CITY OF CHICO
EMPLOYMENT AGREEMENT
Community Development Director

THIS AGREEMENT is entered into by and between the City of Chico, State of California, a municipal corporation ("City") and Mark Wolfe ("Employee") on August 15, 2013.

WHEREAS, Employee has been employed by City as the Planning Services Director; and

WHEREAS, the City now desires to to have Employee serve as the Community Development Director; and

WHEREAS, the Employee desires to serve as the Community Development Director.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. EMPLOYMENT.

City agrees to employ Employee to perform the following services:

a. Employee shall serve as the Community Development Director and shall be responsible for managing and directing the Community Development Department under the direction of the City Manager.

b. Employee shall perform the duties of the position, as described in the job description for Community Development Director and the Chico Municipal Code, to the best of Employee's ability in accordance with the highest 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 and shall not engage in any other employment except as may be specifically approved in writing in advance by the City Manager.

Section 2. TERM, TERMINATION.

The term of this Agreement shall commence on, and Employees's appointment to Community Development Director shall be deemed to be effective as of June 1, 2013, and shall continue until terminated by either Employee or City as follows:

a. Employee may terminate this Agreement at any time upon providing thirty (30) 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 City, a severance benefit equal to nine (9) months of full salary shall be provided to Employee. Such amount shall be paid within 30 days of the Employee leaving City employment.

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 $156,000, 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.

c. Retroactive compensation. The salary set forth above shall be effective as of June 1, 2013, and City agrees to pay Employee, retroactively the difference between that salary and Employee's salary as the Planning Service Director for the period of June, 1, 2013, through the date of this agreement. This retroactive compensation shall be paid in the paycheck issued for the pay period ending August 24, 2013. .

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 budget for each year, consistent with the City's policies, to allow Employee to attend professional conferences and training programs and to pay for Employee's dues in professional organizations, such as the American Planning Association and the American Institute of Certified Planners, which pertain to performing the duties associated with serving as the City's Community Development Director. Employee in turn agrees to maintain membership in the American Institute of Certified Planners.

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:	Brian S. Nakamura City Manager City of Chico P.O. Box 3420 411 Main Street Chico CA 95928	To Employee:	Mark Wolfe Community Development Director 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 all prior oral or written understandings. Except as prescribed herein, this Agreement cannot 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

Brian S. Nakamura, City Manager

Employee

Mark Wolfe

APPROVED AS TO FORM:

Lori J. Barker, 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.

Employee shall be permitted to transfer up to a maximum of 96 hours per calendar year of 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 Employee at Employee's request.

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 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 Employee's immediate family dies, Employee 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, parent, step-parent, sibling, parent-in-law, grandparent, spouse's grandparent or grandchild.

Vacation – Employee shall commence employment with the City as the Community Development Director with all accrued vacation in place, and shall thereafter accrue vacation at a rate of 7.69 hours per pay period to a maximum balance of 500 hours.

Floating Holiday - Employee 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 - In addition to the other leaves granted herein, Employee shall be entitled to 96 hours of management leave per calendar year. Employee is to be granted a one-time bonus of 40 hours of management leave upon commencement of this contract. Management leave which is not used during a calendar year shall not carry over to the next year and shall be removed without compensation. In the event of Employee's separation of service from the City, regardless of the reason for such separation, Employee shall not be entitled to a payout of accrued but unused Management Leave.

INSURANCES

Life insurance - City agrees to provide Employee with term life insurance in the amount of $1,000 per each whole $1,000 in salary, and Employee's 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 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 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 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 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 AContract 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- Employee 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.

VEHICLE ALLOWANCE

City shall pay Employee a vehicle allowance of $400 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 $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

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

CITY AND EMPLOYEE CONTRIBUTIONS The City and Employee shall make the following contributions per month toward the monthly premium rate for Employee's medical, dental and vision insurance plans, as defined herein. The Employee'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		55.57		18.52	
VISION					
		City Contribution		Employee Contribution	
Single		5.40		0.00	
Double		5.40		5.41	
Family		5.40		8.75	

Future Rate Adjustments
City and Employee shall negotiate regarding the amount of the City and Employee 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 Employee shall pay the increased amount until a different agreement is reached. If premiums are decreased in years subsequent to 2013, Employee's contribution shall remain as set forth above and City's share shall be reduced by the amount of that decrease.

EMPLOYEES NOT REQUIRED TO PARTICIPATE IN CITY'S INSURANCE PLAN.
An employee who has alternative group medical insurance coverage is not required to participate in City's medical insurance plan. Employee is required to provide verification of such alternative coverage to the Human Resources Office during the open enrollment period. Employee shall continue to provide verification during the open enrollment period in all subsequent years that Employee chooses to opt out of City's medical insurance plan. Employee who opts out of City's

medical insurance plan shall receive a payment of $100.00 per month:

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

Employee who loses their alternative coverage shall be required immediately enroll in City's medical insurance plan, and shall no longer receive the $100.00 per month payment.

Amendment 1

CITY OF CHICO
EMPLOYMENT AGREEMENT
Community Development Director

This Amendment 1 to the Employment Agreement between the City of Chico ("City") and Ruben Martinez ("Employee") is entered into on 2/20 2014.

WHEREAS, Employee currently serves as the Community Development Director for the City pursuant to the Employment Agreement between the City and Employee dated August 15, 2013; and

WHEREAS, City and Employee desire to amend the Employment Agreement to provide that the City will no longer pay EPMC and that the Employee will pay the full employee contribution for PERS.

NOW, THEREFORE, the parties hereto agree as follows:

Exhibit "A" to the Employment Agreement is hereby amended entirety to read as set forth on Exhibit "A" hereto.

All other terms and conditions of the Employment Agreement shall remain in full force and effect.

Lori J. Barker, City Attorney

City

Brian S. Nakamura, City Manager

Employee

Mark Wolfe

APPROVED AS TO FORM:

Lori J. Barker, City Attorney

Authorized pursuant to CMC §2R.04.490

EXHIBIT A

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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.

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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, and as subsequently amended.

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 $400 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 $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.

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ATTACHMENT 2

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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	

Future Rate Adjustments
City and Employee shall negotiate regarding the amount of the City and Employee share of increased premiums in years subsequent to 2014. 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 2014 and the Employee shall pay the increased amount until a different agreement is reached. If premiums are decreased in years subsequent to 2013, Employee's contribution shall remain as set forth above and City's share shall be reduced by the amount of that decrease.

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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.

Employee who loses their alternative coverage shall be required immediately enroll in City's medical insurance plan, and shall no longer receive the $100.00 per month payment.