AMENDED AND RESTATED CITY MANAGER EMPLOYMENT AGREEMENT BETWEEN THE CITY OF SOUTH GATE AND CHRIS JEFFERS

This Amended and Restated City Manager Employment Agreement ("Agreement") is made and entered into on July 12, 2022, and deemed effective retroactively as July 1, 2022, by and between the City of South Gate, a municipal corporation ("City") and Chris Jeffers ("Employee"). The City and Employee may be referred to individually as a "Party" or collectively as "the Parties."

RECITALS

WHEREAS, the City was in search of a City Manager on an interim basis in furtherance of conducting a broader recruiting effort in light of the retirement of its then City Manager;

WHEREAS, Employee was interviewed and selected by the City to serve on an interim basis as City Manager, given Employee's then more than 38 years of service in municipal government, including serving as City Manager for several cities prior to his retirement;

WHEREAS, the City and Employee entered into that certain Interim City Manager Employment Agreement ("Interim Agreement") on November 24, 2020, with an effective date of November 30, 2020, for a term of one (1) year through and including November 29, 2021;

WHEREAS, on November 23, 2021, the City Council approved Amendment No. 1 to the Interim Agreement ("Amended Interim Agreement"), extending the term of the Interim Agreement through and including December 31, 2022;

WHEREAS, Employee served in his capacity as a retired annuitant under Government Code 21221 (h) from November 29, 2020, through and including June 30, 2022;

WHEREAS, Government Code Sections 21221(h) and 7522.56 permit retired annuitants under the California Public Employees' Retirement System ("CalPERS") to be employed without reinstatement from retirement upon appointment by a governing body to fill a vacant position on an interim basis during the recruitment to permanently fill the vacant position and, according to CalPERS, June 30, 2022 was the last day that Employee could serve as an Interim City Manager for the City without losing his status as a retired annuitant;

WHEREAS, City desires to retain Employee beyond June 30, 2022, and Employee desires to continue his employment with the City;

WHEREAS, in furtherance of said employment with the City, Employee desires to reinstate as an active member under CalPERS and has provided notice effective July 1, 2022, to CalPERS of such reinstatement;

WHEREAS, Employee possesses extensive experience as a City Manager and possesses the specialized skill set to perform the required duties of City Manager and desires

to perform the duties of, and assume responsibility for, the position of City Manager and acknowledges that such employment is at-will and of a definite period of time, as described below;

WHEREAS, the City desires to hire Employee as an at-will, employee for the position of City Manager, effective July 1, 2022 for a term of one (1) year with a one (1) year option to extend such term at the City's sole election and discretion;

WHEREAS, pursuant to South Gate Municipal Code §1.06.010, "the City Manager shall be appointment [sic] by the City Council solely on the basis of executive and administrative qualifications and abilities, and shall hold office at the pleasure of the City Council;"

WHEREAS, the Parties wish to establish the terms and conditions of Employee's services to the City, as described in this Agreement;

WHEREAS, Employee agrees and acknowledges by virtue of this Agreement, that Employee's employment with the City shall be governed solely by the terms and conditions of this Agreement and applicable state and federal laws and not by any past, present or future memorandums of understanding or agreement with any labor group or individual employee of the City. Employee understands commencing with the effective date of this Agreement, Employee shall be deemed to be an at-will employee, meaning that Employee's employment may be terminated with or without cause and with or without notice by the City Council.

WHEREAS, the Parties desire that this Agreement shall be the sole basis to provide a just means for terminating the Employee's services at such time as he may be unable to fully discharge his duties, or when the City Council may desire otherwise to terminate his employment.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, and as authorized by the South Gate Municipal Code, the applicable Personnel Rules and Regulations, all Resolutions currently in effect and adopted by the City, and any and all applicable provisions of federal and/or state law, including but not limited to the California Government Code, the Parties hereby agree as follows:

AGREEMENT

SECTION 1. TERM. The term of this Agreement shall commence retroactively as of July 1, 2022, and shall remain in full effect for one (1) year, through and including June 30, 2023, unless terminated in accordance with the terms set forth in this Agreement, or otherwise agreed to by the Parties in writing. The City Council shall have the option at its sole discretion to extend the term of this Agreement by one (1) year, through and including June 30, 2024, subject to providing the Employee a minimum sixty (60) days prior notice of the City's intent to exercise such option.

SECTION 2. DUTIES, RESPONSIBILITIES AND WORK HOURS.

- A. Employee shall be appointed to the position of City Manager, the duties of which are set forth in South Gate Municipal Code Chapter 1.06 and in Exhibit "A" to this Agreement. Employee acknowledges that the position of City Manager requires specialized skills and expert professional services for a definite period of time, as described above in Section 1 of this Agreement.
- B. Employee acknowledges proper performance of the duties of City Manager will generally require Employee to observe normal business hours (Monday through Thursday, 7:00 a.m. to 6:00 p.m.) as well as work occasional time outside of normal office hours. Employee shall work under the direction of the City Council. Subject to the Term as stated in Section 1 of this Agreement, Employee shall work the number of hours each week as directed and authorized by the City Council.
- C. All data, studies, reports and other documents prepared and/or reviewed by Employee while performing his duties during the Term of this Agreement shall be furnished to, and become the property of the City, without restriction or limitation on their use. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information and other materials either created by, or provided to, Employee in connection with the performance of this Agreement shall be held confidential by Employee to the extent permitted by applicable law. Such materials, without the prior written consent of the City Council, shall not be used by Employee for any purpose other than the performance of his duties. Nor shall such materials be disclosed to any person or entity not connected with the performance of services under this Agreement, except as required by law.

SECTION 3. COMPENSATION AND BENEFITS.

- A. Salary. The City agrees to compensate Employee at the level of Step "D" of the salary range for the City Manager position, which is currently Twenty Three Thousand Eight Hundred and Eighteen Dollars (\$23,818) per month, or \$285,816 annually. Employee shall be eligible to participate in an increase provided to the Executive Team (comprised of departmental directors), if any, during the term of this Agreement, up to a maximum cap of four percent (4%) of his salary range, irrespective of whether said salary increase provided to the Executive Team is higher than said percentage cap.
- B. Pension. Employee will be deemed subject to the Public Employees' Pension Reform Act ("PEPRA"), which took effect January 2013, and changes the way that CalPERS retirement and health benefits are applied. The City shall pay the Employer contribution and Employee shall pay the Employee contribution; however, effective as of the first payroll period commencing July 1, 2023, Employee shall pay 1 basis point of the Employer contribution. As an example, if the City and Employee currently pay thirteen percent (13%) for their respective contributions; however, by reason of this Agreement, Employee agrees to pay fourteen percent (14%) and the City would pay twelve percent (12%). The actual percentages are set annually by CalPERS.

- C. **Deferred Compensation**. Employee is eligible to participate in the City's 457 deferred compensation plan per Article II, Section 2.01, of the 457 Governmental Plan and Trust ("the Plan") based on his employment status. Employee's participation in the Plan is at his own discretion; however, the City shall pay the maximum allowed by Internal Revenue Service ("IRS") regulations for a Section 457 program, excluding Special 457 catch-up contributions, for each payroll period.
- D. **Reimbursable Expenses.** Employee shall be entitled to be reimbursed for ordinary and customary expenses incurred by Employee in his capacity as City Manager, including out-of-town travel, conferences fees, accommodations, meals and the like, subject to Employee providing receipts or statements evidencing such expenses as required of other City employees per City policies.
- E. Benefits. Employee and City will each pay their respective 1.45% contribution as required for any new employee after 1986 for Medicare. City shall pay the full cost of the employee and spouse plan with CalPERS Medical and Vision Care. City also agrees to reimburse Employee, within thirty (30) days of submitting receipts, the full premium for his existing life insurance premium, in an amount not to exceed Eleven Thousand Dollars (\$11,000) per annum. The City also agrees to pay fifty percent (50%) of the plan cost to participate in CalPERS Long Term Care program. Employee may choose to be reimbursed on a monthly basis for the premium of the Employee's existing policy with CalPERS. Employee shall also receive a monthly vehicle allowance of Two Hundred Fifty Dollars (\$250) per pay period.
- F. Holiday/Vacation/Administrative/Sick and Bereavement Leave. Employee shall be entitled to one hundred thirty (130) hours paid holiday leave annually. Employee shall also be entitled to 160 hours of vacation leave upon execution of this Agreement, which amount shall be provided annually on Employee's anniversary date. Employee shall not be entitled to compensable administrative leave. The City shall provide Employee forty (40) hours of sick leave upon execution of the Agreement and Employee shall earn 3.07 hours per payroll period thereafter. Employee shall be entitled to forty (40) hours to use for bereavement leave offered to other City employees.
- G. Retiree Medical Benefit. Should Employee retire from the City (i.e., return to "retire annuitant" status under CalPERS), the City agrees to pay Five Hundred Dollars (\$500) per month in addition to the Public Employees' Medical and Hospital Care Act ("PEMHCA") minimum set by CalPERS annually. The City agrees to reimburse Employee on a quarterly basis. This benefit to Employee, and obligation of the City, shall survive the termination of this Agreement and extend for the lifetime of the Employee.
- H. **Employee Assistance Program**. Employee shall be eligible to participate in the City's employee assistance program at no cost which provides employees with a variety of counseling services.
- I. Non-Compensable Benefits Offered Other Employees. Employee shall not be entitled to a Communication Allowance, Tuition Reimbursement, Education Pay.

J. **Bonding and Indemnity**. City shall pay the full cost of any bonding coverage required as a condition of Employee holding the title as City Manager. City agrees to defend and indemnify Employee for such claims, suits, actions as may be asserted against Employee for actions and decisions made by Employee within the course and scope of Employee job duties and responsibilities.

SECTION 4. RESIGNATION/TERMINATION.

- A. Employee may resign at any time; provided, however, Employee shall reasonably provide the City Council with at least two (2) weeks advance written notice.
- B. Employee is an at-will employee and serves at the will and pleasure of the City Council and may be terminated at any time, with or without cause, and with or without notice. Employee expressly waives any rights provided for the City Manager under the City's Personnel Rules, Municipal Code, or under other state or federal law to any other form of pre- or post-termination hearing, appeal or other administrative process pertaining to termination.
- C. In accordance with state law and the requirements of the California Public Employees' Retirement Law, Employee may not be reappointed to this position following the expiration of this Agreement, nor may this Agreement be modified to extend the term of the Agreement.
- D. After notice of resignation or termination, Employee shall cooperate with the City, as requested by the City, to effect a transition of Employee's responsibilities and duties and to ensure that the City is aware of all matters being handled by Employee.
- E. Employee shall not be entitled to severance pay and Employee expressly waives any and all rights with respect to severance pay.

SECTION 5. NOTICES. Notices required to be served pursuant to this Agreement shall be served in person or by first-class U.S. mail addressed as follows:

TO CITY:

City Attorney
City of South Gate
8650 California Avenue
South Gate, CA 90280

TO EMPLOYEE:

Chris Jeffers

9 Rancho Navato DR

[Address on file with Human Resources]

SECTION 6. GENERAL TERMS AND CONDITIONS. The General Terms and Conditions of this Agreement are described as follows:

- A. Indemnification. To the extent mandated by the California Government Code, the City shall defend, hold harmless, and indemnify Employee against any tort, professional liability, claim or demand, or other legal action arising out of an alleged act or omission occurring in the performance of Employee's services under this Agreement. This section shall not apply to any intentional tort or crime committed by Employee, to any action outside the course and scope of Employee's employment, or any other intentional or malicious conduct or gross negligence of Employee.
- B. **Entire Agreement.** The text of this Agreement shall constitute the entire and exclusive agreement between the Parties. All prior oral or written communications, understandings or agreements between the Parties not set forth herein shall be superseded in total by this Agreement. No amendment or modification to this Agreement may be made except by a written agreement signed by the Employee and the Mayor and approved as to form by the City Attorney.
- C. **Assignment.** This Agreement is not assignable by either the City or Employee.
- D. **Severability.** In the event any provision of this Agreement is finally held or determined 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 illegal or void are wholly inseparable from the remaining portions of this Agreement.
- E. Effect of Waiver. The failure of either Party to insist on strict compliance with any of the terms, covenants or conditions in this Agreement by the other Party shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other time or times.
- F. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of California, which are in full force and effect as of the date of execution. Any action to interpret or enforce the terms of this Agreement shall be held exclusively in a state court in Los Angeles County, California. Employee expressly waives any right to remove any such action from Los Angeles County.
- G. Effective Date. This Agreement is effective July 1, 2022.
- H. Effect of Agreement on Employee's CalPERS Retirement Benefits. The City makes no representation on the impact, if any, this Agreement shall or may have upon Employee's existing or future CalPERS retirement benefits, status, duties and/or obligations. Employee acknowledges that in entering into this Agreement, he has not relied upon any such representations (none of which being in existence) in assessing the CalPERS-related impact of his employment. Therefore, Employee releases the City from any and all CalPERS-related claims or liabilities that may arise in connection with his employment pursuant to this Agreement.

- I. No Unemployment Insurance Benefits Received By Employee. Employee expressly certifies and wan-ants to the City that he has not received any unemployment insurance payments for retired annuitant work for any public employer within the 12 months prior to his appointment date.
- J. Conflicts Prohibited. During the term of this Agreement, Employee shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict, with the proper discharge of Employee's duties under this Agreement. Employee shall comply with all requirements of law, including but not limited to, Sections 1090, 1125 and 87100 et seq. of the Government Code, and all other similar statutory and administrative rules.
- K. Independent Legal Advice. The City and Employee represent and warrant to each other that each has received legal advice from independent and separate legal counsel with respect to the legal effect of this Agreement, or has at least had the opportunity to do so, that each has carefully reviewed this entire Agreement, that each and every term thereof is understood, and that the terms of this Agreement are contractual and not a mere recital. This Agreement shall not be construed against the Party or its representatives who drafted it or who drafted any portion thereof.
- L. Government Code §§ 53243 53243.4. Government Code §§ 53243 53243.4 sought to provide greater transparency in local government and institute certain limitations on compensation paid to local government executives. Those statutes also require that contracts between local agencies and their employees include provisions requiring an employee who is convicted of a crime involving an abuse of his/her office or position to provide reimbursement to the local agency. Those statutes are incorporated herein by reference. Accordingly, the Parties agree it is their mutual intent to fully comply with the cited Government Code sections and all other applicable law as it exists as of the date of execution of this Agreement and as such laws may be amended from time to time thereafter. Specifically, the following Government Code sections are called out and hereby incorporated by this Agreement:
- §53243. Reimbursement of paid leave salary required upon conviction of crime involving office or position.
- §53243.1. Reimbursement of legal criminal defense upon conviction of crime involving office or position.
- §53243.2. Reimbursement of cash settlement upon conviction of crime involving office or position.
- §53243.3. Reimbursement of noncontractual payments upon conviction or crime involving office or position.
- §53243.4. "Abuse of office or position" defined.

Employee represents he has reviewed, is familiar with and agrees to comply fully with each of these provisions if any of these provisions are applicable to Employee.

executed on its behalf by the Mayor, City Attorney and duly attested to by the City Clerk, and the Employee has signed and executed two (2) copies of this Agreement.

IN WITNESS WHEREOF, the City of South Gate has caused this Agreement to be signed and **CITY OF SOUTH GATE:** ATTEST: By: Yodit Glaze, City Clerk (SEAL) APPROVED AS TO FORM: Raul F. Salinas, City Attorney **CHRIS JEFFERS:** Chris Jeffers, individually