any person employed by a local agency who is not subject to the Meyers–Milias–Brown Act (Chapter 10 (commencing with Section 3500)), Chapter 5 (commencing with Section 45100) of Part 25 of Division 3 of Title 2 of the Education Code, or Chapter 4 (commencing with Section 88000) of Part 51 of Division 7 of Title 3 of the Education Code, and who meets either of the following requirements:

(1) The person is the chief executive officer of the local agency.

(2) The person is the head of a department of a local agency.

§ 3511.2. On or after January 1, 2012, any contract executed or renewed between a local agency and a local agency executive shall not provide for the following:

(a) An automatic renewal of a contract that provides for an automatic increase in the level of compensation that exceeds a cost-of-living adjustment.

(b) A maximum cash settlement that exceeds the amounts determined pursuant to Article 3.5 (commencing with Section 53260) of Chapter 2 of Part 1 of Division 2 of Title 5.