# CONTRACT OF EMPLOYMENT OF DIRECTOR OF ADMINISTRATIVE SERVICES CITY OF PLACENTIA

THIS CONTRACT is made and entered into, to become effective on February 12, 2006, by and between the City of Placentia, a municipal corporation, hereinafter called "City" and Stephen D. Pischel, an individual, hereinafter called "Director of Administrative Services", "Stephen D. Pischel" or "Employee," both of whom understand as follows:

## RECITALS

WHEREAS, City desires to contract for services of Stephen D. Pischel as Director of Administrative Services of the City of Placentia; and

WHEREAS, it is the desire of the City to secure the services of Director of Administrative Services and to provide certain benefits, establish conditions of employment and set working conditions for Director of Administrative Services; and

WHEREAS, Stephen D. Pischel desires to perform as Director of Administrative Services of City.

NOW, THEREFORE, in consideration of mutual covenants herein contained, the parties agree as follows:

Section 1: Duties.

1.1 City hereby employs Stephen D. Pischel as Director of Administrative Services of City to perform Director of Administrative Services functions and duties as specified in the City of Placentia Job Classification, City Charter, Municipal Code and the laws of the State of California and to perform such other legally permissible and proper duties and functions as the City Administrator shall from time to time assign.

1.2 Unless otherwise directed by the City Administrator, the services of Director of Administrative Services shall be performed at the offices of City Hall, Department of Administration, provided, however, that City may require Director of Administrative Services to travel temporarily to other locations to perform services for or on behalf of City.

1.3 Director of Administrative Services will, to the best of his ability and experience, loyally and conscientiously perform all of the duties and obligations required of Director of Administrative Services either expressly or implicitly by the terms of this Contract.

Section 2: Compensation.

2.1 City agrees to pay Director of Administrative Services a base salary of $8,276.96 per month ($8,856.35 per month, including City-paid employee contribution to CalPERS, as specified in Section 6.2, herein) payable in installments at the same time that the other management employees of City are paid.

2.2 Consideration shall be given on an annual basis to adjust the salary based upon the results of the performance evaluations conducted under the provisions of Section 7 of this Contract and the exercise of discretion by the City Administrator.

Section 3: Term of Employment.

3.1 Stephen D. Pischel shall commence service as Director of Administrative Services on February 12, 2006, and shall continue to serve for a period of three (3) years. Upon completion of the three year term and subject to all of the terms and conditions of this Contract, this Contract shall automatically renew for an additional one year period, and thereafter, on each anniversary date for an additional one year period, unless otherwise terminated pursuant to the provisions of this Contract.

3.2 Either the City or Director of Administrative Services may terminate this Contract at any time without advance notice, for any reason, no reason, with or without cause, and in their sole discretion. Director of Administrative Services shall have no right to an appeal or grievance procedure, as the Parties acknowledge and agree that he serves at the pleasure of the City Administrator. In consideration therefore, and except as provided in Section 3.3 below, upon termination, City shall pay Director of Administrative Services severance pay in an amount equal to one hundred twenty (120) days of his then current salary. Severance shall also include continuation of payment of insurance premiums set forth in Section 4 for a period of one hundred twenty (120) days following termination.

3.3 Notwithstanding Section 3.2, City may terminate Director of Administrative Services without payment of severance pay, upon the occurrence of the following:

A. Conviction of a felony or misdemeanor involving moral turpitude; or

B. A determination by a court of competent jurisdiction, or the State of California Fair Political Practices Commission, that Director of Administrative Services knowingly and unlawfully participated in a government decision in which he had a conflict of interest, as defined in California Government Code Sections 87100 et seq., or California Government Code Sections 1090 et seq.; or

C. Voluntary termination of Contract by Director of Administrative Services; or

D. Material breach of contract by Director of Administrative Services.

Section 4: Health, Disability and Life Insurance Benefits.

4.1 City agrees to provide and to pay the premiums for vision, dental, and comprehensive medical insurance for Director of Administrative Services and his dependents in an amount equal to that which is provided to other City management employees.

4.2 City agrees to put into force and to make required premium payments for long-term disability coverage for Director of Administrative Services on the same terms available to all other City management employees.

4.3 Director of Administrative Services may elect to submit once per calendar year to a complete physical examination, including a cardio-vascular examination, by a qualified physician under the City's medical plan selected by Director of Administrative Services the co-pay cost of which shall be paid by City.

4.4 City shall pay the amount of premium due for a whole life insurance policy and a term life insurance policy, each in the amount of one-half Director of Administrative Services's annual PERS salary, including all increases in the PERS salary during the life of this Contract. Director of Administrative Services shall name the beneficiary of the life insurance policy.

4.5 City and Director of Administrative Services acknowledge that City currently pays the entire cost of its Director of Administrative Services's medical, vision, dental and life insurance, except for participation in family medical plans, for which employees currently pay Thirty Dollars ($30.00) per month, as provided to other City management employees.

4.6 Employee shall remain eligible for a "post retirement benefits package", including health and life insurance benefits in place upon service retirement, in the same manner and on the same terms as other City employees hired prior to November 21, 1995. Stephen D. Pischel was originally hired by City on November 17, 1986.

Section 5: Vacation, Sick, Administrative, Bereavement, Military Leave and Holidays.

5.1 Upon the effective date of contract, Director of Administrative Services shall accrue vacation leave at the rate of ~~4.62~~ 6.46 hours per each completed biweekly pay period of service and shall be entitled to utilize such accumulated leave upon approval by the City Administrator. Director of Administrative Services shall accrue sick leave at

the rate of 3.70 hours for each completed biweekly pay period of service. Accrual rates will be adjusted whenever adjustments in same are approved by the City Council and City Administrator for City management job classifications.

5.2 Director of Administrative Services is entitled to be compensated for sick and vacation leave in the event Director of Administrative Services employment is terminated, either voluntarily or involuntarily, on the same terms as all other City management employees.

5.3 Director of Administrative Services shall be entitled to an annual administrative leave of up to forty (40) hours on a calendar year basis at the discretion of the City Administrator, subject to adjustment by the City Council and on the same terms as other City management employees.

5.4 During the first pay period in August of each year of employment, Director of Administrative Services shall be entitled to have City buy back up to eighty (80) hours of accrued vacation leave after he has accrued at least 120 hours of vacation leave, subject to adjustment by the City Council and on the same terms as other City management employees.

5.5 Director of Administrative Services shall be entitled to military reserve leave time pursuant to state law and City policy.

5.6 Director of Administrative Services shall be entitled to bereavement leave and holidays on the same basis as other City management employees.

Section 6: Other Benefits.

6.1 Automobile and Cell Phone. During the term of this contract, City shall provide the Director of Administrative Services with an automobile for use for City business and commuting to and from work. The CITY shall be responsible for paying liability, property damage and comprehensive insurance, all operation, maintenance, repair, and replacement costs of such an automobile. Director of Administrative Services shall be responsible for cleanliness of vehicle and shall utilize lawful and safe driving techniques. In the event that City vehicles are replaced and/or eliminated, Director of Administrative Services shall have the option to receive an automobile allowance on the same basis as is provided to other City Management employees subject to the City Administrator's approval.

City shall provide Director of Administrative Services with a cell phone for use in City business. Director of Administrative Services shall reimburse City for cell phone charges related to personal use.

6.2 Retirement. City agrees to enroll Director of Administrative Services into the California Public Employees Retirement System ("CalPERS"), in accordance with

CalPERS contract with City, and to make all the appropriate contributions on Director of Administrative Services's behalf, for both the City and employee's required share. Notwithstanding the foregoing, any payment to CalPERS in excess of the current employee contribution rate (7%) shall be paid by Director of Administrative Services, unless the City Council determines that such excess shall be paid on behalf of all City Management employees.

6.3 General Business Expenses. City recognizes that certain expenses of a non-personal but job related nature will be incurred by Director of Administrative Services and agrees to provide him with a monthly allowance of One Hundred Dollars ($100.00) for such general expenses. Director of Administrative Services shall provide receipts for all other business-related expenses to City's Finance Department on a monthly basis and prior to reimbursement. For any expenditure over Five Hundred Dollars ($500.00), Director of Administrative Services shall first obtain the authorization of the City Administrator.

Section 7: Performance Evaluation.

7.1 At least once annually, the City Administrator and Director of Administrative Services shall mutually define such goals and performance objectives which they determine necessary for the proper operation of the City in the attainment of City policy objectives. Further, the City Administrator and the Director of Administrative Services shall establish a relative priority among those various goals and objectives to be reduced to writing with a mutual expectation of Director of Administrative Services's achievement of those goals and objectives within a mutually agreed upon timeframe. The evaluations shall be conducted and completed generally about November 1 of each year and/or as provided to similarly classified City Management employees.

7.2 This annual review and evaluation shall be conducted in accordance with criteria established by the City Administrator. Such criteria may be added to or deleted as the City Administrator may from time to time determine is appropriate.

7.3 In his sole discretion, the City Administrator shall be entitled to review the performance of Director of Administrative Services on a more frequent basis, and without a written evaluation.

7.4 In addition to salary adjustments pursuant to Section 2.2, to the extent that the City Council and City Administrator approve compensation adjustments applicable to all similarly classified City management employees, such as cost-of-living adjustments, Director of Administrative Services shall receive such adjustments.

Section 8: Indemnification. In accordance with the provisions of the California Tort Claims Act, Government Code Section 810 et seq., the City hereby agrees to defend, indemnify and pay all damages, including special and general damages, and costs of litigation matters, current and future, in which Director of Administrative

Services is named as a party as a result of activities within the course and scope of his employment as Director of Administrative Services. City reserves, however, the right to refuse to defend, indemnify and pay damages for acts or omissions which were fraudulent, committed with actual malice or otherwise outside the course and scope of his employment. Director of Administrative Services agrees to cooperate in any and all litigation matters currently pending or which may be filed in the future against the City or Director of Administrative Services and Director of Administrative Services shall cooperate with City's efforts in defending such litigation.

Section 9: Construction and Amendment. This Contract shall be governed by the laws of the State of California. This Contract may not be modified, altered or amended except in writing and signed by the City and the Director of Administrative Services.

Section 10: Recitals. The Recitals above are hereby incorporated into this section as though fully set forth herein and each party acknowledges and agrees that such Party is bound, for purposes of this Contract, by the same.

Section 11: Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by registered or certified mail, postage prepaid, return receipt requested, or sent by electronic transmission, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) three (3) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by electronic transmission. Any notice, request, demand, direction, or other communication sent by electronic transmission must be confirmed within forty-eight (48) hours by letter mailed or delivered. Notices or other communications shall be addressed as follows:

IF TO CITY:

City of Placentia
401 E. Chapman Avenue
Placentia, CA 92870
Attention: City Administrator

IF TO DIRECTOR OF ADMINISTRATIVE SERVICES:

To address on file with the City's Personnel Division

Either Party may, by written notice to the other, designate a different address, which shall be substituted for that specified above.

Section 12: Miscellaneous.

12.1 Outside Employment. Director of Administrative Services shall devote his entire productive time, ability and attention to the business of the City during the term of this Agreement. Outside employment is prohibited unless authorized by the City Administrator per City Personnel Rule XVII, Section 1.

12.2 Authority to Enter Into Contracts. It is expressly agreed that Director of Administrative Services shall have no right or authority at any time to make any contract or binding promise of any nature on behalf of the City, whether oral or written, without the express written consent of, as appropriate, the City Administrator or the City Council.

12.3 Integration. This Contract supersedes any and all other Contracts and understandings, either oral or in writing, between City and Director of Administrative Services with respect to the employment of Director of Administrative Services by City. Each party to this Contract expressly acknowledges that no representations, inducements, promises or Contracts, orally or otherwise, have been made by any party, or any person acting on behalf of any party, which are not embodied herein, and that no other Contract, statement, representation or promise not contained in this Contract shall be of any force or effect.

12.4 City's Policies and Procedures. The terms and conditions of Director of Administrative Services's employment, including employment benefits of Director of Administrative Services not specifically provided for in this Contract of Employment, shall also be governed by City's Personnel Policies and Procedures, as amended from time to time, to the extent not inconsistent with the provisions of this Contract. In the event of any such inconsistency or conflict, the provisions of this Contract shall govern.

CITY OF PLACENTIA

By: _____
Robert C. Dominguez
City Administrator

APPROVED AS TO FORM:

By: _____
Thomas F. Nixon, City Attorney

_____
Stephen D. Pischel

Contract Effective February 12, 2006

192559.3