

**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").

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 currently employs Presson as City Clerk of the City of Chico; and

WHEREAS, the City desires Presson to participate in CalPERS cost sharing; and

WHEREAS, the City desires Presson to pay 3% of the City's cost and Presson's contribution for CalPERS; and

WHEREAS, the City desires Presson to pay the City's portion of FICA-Medicare, equal to 1.45%; and

WHEREAS, in 2011 Presson's salary was \$139,695.14; and

WHEREAS, in 2011 the City imposed a 5% citywide salary reduction, which reduced Presson's salary of \$139,695.14 to \$132,710.50; and

WHEREAS, the City desires to provide Presson a 5.26% salary adjustment of \$6,984.64 to restore Presson's salary to where it was before she incurred a 5% salary reduction in 2011, which salary adjustment amount is Presson's current salary of \$132,710.50 minus Presson's 2011 salary of \$139,695.14; and

WHEREAS, the City desires to adjust Presson's salary to \$144,039.66; and

WHEREAS, the City desires to establish a cost neutral agreement; and

WHEREAS, considering the foregoing, to achieve a cost neutral agreement, the City desires to provide Presson with a salary increase equal to 3.11%; and

WHEREAS, the City Council exercising the City's appointment 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 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, 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 incident 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 \$146,679.91, payable in bi-weekly installments at the same time and 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 Employee's share of insurance premium payments.
- b. During Employee's tenure as City Clerk, Employee 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 increase Employee's annual base salary or benefits or both.

3. Performance Evaluation

Annually, 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 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 noted 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 she 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 Employee's conviction of any crime involving moral turpitude or any felony.

5. Severance Pay

- a. If Presson's employment is terminated under any circumstances desired in subsection 5.a., above, the City shall pay Presson severance pay, but subject to, 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 in a lump sum upon date of termination. Such payment 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 position" shall have the meaning set forth in California Government Code § 53243.4, as more fully set forth below.
- c. If Presson's employment is terminated with pursuant to subsection 4.b., 4.c., or 4.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 provide and bear the full cost of any fidelity or other bonds required of Employee 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 under this Agreement or resulting from the exercise of discretion by Presson in connection with the performance of Presson's duties and responsibilities under this Agreement, 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 Presson. 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) , judgements, interest, settlement, fines, court costs, and other reasonable costs and expenses of civil legal proceedings, including attorney's 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 notices 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
PO Box 3420
Chico, CA 95927
- b. If to Presson: Deborah R. Presson
Address in Human Resources Department File

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 Attorney.

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 discussions 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 part of this Agreement.

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 provisions 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 shall constitute one and the same document.

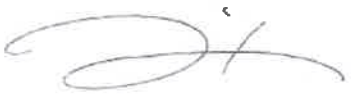
City:

Employee:


Sean Morgan, Mayor
City of Chico


Deborah R. Presson

APPROVED AS TO FORM:



Vincent C. Ewing
City Attorney*

*Pursuant to the Charter of the City of Chico, Section 906(D)

EXHIBIT A

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 – Presson shall accrue at the rate of eight (8) hours per month. Sick leave may be used for actual personal sickness of or injury to Presson or Presson’s family member, and for medical, dental and vision care appointments. “Family member” includes a spouse, children, parent and any other relationship recognized by law (e.g.: step, in-law, etc.). Time off work as a result of approved 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 that: 1) dependent on the length of service with City, as set forth in Attachment 1 hereto, at retirement or termination in good standing, Presson may 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 Presson’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.

Presson 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’s personal (not family) sick leave. This transfer of sick leave, if not used, shall be subject to re-crediting to Presson at his request.

Birth or adoption of a child – In the event of the birth or adoption of a child, Employee shall be entitled to a 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, mother, father, step-parent, sibling, mother-in-law, father-in-law, grandparent, spouses 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, subject to federal and state withholding requirements.

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 – Presson 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 Presson with term life insurance in the amount of one thousand dollars (\$1,000) per each one thousand dollars (\$1,000) in salary, and Presson'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 Presson with a minimum contribution of one percent (1%) of Presson's salary. Presson 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 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 Presson-paid 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 Presson's spouse and dependent children at Presson'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 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 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.

Retirement Plan

Employee Contribution for Employees Hired Before January 1, 2013 or Classic Members.

Employees hired before January 1, 2013, or those Classic Members, as defined by CalPERS, shall receive the 3% at age 60 retirement formula. Department Heads shall contribute Employee contribution amount established by CalPERS for the 3% at 60 Pension Formula. The required employee contribution as of the date of this agreement was eight percent (8%). City shall not pay any portion of the required employee contribution.

Employee Cost Sharing of Additional Benefits. Effective October 15, 2017, each Department Head shall pay, through payroll deduction, an additional three percent (3%) of PERSable compensation towards the City's costs, in addition to the amounts specified above, toward the normal costs of pension benefits as permitted by Government Code Section 20516, and shall extend beyond this agreement. If the contract amendment between the City and CalPERS is not completed as described above, the cost sharing, as described in this section, shall be implemented outside of a CalPERS contract amendment as authorized by Government Code Section 20516(f), and shall extend beyond this agreement.

City Contribution. City agrees to pay the benefit contribution rate as established by that certain "Contract Between the Board of Administration, Public Employees' Retirement System and City Council of City of Chico" which was in effect on July 1, 2002, and to abide by all terms and conditions as established by such Contract so long as the contract exists between City and CalPERS.

ATTACHMENT 1

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
121st through 132nd month	5.54	144.04	360
133rd 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
181st through 192nd month	7.09	184.34	460
193rd 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:

Years of City Service	Maximum Conversion %	Maximum \$ Amount
0-5 years	0	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 Presson 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 Presson shall each contribute to the City's cost of the health insurance premiums as set forth below.

Effective January 1, 2017

MEDICAL					
City Contribution					
	EPO	PPO 90/10	PPO 80/20	HDHP	HSA
Single	504.46	329.55	373.96	380.00	73.38
Double	1,088.75	697.82	794.18	809.00	124.96
Family	1,395.59	907.84	1,030.80	1,042.00	156.27
Employee Contribution					
	EPO	PPO 90/10	PPO 80/20	HDHP	HSA
Single	79.54	254.45	165.04	0.00	---
Double	155.25	545.18	351.82	0.00	---
Family	205.41	692.16	446.20	0.00	---
DENTAL			VISION		
City Contribution					
Single		61.20		5.47	
Double		61.20		5.47	
Family		61.20		5.47	
Employee Contribution					
Single		20.40		0.00	
Double		20.40		4.66	
Family		20.40		10.24	

Subsequent Premium Increases: In the event that the City's premium rates increase in the future, City and Presson 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 Presson 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 of another plan during the open enrollment period in all subsequent years that Employee chooses 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 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.