REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: JULY 10, 2018

TITLE: AGREEMENT FOR THE EMPLOYMENT OF CITY MANAGER OF THE CITY OF IRVINE

EXECUTIVE SUMMARY

The City Council has completed a comprehensive recruitment process for a new City Manager. The process included a nationwide search and multiple rounds of reviews and interviews. Through that process, the City Council identified John A. Russo as its preferred candidate, and directed that a contract for Mr. Russo’s employment be presented for open session consideration and action.

Pursuant to City Council’s direction, the City’s recruiter, Ralph Andersen & Associates, negotiated the attached employment agreement with Mr. Russo. As required by California law, the terms of the agreement are outlined below. In summary, the contract is for a two year term at a compensation rate of $303,014.40 per year. Benefits will be generally the same as is otherwise provided to the City’s management team, except that Mr. Russo (i) will begin with a bank of three weeks of vacation time (but will not accrue additional vacation time during the first year of his employment), and (ii) will begin with a bank of forty hours of sick leave. If the employment contract is terminated early without cause, Mr. Russo will receive sixty days severance pay.

A summary of the City Manager selection process, Mr. Russo’s qualifications, and the key terms of the proposed employment agreement are provided below.

ANALYSIS

Following the retirement of its previous City Manager, the City Council directed the commencement of a nation-wide search for a new City Manager. The City selected Ralph Andersen & Associates to assist with that recruitment.

The City received forty resumes and applications in response to the recruitment. The City Council narrowed the field of applicants, and in-person interviews of seven highly qualified
candidates occurred on May 18, 2018. The field of finalists was then narrowed to three candidates, and those individuals participated in a second round of interviews on June 12, 2018.

Following their deliberations, and after careful consideration, the City Council selected John A. Russo as the top candidate. Mr. Russo has over 24 years of experience in local government, working as the City Manager for the cities of Riverside (2015-2018) and Alameda (2011-2015), as the City Attorney for the City of Oakland (2000-2011), and as an elected City Councilmember in Oakland (1995-2000). Through that experience, Mr. Russo has developed an exceptional breadth and depth of legislative and executive management experience in municipal government, combined with extensive professional, political, and personal networks throughout California and in Washington, DC. He has an excellent statewide reputation as a champion for local democracy, fiscal prudence, and government transparency. He has expert communication skills in a wide variety of settings including speeches, interviews, essays, presentations, and one-to-one mentoring. Employing his skills and experience, Mr. Russo has a demonstrated track record of success in devising and implementing public policy initiatives at the state and municipal level.

Mr. Russo’s educational credentials include a bachelor’s degree (with honors) in Economics & Political Science from Yale University, and a law degree from New York University School of Law. He has previously served as President and long-time member of the Board of Directors of the League of California Cities, and as a member of the Board of Directors of the National League of Cities. He is also admitted to the State Bars of California and Missouri and has been a licensed attorney for nearly 33 years.

Mr. Russo has received many awards and honors over his career, which most recently include a 2018 award for Public Partner of the Year from the Inland Empire Economic Partnership and a 2017 award for Strategic Leadership and Governance from the International City/County Management Association (ICMA). Mr. Russo’s *curriculum vitae* is provided as Attachment 1 for further information on his extensive background and experience.

Pursuant to City Council direction, City staff has prepared and negotiated an agreement to memorialize the compensation, benefits, review processes, and other key terms of Mr. Russo’s employment. Those terms are summarized below, and set forth in full in the *Agreement for the Employment of City Manager* provided as Attachment 2. The terms will also be summarized orally at the July 10, 2018 City Council Meeting, as required by Government Code Section 54953(c)(2), which provides in relevant part: “Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive ... during the open meeting in which the final action is to be taken.”
In summary, the terms of the employment agreement are as follows:

1. **Contract Duration.** Mr. Russo's contract is for a period of two years, effective July 16, 2018. It is terminable by the City, with or without cause at any time, subject to severance pay obligations outlined below. Under the Irvine Municipal Code section 1-3-119, however, the contract may not be terminated, other than for misconduct in office, within a period of ninety days after any general municipal election at which any new member of the City Council is elected. The contract is terminable by Mr. Russo on thirty days notice.

2. **Compensation.** Mr. Russo’s starting salary will be $303,014.40 per year. If during the term percentage salary adjustments are granted to the City’s management group as a whole, Mr. Russo’s salary will be adjusted by that same percentage.

3. **Vacation:** Mr. Russo will begin his employment with a bank of 120 hours of vacation, but will not accrue any additional vacation during the first year of his employment. In the second year of his employment, Mr. Russo will accrue vacation at a rate of 120 hours per year.

4. **Sick Leave:** Mr. Russo will begin his employment with a bank of 40 hours of sick leave. He will, in addition accrue sick leave in the same manner as is otherwise available to the City’s management group.

5. **Other Benefits.** Except with regard to vacation and sick leave (described in the prior two paragraph), Mr. Russo will be entitled to the same benefits as are available to the City’s management, which includes, personal leave, bereavement leave, parenthood leave, administrative leave, holidays, pension/retirement (PERS) benefits and payments (including those relating to the retiree health plan), health insurance, dental insurance, vision insurance, life insurance, disability insurance, flexible spending account, telecommunications allowance, vehicle allowance, and management incentive pay. Attachment 3 -- the City's resolution establishing and describing the benefits of management and non-represented employees of the City of Irvine – provides further information on these benefits.

6. **Severance Pay.** If he is terminated without cause, Mr. Russo will receive a lump sum cash payment equal to the lesser of (i) sixty days of the base salary he is receiving on the date of his termination or (ii) the base salary due to him for the remaining term of the contract. Mr. Russo would also receive medical benefits for the shortest of the following: sixty days; the remaining term on the contract; until Mr. Russo finds other employment and becomes eligible for health benefits; or until Mr. Russo retires.
7. **Annual Reviews.** While the City Council retains the ability to review Mr. Russo’s performance at any time, it specifically commits to conducting such a review in or around July of 2019.

**COMMISSION/BOARD/COMMITTEE RECOMMENDATION**

Not applicable.

**ALTERNATIVES CONSIDERED**

Not applicable.

**FINANCIAL IMPACT**

The annual total cost of the agreement, including benefits, is approximately $456,662 and is budgeted in the FY 2018/2019 adopted budget.

**REPORT PREPARED BY** Jeffrey T. Melching, City Attorney

**ATTACHMENTS**

1. *Curriculum Vitae* for John A. Russo
2. Agreement for Employment of City Manager
3. City Council Resolution 17-63
April 17, 2018

Lamont Ewell
Ralph Andersen and Associates
5800 Stanford Ranch Road, Suite 410
Rocklin, CA 95765

Dear Mr. Ewell:

I am pleased to submit this application for the position of City Manager for the City of Irvine. My 23 years of unusually broad leadership experience in municipal government makes me uniquely well prepared to be Irvine’s next City Manager.

In three cities I have established a reputation for strong leadership in several areas essential to effective city management. Transparency, accountability, responsiveness, fiscal prudence, and decisiveness are the values that have defined my career. Over the past seven years I have held two City Manager positions, including Alameda and Riverside. Prior to my career in city management, I spent 11 years as an award winning elected City Attorney and 6 years as elected City Councilmember in Oakland.

Serving in these very different official capacities – Councilmember, City Attorney, and City Manager – has given me strong insight into how to make a city work and a deep regard for the importance of having municipal officials respect the roles to which they have been assigned. As a City Manager, I draw on my past experience as a former Councilmember who was often frustrated by “de facto” staff policymaking. This means that I lead my team in fully and faithfully respecting the principal that the City Council – not the staff – collectively sets municipal policy. Municipal democracy and effective governance demand nothing less.

As City Manager in Riverside I have brought significant progress to a city that had fallen into fiscal difficulty and suffered from an unusually toxic City Hall environment. In the nearly three years I have been in Riverside, I have fully implemented a number of institutional reforms including but not limited to: a transparency initiative that quadrupled the time for Councilmembers and public to review all staff reports; uniform and universal annual personnel evaluations for all City of Riverside employees; Ward Action Teams that cut through red tape and promote geographic accountability among departments for the remediation of blight and other quality of life challenges; rotating financial and performance audits through which every City is examined and improved every 5 years; a 2 year budget cycle that forces a more conservative approach to revenue and expenditure projection; and, a set of Objective Performance Measures and benchmarks that allow policy makers to judge whether taxpayer funds are being spent efficiently. General fund reserves have doubled under my leadership. Riverside’s bond ratings have improved. Aml a large structural general fund deficit was discovered and remedied within my first fourteen months.

As far as the economic and cultural development of the city, I was instrumental in persuading the California Air Resources board to relocate their air quality testing facility from El Monte to U.C. Riverside. I also convinced noted comedian and art collector, Cheech Marin, to donate his collection of Chicano art (believed to be the largest in the world) to a new museum in downtown Riverside. Over 1,000 housing units are approved and most are under construction in Riverside’s long underutilized downtown, and finally, groundbreaking on a new hotel is scheduled for next month with another hotel (Hilton) going to council for approval next month.
Finally, I was able to fashion a coalition of business and labor to create a twenty year increase in the sales tax. Measure Z, a general sales tax, won approval by just under 60% of Riverside voters, and has allowed the city to purchase new public safety fleets as well as to begin increasing the number of police officers in field operations by nearly 50%.

There is much more that has been done by the excellent staff that I have been proud to assemble and lead in Riverside.

My commitment to governmental transparency is deep and long standing. I truly believe the public has a right to know what its government is doing and I believe that transparency promotes decisive and expeditious policymaking. As a Councilmember and together with the League of Women Voters of Oakland, I authored Oakland’s groundbreaking Sunshine Ordinance, which became law in 1997. Several years later, as President of the League of California Cities, we joined with the Society of Professional Journalists to write and pass Proposition 59, which gave Californians a constitutional right to open government. As Oakland City Attorney I presided over the only such office in the State of California to have an Open Government Coordinator to assist members of the public with public records and other information requests. In both Riverside and Alameda my administration promptly implemented the publication of council agenda materials 12 days before each council meeting. This allows the public to see and comment intelligently upon the City’s business, and gives individual councilmembers the time they need to review the materials, consult with the community as they see fit, and question staff about data and conclusions. The change measurably improved public debate in both cities and led to more informed and efficient council meetings.

Irvine is well known throughout California as an exceptionally well run city with an unimpeachable reputation for fiscal responsibility and financial planning, and a fantastic vision for development of the Great Park. However, visions cannot be made real without a deliberate strategy — both political and administrative — that results in actual implementation. Ambition, while a critical factor in promoting any transformational change, must be a collective enterprise in which city leaders are all pulling in the same direction. This requires a City Manager that is committed to open and transparent decision making: listening to all stakeholders (citizens, business, university, public sector, and faith communities) with an open mind and yet is equally committed to decisive action and long term benefits. Process matters. Results matter more. Irvine can have both and I believe that my skill set, combined with the great leadership of the Mayor and City Council, positions us to move the city forward.

I would be honored to be considered by the Irvine City Council for this leadership role.

Sincerely yours,

John Russo
SUMMARY OF QUALIFICATIONS

- Exceptional breadth and depth of legislative and executive management experience in municipal governance combined with extensive professional, political, and personal networks throughout California and in Washington D.C.

- A sterling statewide reputation among local elected officials and journalists as a champion for local democracy, fiscal prudence, and governmental transparency.

- Expert communication skills in all relevant venues including formal speeches, media interviews, persuasive essays, boardroom presentations, and one-to-one mentoring.

- Demonstrated track record of success in strategy, conception, and implementation of public policy initiatives at the state and municipal level.

PROFESSIONAL EXPERIENCE

CITY OF RIVERSIDE – RIVERSIDE, CA
City Manager (5/2015 – 4/2018)

Major Achievements:

- Within first year, uncovered and remedied hidden $10M structural deficit in General Fund with unanimous council vote for cuts in all departments; converted City from annual to two-year budget; doubled City’s General Fund reserve from 11.5% to 23% in under three years; persuaded bond rating agencies to improve City’s bond ratings for both General Fund and other enterprise funds; ended City’s practice of using enterprise funds to balance current accounts through “interfund loans.”

- Dramatically improved governmental transparency through quadrupling of notice for council meetings and publication of all staff reports to 12 days before meeting date; partnered with City Clerk to create Public Records Portal, which allows residents to view and download all public record requests and responses online; ordered staff to respond to all constituent communications within 1 business day; created a citizen Budget Engagement Commission which significantly increased public participation in the budget process in every one of Riverside’s seven wards.

- Implemented several essential administrative reforms including, but not limited to: a five year program of rotating financial and performance audits whereby three City departments are objectively examined by external subject matter experts each year, with a follow up agenda of improvements proposed to the City Council for action; installed a program of annual performance evaluations for every city employee; fashioned a targeted set of objective performance measures and benchmarks for every City department to assess efficiency of operations; acknowledged modern business reality with a powerful cybersecurity program to protect City and customer data.

- Personally negotiated a highly innovative labor management agreement (Partnership Compensation Model) that ties employee compensation directly to General Fund revenue performance while significantly increasing employee contributions to PERS premiums as well as establishing employee
cost sharing for increased medical premiums. Within 18 months of my start date in Riverside, all bargaining units were under four and five year contracts which promoted budgetary stability and foresight.

- Facilitated a housing, tourism, and cultural boom in long underserved downtown Riverside through carefully managed zoning and regulatory changes; worked closely with business and development partners to create One-Stop Shop (which streamlines all planning approvals), Build Riverside (which streamlines all inspection approvals), and Happy-or-Not (customer service kiosks that produce immediate customer satisfaction survey results); instrumental in persuading the California Air Resources Board to relocate their world class auto emissions testing facility to Riverside; convinced actor and philanthropist Cheech Marin to donate his Chicano art collection (the largest in the world) to a partnership of the City and the Riverside Art Museum to create the Cheech Marin Center for Art, Culture and Industry; brought to affirmative decision a major main library project that had languished for nearly 20 years; began and made significant progress on an overdue revised General Plan and Park Plan.

CITY OF ALAMEDA – ALAMEDA, CA

Major Achievements:
- Persuaded the US Navy to drop its longstanding demand for a payment of $108.5M to transfer the nearly 1000 acre waterfront property known as the Alameda Naval Air Station resulting in a “no-cost” conveyance of the property to the City in 2013.
- Planned and successfully executed all entitlements for redevelopment of Alameda Naval Air Station, including zoning maps, master infrastructure plan, environmental impact reports, State Lands exchanges, and other regulatory approvals without any litigation or settlement payments due to a robust and collaborative public outreach process.
- Converted City to two-year budget; balanced City’s General Fund; dramatically increased City’s unencumbered fund balance reserve; maintained all essential municipal service levels; personally negotiated long term labor contracts tying employee compensation to General Fund performance while achieving substantial additional employee contributions to PERS and health care premium rises; and, therefore, successfully advocated with rating agencies for improved bond ratings for the City of Alameda (AA to AA+).
- Established plan and funding for comprehensive 22-year plan to repair and replace all city sewers and roads through prudent financial management and an aggressive and productive lobbying strategy at the county level resulting in passage of Measure BB (Alameda County Transportation Tax).

CITY OF OAKLAND – OAKLAND, CA
City Attorney (2000 – 2011)

Major Achievements:
- Restructured City Attorney’s Office towards a greater emphasis on risk management, thereby resulting in significant decreases in the number of claims, lawsuits, amount of total liability payouts, and outside counsel expenditures.
- Led the City through complex and controversial cases such as the “Riders” police scandal and the $6.7 million judgment against Lehman Brothers paid to the City for the company’s blighting of the former Oak Knoll Naval Hospital site.
• Created the nationally recognized Neighborhood Law Corps program which closed over 70 drug hotspots, shut down or remediated over two dozen problem liquor outlets, forced the rehabilitation of hundreds of substandard housing units and successfully forced Union Pacific and Caltrans to cleanup their public right-of-way.

• Created Special Prosecution Team to work in partnership with the Alameda County District Attorney to eradicate quality of life crimes in Oakland’s tougher neighborhoods.

• Created the Open Government program with a dedicated staff person to ensure adherence to sunshine laws and public access to information and decision-making.

CITY OF OAKLAND – OAKLAND, CA  
City Councilmember (1995 – 2000)  
• Led the Council in advocating for government reform and fiscal accountability. Reformed the city budget from a one-year to a two-year budget. Implemented community policing, developed the first truly balanced budget in a generation, and authored Oakland’s open government law called the “sunshine” ordinance.

BELL, ROSENBERG & HUGHES – OAKLAND, CA  
Of Counsel (1996 – 2000)  
• Litigated personal injury and small business disputes for construction boutique firm. Crafted legal and political strategies for clients regarding how to approach dilemmas involving different levels of government.

ROTH AND RUSSO – OAKLAND, CA  
Partner / Litigator (1992 – 1995)  
• Litigated a wide variety of cases for small law practice with emphasis in real estate and business.

LARSON AND BURNHAM – OAKLAND, CA  
Associate (1988 – 1991)  
• Handled large trials and arbitrations with emphasis on professional malpractice defense.

KAZAN AND MCCLAIN – OAKLAND, CA  
Associate (1988)  
• Handled extremely active law and motion calendar and dozens of depositions for toxic tort firm.

LEGAL SERVICES OF EASTERN MISSOURI – ST. LOUIS, MO  
• Defended clients against home foreclosure and litigated cases regarding consumer fraud.

EDUCATION  
New York University School of Law, Juris Doctor (1985)  
• Articles Editor, Review of Law & Social Change  
• Teaching Assistant, Tort Law

Yale University, B.A. cum laude - Economics & Political Science (1982)  
• Clarke Prize, Best Senior Thesis in Comparative Governmental Policy  
• Yale Whiffenpoofs, First Tenor  
• Yale Political Union  
• Class Orator, Class Day Ceremony (1982)

LICENSES  
State Bar of California, #129729 (1987 – Present)  
Missouri Bar, #35309 (1985 – Present)
PROFESSIONAL ORGANIZATIONS

Alameda County City Managers Association, Chair-elect (2011 – 2015)
• Spearheaded initiatives with bi-partisan support to protect local tax revenues from state fiscal
  mismanagement (Proposition 1A) and to amend California’s Constitution to ensure public access to
government records and decision-making (Proposition 59).

Alameda County Bar Association, Barrister’s Club, Vice President (1989 – 1990)

CIVIC ORGANIZATIONS

Center for Justice & Accountability, Board of Directors (2010 – 2015)
Oakland Rotary #3, member (2007 – 2015)
Colombo Club, member (2002 – Present)
Lake Merritt Breakfast Club, member (1994 – Present)

AWARDS & HONORS

2018 Public Partner of the Year, Inland Empire Economic Partnership
2017 Strategic Leadership and Governance Award, Cybersecurity Program, ICMA
2017 Equip to Innovate top 5 cities nationwide, Governing Magazine
2016 What Works Cities Designation, Bloomberg Foundation
2010 Making Democracy Work Award for the Neighborhood Law Corps, League of Women Voters of
  Oakland
2008 Distinguished Service to the Legal Profession, Italian American Bar Association
2008 Legal Service Award, Bay Area Lawyers for Individual Freedom
2005-2008 Northern California Super Lawyer, Law & Politics Magazine
2007 Contribution to Local Government – League of California Cities
2006 Gold Award – Award for Municipal Excellence for the Neighborhood Law Corps, National
  League of Cities & CH2M Hill
2005 Grand Prize – Helen Putnam Award for Excellence for the Neighborhood Law Corps, League of
  California Cities
2004 California Lawyer of the Year – Government/Public Policy, California Lawyer Magazine
2004 Guy Rousaville, Jr. In-House Diversity Award, California Minority Counsel Program
2004 Champion of Local Democracy, League of California Cities
2004 Honorary Award, Latino Caucus – League of California Cities
2004 Award of Excellence for Publication, Legal Marketing Association
2003 Beacon Award, California First Amendment Coalition

PUBLICATIONS

“Oakland Must Face Its Pension Debts Now,” Oakland Tribune and Bay Citizen, December 30, 2010

“Oakland is Not Your Amusement Park,” Bay Citizen, July 16, 2010

“Oakland Gang Injunction is a Chance to Save Lives,” San Francisco Chronicle and the Globe by City Attorney Russo and Oakland Police Chief Anthony Batts, May 26, 2010

“It’s Time to Regulate & Tax Cannabis in California,” SF Gate, Sacramento Bee, The Oakland Tribune, April 27, 2010

“City Attorney Cracks Down on Blood Sport,” OakBook, October 28, 2009

“Burdened Courts Should Hold Lawyers Feet to Fire,” The Recorder, October 23, 2009

“Oakland Must Reform its Record Keeping,” by City Attorney John Russo and City Auditor Courtney Ruby, Oakland Tribune, October 21, 2009

“Giving Dellums His Due,” OakBook, Oakland Tribune, June 26, 2009

“A’s Have not Made an Exhaustive Effort to Stay in Oakland,” Oakland Tribune, April 28, 2009


“Creating the Oakland that Should Be,” Oakland Tribune, February 23, 2009

“Por Primera Vez Oakland Tiene Noticias Sobre El Crimen Que No Son Terribles,” Vision Hispana, July 4, 2009


“Oakland En Una Encrucijada,” Vision Hispana, February 28, 2009

“Oakland at a Crossroads,” Vision Hispana, February 28, 2009


“Proposition 8 Was on the Wrong Side of History,” Oakland Tribune, December 2, 2008

“La Policia Quiere Que Le Paguen Por Vestirse,” Vision Hispana, November 1, 2008

“Police’s Lawsuit Against Oakland Is Shameful,” Oakland Tribune, October 22, 2008

“Oakland Necesita Mejorar El Manejo De Sus Archives,” with Courtney Ruby, Vision Hispana, July 12, 2008


“Cómo Poner Más Policias En Las Calles De Oakland,” Vision Hispana, June 14, 2008


“No Al Rocio Pesticida En El Area De La Bahía,” Vision Hispana, April 26, 2008

“Don’t Spray First and Ask Questions Later,” Oakland Tribune, April 21, 2008

“Embargos Ocasionan Desalojos Ilegales en La Ciudad de Oakland,” Vision Hispana, March 29, 2009

“Foreclosures Bring Illegal Evictions to Oakland,” The Globe, Volume 5, Issue 2

“How to Protect Californians from Predatory Lending,” San Francisco Chronicle, November 26, 2007

“Protection Needed from Predatory Lending,” Oakland Tribune, October 19, 2007

"Referendum Committee Leaders Failed the Public," *Oakland Tribune*, March 29, 2007


"Law Required Oak-to-Ninth Petition Signatures Be Invalidated," *Oakland Tribune*, October 5, 2006


"Caltrans Must Be Considerate to Oaklanders," *Oakland Tribune*, August 17, 2005

"Why Oakland Sued Caltrans," *San Francisco Chronicle*, August 17, 2005

"‘Riders’ Settlement was Right Thing to Do," *Oakland Tribune*, June 3, 2005

"Democracy Needs the Election Referee to Play Fair," various publications, February 18, 2005

"Proposition 1A Can Help Break State Habit," *Oakland Tribune*, October 27, 2004

"Patriot Act – Forgoing Liberty for Safety?" *San Francisco Chronicle*, January 29, 2004

"The Importance of Open Government to Local Democracy," *Western City Magazine*, League of California Cities, August 2003


"What If the Customer Isn’t Right?" *Western City Magazine*, League of California Cities, December 2002

"Keeping the Sunshine on Oakland City Government," *Oakland Tribune*, October 26, 2002

"For Neither Fame Nor Money: Public Service in the 21st Century," *Western City Magazine*, League of California Cities, October 2002


**SKILLS/INTERESTS**

Proficient in Spanish & Italian; literature; history; all types of sports; international soccer; golf; travel
AGREEMENT FOR EMPLOYMENT
OF CITY MANAGER

THIS AGREEMENT ("Agreement") is entered into on July 16, 2018 by the City of Irvine, a municipal corporation organized and existing under the laws of the State of California ("City"), and John A. Russo ("Manager"). City and Manager are sometimes individually referred to herein as a “Party” and sometimes collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, the City Council of the City of Irvine ("City Council"), the governing body of City, desires to employ John A. Russo as the City Manager of the City of Irvine effective July 16, 2018 as provided by Article V of the Charter of the City of Irvine and Title 1, Division 3 of the Irvine Municipal Code and the terms and conditions set out herein.

WHEREAS, the City and Manager have entered into this Agreement in recognition of the benefits accruing to each Party; and

WHEREAS, this Agreement will ensure the retention of Manager’s services as City Manager and the performance of the duties of the office in a manner which serves the best interests of City, subject always to the direction of the City Council; and

WHEREAS, this Agreement shall further provide for an equitable manner of termination of Manager’s employment with City in certain circumstances.

TERMS

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth below, the Parties agree as follows:

1. EMPLOYMENT AS CITY MANAGER; DUTIES. City agrees to employ Manager as City Manager of the City of Irvine, and Manager agrees to serve as City Manager of the City of Irvine, performing the duties and responsibilities as set forth in Article V of the Charter of the City and Title 1, Division 3 of the Irvine Municipal Code, and in accordance with applicable provisions of State law. Manager shall further perform such other legally permissible and proper duties and functions as the City Council may from time to time assign.

2. TERM; WORK SCHEDULE. Manager’s term as City Manager become effective on July 16, 2018 and shall remain in effect for a period of two (2) years ("Term"), unless otherwise terminated pursuant to the provisions stated herein. At the end of the Term, this Agreement may be extended upon mutual agreement of the Parties. During the Term, Manager shall be a full-time City Manager of the City of Irvine. Manager’s normal work schedule shall be during normal business hours Monday through Friday during the Term.

3. SALARY. During the Term, Manager shall receive an annual salary of Three Hundred Three Thousand Fourteen Dollars and Forty Cents ($303,014.40) per year. Except as may otherwise be provided, Manager’s salary, and other compensation provided for in this
Agreement, shall be paid in increments in the same manner as for other City employees. Manager’s salary shall be adjusted as follows:

3.1 MANAGEMENT ADJUSTMENTS. Manager shall receive the same percentage salary adjustments as the City may from time to time confer upon the class of employees designated by the City as “Management.”

3.2 MERIT INCREASES. The City Council may from time to time grant merit increases to Manager’s salary provided above, as follows: If after each evaluation of the Manager’s performance, as described in Paragraph 5 of this Agreement, the City Council concludes that Manager’s performance warrants an adjustment for merit, the City Council may grant a merit adjustment in an amount determined by the City Council, to be effective on a date determined by the City Council. Such merit adjustments may be granted on one or more occasions during a year and may be in the form of lump sum payments, adjustments to annual salary or any other form determined by the City Council, but shall be in addition to any adjustments made in accordance with Subparagraph 3.1.

4. BENEFITS. During the Term, Manager shall be entitled to receive the benefits described in Subparagraphs 4.1 through 4.4 below.

4.1 VACATION. Manager shall receive one hundred twenty (120) hours of vacation leave effective upon the commencement this Agreement. Manager shall accrue no additional vacation benefits between July 16, 2018 and July 15, 2019. Commencing on July 16, 2019, Manager shall begin accruing additional vacation benefits at a rate of one hundred twenty (120) hours per year. Upon termination or of his employment with the City for whatever reason, Manager shall be paid for any unused accrued vacation, to the extent allowable under the current Management Employee Compensation Resolution and any successor resolutions, agreements, or the like (collectively, the “Current Resolution”).

4.2 SICK LEAVE. Manager shall receive forty (40) hours of sick leave benefits effective upon commencement of this Agreement. Manager shall, in addition, accrue sick leave in accordance with the Current Resolution.

4.3 PHYSICAL EXAMINATION. It is in the City’s best interest that Manager maintains good health and the physical ability to fulfill the duties as City Manager. Toward this end, the City shall pay the full cost of one complete annual physical examination for Manager, conducted by the physician of Manager’s choice. The cost to the City shall be offset by any payment made by Manager’s health insurance carrier toward the cost of the examination.

4.4 OTHER BENEFITS. Except as provided otherwise herein, Manager shall receive any and all other supplemental benefits including, but not limited to, personal sick leave, personal leave, bereavement leave, parenthood leave, administrative leave, holidays, pension/retirement (PERS) benefits and payments (including those relating to the retiree health plan), health insurance, dental insurance, vision insurance, life insurance, disability insurance, flexible spending account, telecommunications allowance, vehicle allowance, and management incentive pay. Except as otherwise provided herein (in Subparagraph 4.1
and 4.2, above, and Subparagraph 7, below), all actions undertaken by City relating to benefits for management employees shall be considered actions affecting the same benefits applicable to Manager.

5. **PERFORMANCE EVALUATION BY CITY COUNCIL.** The Mayor and the City Council are responsible for setting performance goals on an annual basis in consultation with the City Manager. The City and Manager acknowledge that periodic performance evaluations are an important means by which the City Council and the City Manager may ensure effective communications regarding expectations and performance. Toward this end, the City Council shall review and discuss Manager’s performance in or around July of 2019. The City Council may in its discretion conduct additional evaluations of Manager’s performance at such times as it deems appropriate.

6. **TERMINATION OF EMPLOYMENT.** Notwithstanding anything in this Agreement to the contrary, this Agreement may be terminated prior to the expiration of the Term as follows:

6.1 **VOLUNTARY RESIGNATION.** Manager may voluntarily resign by delivering a letter of resignation to the City Council not less than thirty (30) days prior to the effective date of resignation. Promptly after the effective date of resignation, the City shall pay to Manager all salary and benefits amounts both accrued and owing under this Agreement and other applicable laws, rules, programs, and policies of the City, State and Federal government.

6.2 **TERMINATION BY COUNCIL.** Notwithstanding the Term provided in Paragraph 2 of this Agreement, the City Council may remove and terminate Manager in accordance with the following:

(a) **With Cause.** At any time the City Council may remove and terminate Manager for cause, which for purposes of this Agreement shall be defined as follows: (1) any criminal act involving moral turpitude, fraud, malfeasance, or act of misfeasance, (2) loss of mental capacity for more than six consecutive months as determined by a court of competent jurisdiction; (3) habitual or willful neglect of duty; (4) willful destruction or misuse of City property; (5) habitual intoxication on duty, whether by alcohol or non-prescription drugs; (6) inexcusable absence without leave; (7) willful political activity involving the support of candidates for City Council or Charter amendments; (8) willful violation of the Federal, State or City discrimination laws concerning race, religious creed, color, national origin, ancestry, physical handicap, marital status, sex or age concerning either members of the general public or City employee(s) while acting in the course and scope of employment, and while acting without the prior approval or direction of the City Council; (9) willful and unlawful retaliation against any other City officer or employee or member of the general public who in good faith reports, discloses, divulges, or otherwise brings to the attention of any appropriate authority any facts or information relative to actual or suspected violations of any law occurring on the job or directly related thereto; (10) willful violation of any conflict of interest or incompatibility of office laws; (11) performance of material outside business interests that conflict directly with the activities and duties as City Manager, but
not including educational or professional training programs conducted by Manager whether for personal financial gain or not; and (12) refusal to take or subscribe any oath or affirmation which is required by law; each a “Cause.” In the event the termination is for Cause, the City shall provide Manager with a written statement describing the Cause and shall offer Manager a name-clearing hearing before the City Council at a reasonable time and upon reasonable notice, consistent with Irvine Municipal Code section 1-3-114 through 1-3-119.

(b) Without Cause. City and Manager hereby expressly agree that the employment relationship created by this Agreement is “at will” and that Manager serves at the will and pleasure of the City Council. Consistent with the foregoing, at any time during the Term of this Agreement, the City Council may remove and terminate Manager without Cause upon notice delivered in writing. However, in case of removal or termination without Cause, Manager shall be entitled to the benefits of Subparagraph 6.3(a), below.

6.3 COMPENSATION IN CASE OF TERMINATION

(a) With Cause. If Manager is involuntarily terminated by the Council with Cause, City shall have no obligation to continue the employment of Manager and shall have no obligation to make any severance payments (or other payments beyond salary due to Manager through the date of termination), or continue in force any benefits provided for under this Agreement.

(b) Without Cause. If Manager is involuntarily terminated by the Council without Cause, City agrees to pay Manager within fifteen (15) days of the date of such termination: (i) a lump sum cash payment (“Severance Pay”) equal to two (2) months (“Severance Period”) of the base salary Manager is receiving on the date of the Council’s action to terminate Manager, or as many months as then remain on Manager’s contract term, whichever is less, less legally required or authorized deductions; and (ii) City shall pay Manager’s Consolidated Omnibus Budget Reconciliation Act (“COBRA”) premiums for COBRA insurance coverage otherwise available to Manager, for the Severance Period, or as many months as then remain on Manager’s contract term, or until Manager becomes ineligible for COBRA, whichever is less. In exchange for and as a condition to receipt of the Severance Pay, Manager shall execute a release and waiver, in a form acceptable to the City Attorney, releasing the City from any and all claims associated with Manager’s termination.

7. PROFESSIONAL DEVELOPMENT. The City acknowledges its interest in the continuing professional development of Manager and agrees to allow and pay all expenses associated with attendance at annual conferences of the International City/County Management Association, League of California Cities, and California City Managers Association. Further, the City agrees to pay the membership dues for Manager in the International City/County Management Association and City Manager’s Department of the League of California Cities. With the prior consent of the Council, the City agrees to allow Manager to attend and participate in such other professional associations and conferences as may be mutually agreeable to both Parties. The City acknowledges the right of Manager to engage in other professional activities as long as they do
not interfere or conflict with Manager’s duties as City Manager. Such professional activities may include teaching, writing, consulting and others.

8. **MISCELLANEOUS.**

8.1 **EXPRESSION OF INTENT REGARDING RESIDENCY.** Manager expresses an intent to relocate from his current residence to a location within or in close proximity to Irvine prior to the expiration of the Term.

8.2 **CONTRACT PROVISIONS CONTROLLING.** To the extent the provisions of this Agreement are inconsistent with the provisions of Irvine Municipal Code section 1-3-104 and/or 1-3-108, the provisions of this Agreement shall control.

8.3 **INDEMNIFICATION.** The City shall defend, hold harmless and indemnify Manager against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of any alleged act or omission occurring in the performance of Manager’s duties to the City. In its sole discretion, the City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered therefrom.

8.4 **OTHER RIGHTS OF PARTIES.** Unless expressly set forth in this Agreement, nothing in this Agreement shall abrogate any rights, responsibilities, benefits or privileges to which either Party would otherwise be entitled.

8.5 **AMENDMENT OF AGREEMENT.** This Agreement may be amended in writing by mutual agreement of the Parties.

8.6 **STATE LAW.** The rights and obligations of the Parties to this Agreement shall be governed by the laws of the State of California.

8.7 **RECITALS.** The recitals set forth above are incorporated by reference into this Agreement.

8.8 **FAILURE TO ACT OR DELAY OF ACTION.** No failure to exercise and no delay in exercising any right, remedy or power set forth in this Agreement shall operate as a waiver to the exercise of that right, remedy or power in the future.

8.9 **ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the Parties. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by either Party to this Agreement.

8.10 **SEVERABILITY.** Should any paragraph, subparagraph, sentence, clause, phrase or word included in this Agreement be found invalid by a court of competent jurisdiction, the balance of this Agreement shall remain in full force and effect.

8.11 **NOTICES.** Notices pursuant to this Agreement shall be in writing and shall be personally served, given by mail or by overnight delivery. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage
prepaid, addressed to the respective Parties at One Civic Center Plaza, Irvine, CA 92623-9575, or such other address as may be given, in writing, to the other Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year written at the beginning of this Agreement.

CITY:  
City of Irvine

By: ____________________________  By: ____________________________
Mayor  John A. Russo

ATTEST:

______________________________
City Clerk

APPROVED AS TO FORM:

______________________________
City Attorney
CITY COUNCIL RESOLUTION NO. 17-63


WHEREAS, revisions have been made to the Classification and Compensation Policy; and

NOW, THEREFORE, the City Council of the City of Irvine DOES HEREBY RESOLVE as follows:

SECTION 1. ANNUAL COMPENSATION FOR MANAGEMENT AND NON-REPRESENTED EMPLOYEES

The pay grades for Management and Non-Represented Employees of the City of Irvine shall be set forth as shown in the applicable salary resolution adopted by the City Council.

SECTION 2. OTHER COMPENSATION COMPONENTS

Eligible exempt Management and Non-Represented employees shall receive additional compensation benefits as follows:

1. Pension:

A. The provisions of this Section 2.1 shall apply to all employees, as of June 30, 2003, who elected to decline the CalPERS benefits.

1. The City shall invest an amount equal to 12.448% of each employee's base salary in the City of Irvine Defined Contribution Pension Plan (DCPP) for employees who are actively employed in the unit on or after this Resolution is approved by the City Council. Employees shall become fifty percent (50%) vested in such plan upon completion of the initial six months of employment. Thereafter, such vested interest shall increase at the rate of 5% for every Plan Year in which the employee completes 1000 hours of service. Once the employee has completed five (5) years of service, he/she shall become 100% vested in the retirement plan.

2. The City will deduct an amount equal to 6.552% of each employee's base salary to invest in the City of Irvine DCPP. It is understood that this
payroll deduction shall be mandatory for all employees who elect to remain in the City of Irvine DCPP.

3. All employees who elected to remain in the City of Irvine DCPP shall not be entitled to any CalPERS benefits, past, present or future, as provided under Section 2.1.B of this Resolution. If employees elected to remain in the City of Irvine DCPP, such participation shall continue until the employee terminates their employment from the City for any reason.

4. The City will utilize retirement plan forfeitures to offset the cost of City of Irvine DCPP account management and administrative fees.

B. The provisions of this section B.1 shall apply to employees, as of June 30, 2003, who elected to waive their rights to the City of Irvine Defined Contribution Pension Plan (DCPP) and who elected to transfer to the CalPERS program.

1. The City’s contract with CalPERS shall include the following options:

   a. 2.7% @ 55 Full Formula for Local Miscellaneous Members (Cal. Govt. Code Section 21354.5)

   b. One Year Final Compensation (Cal. Govt. Code Section 20042)

   c. Military Service Credit as Public Service (Govt. Code Section 21024), in which the employee pays the entire cost

   d. Improved Non-Industrial Disability Allowance (Cal. Govt. Code Section 21427)

   e. 4th Level 1959 Survivor Benefits (Govt. Code Section 21574)

   f. Limit Prior Service to Members Employed on Contract Date (Govt. Code Section 20938)

2. All eligible employees hired on or after July 5, 2003, the effective date of the CalPERS contract, shall become members of the CalPERS Retirement Program.

3. All active eligible employees shall be members of CalPERS, unless they elected to decline the CalPERS benefits through the irrevocable election process. All employees covered by CalPERS shall no longer be entitled to any benefits past, present or future, provided under the City of Irvine DCPP referenced in Section 2.1.A above.
4. Once a member of the CalPERS plan, such participation shall continue until the employee terminates employment with the City for any reason.

5. The CalPERS vesting schedule will apply (Cal. Govt. Code Section 21060).

6. **Employer-Paid Member Contributions and New CalPERS Miscellaneous Tiers**

   a. The full eight percent (8%) cost of the CalPERS member contributions will be paid by the employee.

   b. Effective April 14, 2012, the City implemented the 2% @ 55 retirement program with the average of the three highest paid consecutive years for all miscellaneous employees hired on or after that date. Employees in the 2% @ 55 plan will pay the full 7% Member Contribution for the entire term of their employment.

   c. All “new members” within the meaning of the California Public Employees’ Pension Reform Act of 2013 hired by the City on or after January 1, 2013, will be placed in the City’s Tier 3 plan; 2% at 62 formula for Miscellaneous employees. Employees will pay the full employee contribution, which will be one-half the normal rate as determined by CalPERS and there shall be no employer payment of any of the required employee contribution.

C. The Sworn employees listed in Attachment I shall become a member of the CalPERS retirement plan for local safety employees, pursuant to the contract between the City and CalPERS.

   1. Once a member of the CalPERS plan, such participation shall continue until the employee terminates employment with the City for any reason.

   2. The CalPERS vesting schedule will apply (Cal. Govt. Code Section 21060).

      For employees who are members of the City’s 3% at 50 CalPERS, the full nine percent (9%) member contribution will be paid by the member, through pre-tax payroll deduction.

   3. All “new members” within the meaning of the California Public Employees’ Pension Reform Act of 2013 hired by the City on or after January 1, 2013, will be placed in the City’s Tier 3 plan; 2.7% at 57 for Sworn employees. Employees will pay the full employee contribution, which will be one-half the normal rate as determined by CalPERS and
there shall be no employer payment of any of the required employee contribution.

4. Employer paid member contributions shall be considered deferred income for federal and state income tax purposes. Should any state or federal agency alter the current income tax treatment of such payments, the consequences of such action shall be the sole responsibility of the affected employees, and shall in no way alter any obligation of the City toward such employees.

2. Retiree Health Plan

A. The City shall contribute an amount equal to two percent (2%) of each employee's base salary in a Retiree Health Savings (RHS) account, which shall be administered by the employees covered by this Resolution.

B. An employee who has retired from the City and has either attained the age of sixty (60) years or is fifty (50) years old and has completed five (5) years of service with the City shall be entitled to purchase the medical insurance plan in effect at the time of retirement at the City's rates for the employee and the employee's dependents at the cost to the former employee, now retiree.

C. The City will allow a spouse of an eligible retired unit member to continue to purchase the medical insurance after the death of the retired employee, provided that the spouse was covered under a City insurance plan at the time of employee's death and provided that there has been no break in coverage since the employee's retirement. This eligibility for continued coverage ceases if such spouse remarries.

D. Each representation unit has determined the type of retiree health program in which its members shall participate. In order to ensure that the employees can maximize their benefits, the City agrees to allow employees to remain in the designated type of retiree health program throughout their service with the City, whether or not the employee moves to another representation unit(s). In the event an employee moves to another representation unit, the City will contribute an amount up to the contribution established for the new unit's retiree health plan and the employee will not be eligible to participate in any other non-voluntary health plan offered to City employees. If the City's contribution toward a retiree health plan in the new unit is less than what is required for the employee's designated retiree health plan, the difference will be deducted from the employee's pay.
3. **Health Insurance Benefits**

A. **Indemnity Medical Insurance**

The City shall provide the option to employees to enroll in a medical indemnity insurance plan.

B. **Indemnity Dental Insurance**

The City shall provide the option to employees to enroll in a dental indemnity insurance plan.

C. **Health Maintenance Organizations**

The City shall provide the option to employees to enroll in a health maintenance organization and/or a dental maintenance organization.

D. **Vision Care Plan**

The City shall provide a vision care plan.

E. For employees who choose the PPO medical plan, the total cost to the City for medical, dental, psychological and vision insurance shall not exceed $694.04 per month, per employee, $754.04 per month, per employee plus one (1) dependent or $1,064.31 per month per employee plus family. The medical tier that the employee selects will drive the insurance cap that is applied to the employee’s health benefit selections.

F. Employees have the option of enrolling themselves and/or their dependents into a no-cost medical plan rather than being subject to the cap as set forth in item F., above. Under the no-cost plan, the City will provide any HMO Medical Plan and any HMO Dental Plan offered by the City, as described in item F. above. Under this option, employees may choose to upgrade from the HMO Dental Plan to the PPO Dental Plan, however the employee will be required to pay the difference in premium between the HMO Dental Plan and the PPO Dental Plan.

Effective January 1, 2015, any increase in the cost of the HMO Medical Plans over the costs in effect December 31, 2014, will be borne as follows: The City will pay 95% of the increased cost, and employees enrolled in HMO Medical Plans will pay the remaining 5% of cost increases in annual premiums. Each year thereafter, the amount paid by employees in prior years will be added to that portion of the increase (five percent 5%) the employees will pay in the current year.
4. **Disability Insurance**

The City shall provide a long-term disability insurance plan for employees.

5. **Life Insurance**

Employees covered by this Resolution shall be provided a life insurance policy in the amount equal to a full year’s base salary rounded up to the next $1,000.

6. **Flexible Spending Account**

Employees may use pre-tax dollars to pay for eligible medical and dependent care expenses per Internal Revenue Code Sections 125 and 129. The City will use what legal means exist to recover cost for claims paid in advance of sufficient employee payroll deduction being made upon the employee’s separation from the City.

7. **Expense Allowances**

A. **Vehicle/Vehicle Allowance**

Management employees listed in Sections A and B of Attachment I shall be provided a vehicle at City expense or a monthly vehicle allowance. Those classifications listed in Section C of Attachment I shall be provided a monthly vehicle allowance. The City Manager may approve use of a City vehicle or mileage reimbursement for those miles traveled in the employee’s vehicle, which exceed the miles covered by the vehicle allowance based on the current mileage rate.

<table>
<thead>
<tr>
<th>Classifications in Section A and B</th>
<th>$550</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classifications in Section C</td>
<td>$300</td>
</tr>
</tbody>
</table>

B. **Telecommunications Allowance**

Employees listed in Sections A, B and C of Attachment I shall be provided a $100.00 monthly allowance for cellular service. In addition, a reimbursement of up to $200 for cellular equipment will be provided upon receipt of invoice initially (following appointment to an affected classification) and once every two years thereafter, if necessary to replace existing equipment. All contracts for cellular service for these employees shall be between the provider and the individual.
8. **Vacation**

Management and Non-Represented employees shall accrue vacation credits on a monthly basis as follows:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Annual Vacation Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 through 3</td>
<td>120 hours</td>
</tr>
<tr>
<td>After 3 through 10</td>
<td>160 hours</td>
</tr>
<tr>
<td>After 10 years or more</td>
<td>200 hours</td>
</tr>
</tbody>
</table>

As an incentive for filling critical management and non-represented positions, as part of an offer of employment, the City Manager may grant a vacation balance of one week upon appointment.

Employees may not accrue more than three (3) times their annual accrual rate of vacation. When an employee earns vacation in excess of the maximum accrual, the employee shall be paid for vacation during the pay period earned and at the employee's base rate of pay.

The dates an employee may take her/his vacation shall be determined by the Department Director or the City Manager with due regard for the wishes of the employee and particular regard for the needs of the City. Other policies related to the accrual and use of vacation shall be as provided in the Personnel Rules and Procedures.

9. **Vacation Buyback**

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to eighty (80) hours of accrued vacation (in whole hour increments) which will be earned in the following calendar year at the employee’s base rate of pay. The employee will receive cash for the amount of vacation the employee irrevocably elected to cash out in the prior year. Payment will be made by Thanksgiving. However, if the employee’s vacation leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of leave the employee has accrued at the time of the cash out.

10. **Personal Sick Leave**

Employees shall accrue personal sick leave credits at the rate of eight (8) hours per month.

Unless unforeseen and extenuating circumstances arise, in order to receive compensation while absent on sick leave, the employee shall notify her/his
immediate supervisor or the Personnel Officer prior to or within one (1) hour
after the time set for beginning her/his daily duties, or as may be specified by
the head of her/his department. When absence is for one workday or more,
the employee may be required to file a physician’s certificate with the
Personnel Officer, stating the cause of absence.

An employee receiving temporary disability payments under the Workers’
Compensation laws may use a pro-rated amount of accumulated sick leave in
order to continue to maintain her/his regular income. Under such
circumstances, the employee shall submit any benefit payments from the
Workers’ Compensation fund to the Finance Officer.

An employee may be required to provide a doctor’s release to return to work
following an illness or injury resulting in an inability to perform assigned
duties.

11. Personal Sick Leave Conversion

Employees having less than ten (10) years of consecutive full-time service
shall be eligible, if they so desire, each quarter (January 1, April 1, July 1,
October 1) to convert unused personal sick leave in excess of 168 hours at a
ratio of eight (8) hours of vacation for every twenty-four (24) hours of personal
sick leave. Employees with at least ten (10) years of full-time consecutive
service shall be eligible to convert sick leave in excess of 168 hours at the
ratio of eight (8) vacation hours for sixteen (16) sick leave hours. One
hundred sixty-eight (168) hours must be accrued and retained prior to
converting any excess personal sick leave hours to vacation hours.

Effective the pay period following April 1 of each year, regular full-time
employees, whose unused personal sick leave has accumulated to more than
700 hours, must convert those hours in excess of 700 into their respective
individual accounts in the Management Retiree Health Savings Plan, subject
to a maximum conversion of 120 hours of sick leave per employee per year.
The conversion of personal sick leave into the Retiree Health Savings Plan
shall occur as follows:

A. The City will convert unused sick leave into the Retiree Health Savings
   Plan for regular full-time employees having less than ten (10) years of
   consecutive full-time service at a ratio of three (3) hours of sick leave to
   one (1) hour of pay at the employee’s current base salary rate.

B. The City will convert unused personal sick leave into the Retiree Health
   Savings Plan for regular full-time employees with at least ten (10) years of
   consecutive full-time service at a ratio of two (2) hours of sick leave to one
   (1) hour of pay at the employee’s current base salary rate.

8 CC RESOLUTION NO. 17-63
Upon separation regular full-time employees must convert all remaining sick leave hours into their respective individual accounts in the Retiree Health Savings Plan as follows:

1. The City will convert unused personal sick leave into the Retiree Health Savings Plan for regular full-time employees having less than ten (10) years of consecutive full-time service at a ratio of three (3) hours of sick leave to one (1) hour of pay at the employee’s current base salary rate.

2. The City will convert unused personal sick leave into the Retiree Health Savings Plan for regular full-time employees with at least ten (10) years of consecutive full-time service at a ratio of two (2) hours of sick leave to one (1) hour of pay at the employee’s current base salary rate.

Employees who separate due to termination for cause or resignation/retirement in lieu of termination for cause shall not be eligible to convert their sick leave into the Retiree Health Savings Plan.

12. Personal Leave

Effective the pay period which includes January 1st of each year, employees shall receive a Personal Leave Benefit of seventy-one (71) hours per year. Such leave shall be available for employees to use from the beginning of the first pay period beginning in the calendar year through the end of the last pay period beginning in the calendar year. Such hours shall not accrue from year to year. This leave has no cash value and cannot be cashed out. If, at the end of the calendar year, the employee has any of this leave on the books, with the pay period including January 1, he/she will be provided with whatever amount of leave is necessary to bring his/her bank up to 71 hours. Probationary employees who commence employment with the City after January 1 will receive twenty four (24) less Personal Leave hours for every four (4) months the employee is not on paid status with the City.

The employee shall notify his/her immediate supervisor of the use of a Personal Leave day at least 36 hours in advance unless circumstances beyond the employee’s control prevent such notification.

13. Bereavement Leave

Employees shall receive up to forty (40) hours for any one instance for absence necessitated by the death of immediate family members. Such credit shall not be accrued from year to year. The immediate family shall be defined as mean father, father-in-law, mother, mother-in-law, step-parent, brother, step-brother, sister, step-sister, wife, husband, registered domestic
partner, child, step-child, grandparent, grandparents in-law, grandchild, legal
guardian or other individuals whose relationship to the employee is that of a
dependent, a domestic partner as defined by California Family Code section
297, or a person who stood in loco parentis (in place of a parent) to the
employee.

14. Parenthood Leave

An employee may be granted a temporary parenthood leave of absence
without pay, not to exceed 180 calendar days per year, upon approval from
the City Manager. The employee requesting such leave shall present
evidence of the birth or adoption of a child by the employee or spouse to
his/her Department Director. The City will comply with all elements of
parenthood leave under the Family Medical Leave Act and the California
Family Rights Act. Any such leave will run concurrently with parenthood
leave as provided for under the FMLA and CFRA.

15. Administrative Leave

Effective the first pay period beginning in January of each year, employees in
classifications listed in Section A, B, C or D of Attachment I will receive forty
(40) hours of Administrative Leave per calendar year. Administrative Leave
will be prorated on a monthly basis for management and non-represented
employees appointed during the calendar year. Additional Administrative
Leave may be approved by the Department Director or City Manager.
Administrative Leave must be used by the end of the calendar year. Such
hours shall not accrue from year to year or be paid off upon termination. This
leave has no cash value and cannot be cashed out. If, at the end of the
calendar year, the employee has any of this leave on the books, with the pay
period including January 1, he/she will be provided with whatever amount of
leave is necessary to bring his/her bank up to 40 hours.

16. Education/ Reimbursement/Professional Development/Professional
Advancement

Employees shall be eligible for reimbursement of approved education or
professional development expenses to a maximum of $1,300 per calendar
year.

Up to $500 of the employee’s annual professional development fund may be
used towards travel, expenses for City approved conferences, seminars, job-
related training, and/or certified wellness programs for Sworn employees in
accordance with Irvine Police Department and City Policy. Employees using
professional development funds for travel-related purposes shall be subject to
all guidelines established by City travel policies and procedures.
Up to $250 of the employee’s annual professional development funds may be used toward supplementing un-reimbursed expenses for his/her annual physical examination, subject to the provisions of Article 24 of the City’s Personnel Rules and Procedures.

The sworn employees listed in Attachment I shall be eligible for a twelve percent (12%) Professional Advancement benefit upon attaining a California P.O.S.T. Executive Development Certificate or completion of a FBI National Academy program or completion of a Master’s Degree or comparable extended professional management training program.

17. Holidays

The recognized holidays to be observed by the City in each calendar year shall be as follows:

- New Year’s Day
- Martin Luther King Jr. Day
- Washington’s Birthday
- Memorial Day
- Independence Day (4th of July)
- Labor Day
- Veterans Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day

Prior to the beginning of the calendar year, Administrative Services will designate and announce the dates on which the above referenced holidays shall be observed. Human Resources may designate alternate dates the City will observe holidays in order to occur in conjunction with the Holiday Leave benefit provided below.

Full-time employees shall receive nine (9) hours pay for each holiday observed on a Monday, Tuesday, Wednesday, or Thursday. Employees shall receive eight (8) hours pay for each holiday observed on a regularly scheduled working Friday. Regular full-time employees working an eight-hour (8), five-day (5) schedule will receive eight (8) hours for each of these holidays.

Holiday Leave

Effective in December 2017 and each year thereafter, employees in the unit will not be required to come to work and will be provided with three days of paid leave to be used in the pay period that includes the Christmas Eve, Christmas Day and New Year’s Holidays. The dates of the three “Holiday
Leave" days will be designated annually by Human Resources. Employees will be provided with three days of paid leave based on the number of hours they are regularly scheduled to work on designated "Holiday Leave" days. Employees must use this leave on the designated days unless directed to work by the Department Director or designee. In cases where the employee is directed to work on such days, the employee will be credited with leave in an amount equivalent to what they would have used had they not been directed to work. In cases where a designated "Holiday Leave" day falls on an employee's regularly scheduled day off, the employee will be credited with leave in an amount equivalent to what they would have used had it been a regularly scheduled work day. Such leave shall have no cash value, and will expire if not utilized within the pay period that includes November 30 of the following year.

Employees wanting to take additional days off in conjunction with the observed Holidays and designated Holiday Leave Days must utilize other accrued leave in accordance with existing rules.

For 2017, the following shall be observed:
Monday 12/25 - Christmas Day Eve
Tuesday 12/26- Christmas Day
Wednesday 12/27- Holiday Leave
Thursday 12/28- Holiday Leave
Friday 12/29- Holiday Leave

For 2018, the following shall be observed:
Monday 12/24-Christmas Eve
Tuesday 12/25-Christmas Day
Wednesday 12/26- Holiday Leave
Thursday 12/27- Holiday Leave
Friday 12/28- Holiday Leave

18. Jury Duty and Subpoenas

Every employee of the City who is subpoenaed as a witness for a local, state or federal government shall be entitled to absent herself/himself from her/his duties with the City during the period of such service or while necessarily being present in court as a result of such call or subpoena, and shall receive full compensation.

In order to balance the City of Irvine's interest in maintaining productivity with the interest that employees are able to support our system of justice by serving on juries, paid Jury Duty is limited to a maximum of 80 hours in a calendar year. If an employee, despite reporting the limit to the Court, is
required to serve beyond 80 hours he or she can request an exception of the limit on paid Jury Duty Leave by the City Manager

If an employee is required to be absent from work to report for jury duty, the employee will notify his/her supervisor of the absence as soon as possible, including a phone message the night before if the employee finds out via a phone recording that he/she must report the next day.

An employee on jury duty must either return to work after the jury service is done for the day if there are still four hours left on his/her shift or call in to his/her supervisor and ask to use leave to cover the rest of his/her shift.

For any additional time taken off before or after jury duty, an employee will be required to utilize paid accrued time subject to supervisor approval.

An employee who is called to jury duty on a non-working day will not receive compensation or be authorized to change their schedule as a result of being called to jury duty.

19. Military Leave

Employees shall be entitled to such benefits as are provided by law. An employee requesting such military leave shall present a copy of her/his military orders to her/his Department Director or the City Manager prior to the beginning of the leave.

20. Physical Examination

The City shall reimburse employees in classifications listed in Sections A, B or C of Attachment I up to a maximum of $350 per calendar year for expenses incurred as a result of an annual physical examination as defined in Article 24 of the City’s Personnel Rules and Procedures. The City shall reimburse employees in classifications listed in Section D of Attachment I up to a maximum of $250 per calendar year for expenses incurred as a result of an annual physical examination as defined in Article 24 of the City’s Personnel Rules and Procedures. An annual physical is optional. Expenses eligible for payment by the City health insurance plan shall not be eligible for reimbursement.

21. Industrial Accident Salary Continuance

In the event that it is determined that a full-time employee is absent from work as a result of any injury or disease arising solely out of the employment with the City and in no way related to any prior existing condition, the City shall provide up to six (6) months of Industrial Accident Salary Continuance during any two-year period under the following conditions:
A. In the event the employee qualifies for compensation under State law, the employee shall receive the difference between the Workers' Compensation payments and his/her regular salary;

B. The employee shall accrue sick leave or vacation leave during the term of the Industrial Accident Salary Continuance taken;

C. The employee's condition is not permanent and stationary as determined by the City's appointed physician.

For sworn CalPERS members, the City shall follow the provisions of Section 4850 of the California Labor Code when that member is disabled by injury or illness arising out of and in the course of his/her duties.

In the event of an on-the-job injury or accident resulting in loss of time beyond that required for immediate medical attention, such employee may be required to be examined by a licensed physician appointed by the City of Irvine.

Any on-the-job injury or accident must be reported to the employee's immediate supervisor within twenty-four (24) hours after said injury or accident. Failure to report said injury or said accident shall be grounds for disciplinary action.

22. Accrual of Leaves

All paid leave hours accrued shall be prorated based on the number of hours worked or paid up to eighty (80) hours in a pay period.

23. Select Benefits Program

The City will provide a cafeteria-style benefit program for Management and Non-Represented employees to include the following general elements:

A. Enhanced choices among City-offered health benefit plans.

B. Employees not claiming dependents on their health plan shall receive $150 per month. The stipend may be taken as taxable cash.

24. Management Incentive Pay

Management employees in the classifications listed in Sections A, B, and C of Attachment I, shall be eligible to receive 3% Management Incentive Pay above the base salary, in recognition for the unique nature of their work.
25. **Bilingual Pay Program**

Department Directors shall annually designate which positions will be assigned bilingual duties and which languages shall be eligible for bilingual pay. Qualified employees who meet the following criteria shall receive an additional $50.00 per month.

A. An employee must be assigned to speak or translate a language in addition to English as part of their position responsibilities. This includes such specialized communication skills as sign language.

B. To become qualified, employees must be certified as qualified by the Personnel Officer or designee.

C. For positions requiring extensive contact with the public or contractors, bilingual pay will be rotated among employees who are deemed as qualified by the City. The Department Director will have the discretion to determine the number of employees and the sections/units that qualify to participate in a “rotation pool.” Rotations will occur every 12 months, effective the first pay period each November. It is the Department Director's sole discretion to determine the order of rotation among the qualified employees. An employee who has not performed bilingual duties within the rotation for a period of 24 months or longer must be re-certified by the City in order to receive bilingual pay.

An employee in a bilingual assignment may request to have the bilingual assignment and corresponding pay removed.

**SECTION 3. PAY PROGRESSION IN A PAY GRADE**

1. **Base Pay Progression**

Pay progression within a Salary Grade will be based strictly upon individual performance and summarized in an annual performance appraisal. For employees listed in Sections B, C, and D of Attachment I, all base pay progression within pay grades will be limited to the Market Point of a pay grade according to the following schedule:

<table>
<thead>
<tr>
<th>Salary Placement in Pay Grade</th>
<th>Performance Level</th>
<th>Pay Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Maximum Range</td>
<td>Unsatisfactory or Needs Development</td>
<td>0%</td>
</tr>
</tbody>
</table>
Less than Maximum Range

Accomplished Standards

3% base adjustment, limited to Maximum of pay grade

Excellent

4 ½% base adjustment, limited to Maximum of pay grade

Outstanding

6% base adjustment, up Maximum of pay grade

Annual merit increases will be effective the payroll period that includes September 1st of each year and will be prospective from that date.

2. Initial Six-Month Merit Reviews

Employees listed in Sections B, C and D of Attachment I who have completed less than six (6) months of service in their Management or Non-Represented classification effective June 30th of each year will not be eligible to participate in the annual review process. At the completion of the initial six months of service in their current classification, the employees in Sections B, C and D of Attachment I will receive a performance review and merit increase appropriate to the performance review rating. The criteria and rating system for six-month reviews will be the same as those for annual performance reviews.

Following the completion of six months of service in their current classifications, the employees in Sections B, C and D of Attachment I will be eligible to participate in the annual performance review process the following July. The merit increase granted in the first annual review process following the initial six (6) month merit review will be prorated to reflect only the time period since the completion of the initial six months of service. All subsequent performance reviews will be according to the same merit schedule as other Management and Non-Represented employees.

SECTION 4. WAGE AND SALARY ADJUSTMENT

Effective the pay period that includes September 1, 2017, the salary ranges of the classifications covered by this Resolution shall be increased by two percent (2.0%).
Effective the pay period that includes July 1, 2018, the salary ranges of the classifications covered by this Resolution shall be increased by two percent (2.0%).

SECTION 5. MANAGEMENT SPECIALIST

Classifications listed in Section D of Attachment I shall be designated as “Management Specialists” pursuant to the City’s Personnel Rules and Procedures.

SECTION 6. SEVERANCE

In the event of a lay-off within a designated management classification, the City Manager shall be authorized to enter into a severance agreement with the impacted employee.

SECTION 7. EMPLOYEE RESPONSIBILITIES

Since it is the City’s policy to recruit highly qualified staff at a competitive total compensation level, the employees shall be responsible for striving to meet the high performance standards established by the City management.

SECTION 8.

The compensation policy provided for by this Resolution shall be operative from and after 12:01 a.m. on the twelfth day of September 2017, unless otherwise stated. All previous resolutions are hereby repealed effective on the operative date of this resolution.

PASSED AND ADOPTED by the City Council of the City of Irvine at a regular meeting held on the 12th day of September 2017.

MAYOR OF THE CITY OF IRVINE

ATTEST:

CITY CLERK OF THE CITY OF IRVINE
I, MOLLY MCLAUGHLIN, City Clerk of the City of Irvine, HEREBY DO CERTIFY that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Irvine, held on the 12th day of September 2017.

AYES: 5 COUNCILMEMBERS: Fox, Lalloway, Schott, Shea and Wagner

NOES: 0 COUNCILMEMBERS: None

ABSENT: 0 COUNCILMEMBERS: None

ABSTAIN: 0 COUNCILMEMBERS: None

CITY CLERK OF THE CITY OF IRVINE
Attachment I

Executive Management, Management and Non-Represented Employees (Exempt) Classification Titles

A. City Manager

B. Assistant City Manager
   Assistant City Manager, Special Projects
   City Clerk
   Director of Administrative Services
   Director of Community Development
   Director of Community Services
   Director of the Great Park
   Director of Public Affairs and Communications
   Director of Public Safety/Chief of Police
   Director of Public Works
   Director of Transportation
   Deputy City Manager
   Deputy Director, Administrative Services
   Deputy Director, Community Services
   Deputy Director, Public Works
   Deputy Director, Public Safety/Police Chief
   Deputy Director, Community Development
   Special Assistant to the Chief of Police

C. Chief Information Officer
   Council Services Manager
   Manager, Advance Planning
   Manager, Animal Care
   Manager, Budget & Business Planning
   Manager, Building & Safety/Chief Building Official
   Manager, Business Services
   Manager, Community Services
   Manager, Engineering/City Engineer
   Manager, Facility Maintenance and Rehabilitation
   Manager, Fiscal Services
   Manager, Great Park Planning & Development
   Manager, Housing
   Manager, Human Resources
   Manager, Land & Assets
   Manager, Neighborhood Services
   Manager, Orange County Great Park Corporation
   Manager, Public Communications
   Manager, Public Services
   Manager, Transit and Transportation

D. Chief Veterinarian
   Animal Care Center Veterinarian

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