

## **DIRECTOR OF PUBLIC WORKS EMPLOYMENT AGREEMENT**

This Director of Public Works Employment Agreement (“Agreement”) is made, entered into, and to be effective January 1, 2017 (“Effective Date”), by and between the City of Placentia, a Charter City and municipal corporation (“City”) and Luis Estevez, (“Employee”) an individual who has education, training, and experience in public management both of whom agree as follows:

### **Recitals**

(i). In order to insure that its governmental responsibilities are met at all times, the City must attract and retain management personnel who exhibit the highest degree of knowledge, experience, technical ability, professionalism, and leadership qualities.

(ii). In order to attract and retain in its employment a Director of Public Works who possesses those qualities and experience necessary to fulfill the City’s immediate and long-term objectives, the City Administrator, on behalf of the City, has determined that it is advisable to enter into this employment agreement with Employee.

(iii). It is the desire of City to obtain the services of Employee and to provide certain benefits, establish conditions of employment and set working conditions for Employee.

(iv). City and Employee desire to enter into this Agreement in order to specify the terms and conditions of Employee’s employment with City.

Now therefore, in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

### **Agreement**

1. Term. The term of this Agreement shall begin as of January 1, 2017, and shall remain in full force and effect up through the date of termination of Employee, unless it is earlier terminated or amended as provided herein. Employee is employed in an “at-will” capacity, serving at the pleasure of the City Administrator. Either the City Administrator or Employee may terminate this Agreement at any time with or without cause, and in his sole discretion, as provided in § 7. If a termination occurs pursuant to § 7(B), the severance provisions of § 8 shall apply. In the event of a termination for any other reason the severance provisions of § 8 shall not apply.

2. Duties and Authority. City agrees to employ Employee as Director of Public Works to perform the functions and duties specified in the City Charter and Municipal Code as each may be amended from time to time, and any successor provision(s) thereto, and to perform other legally permissible and proper duties and functions consistent with the office of Director of Public Works, as the City Administrator shall from time to time assign, all in compliance with the constitution and laws of the State of California and the United States.

3. Compensation. City agrees to pay Employee the sum of \$64.63 per hour (approximately \$11,201.89 per month based upon a 40-hour week), payable in installments at the same time that other City management employees are paid.

4. Benefits.

A. City agrees to provide and to pay the premiums for vision, dental, and comprehensive medical insurance for the Employee and his dependents in an amount equal to that which is provided to other City management and mid-management employees.

B. City agrees to put into force and to make required premium payments for short and long term disability coverage for the Employee on the same terms available to all other City management and mid-management employees.

C. The Employee 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 the Employee, the co-pay cost of which shall be paid by City.

D. City shall pay the amount of premium due for term life insurance in the amount of one-half the Employee's adjusted annual base salary and whole life insurance in the amount of one-half the Employee's adjusted annual base salary, including all increases in the annual base salary during the life of this Agreement. The Employee shall name the beneficiary or beneficiaries of the life insurance policy.

E. City agrees to enroll Employee in the California Public Employees Retirement System ("CalPERS") in accordance with City's contract with CalPERS for miscellaneous employees, and shall make all appropriate Employer contributions on Employee's behalf. Employee understands and agrees that the Employee contribution to CalPERS (2% @ 60 formula) shall be deducted from Employee's gross, and both the City and Employee contribution shall be made in accordance with the provisions of PEPRA. The City agrees to enroll Employee in the PARS Supplemental Retirement Plan at a rate of 7% of base pay and shall make all appropriate Employer contributions on Employee's behalf.

F. City further agrees to match Employee's contribution, dollar-for-dollar up to half of the normal annual deferral limit, excluding catch-up provision, as IRS regulations allow, to a qualified deferred compensation plan selected by Employee.

5. Vacation, Holiday and Other Leave.

A. Upon the Effective Date of this Agreement, Employee shall continue to participate in Alternative Health and Wellness Program and Employee's existing AHW leave bank shall be transferred. Employee shall accrue Paid Time Off (PTO) leave at a rate of 6.46 hours per biweekly pay period.

B. Upon the Effective Date of this Agreement, Employee's existing management administrative leave bank will be transferred. Beginning the first day of January thereafter, employee shall be credited with forty (40) hours of management administrative leave hours. Management

administrative leave may be used for leave purposes only and will have no cash value. In addition, management administrative leave hours must be utilized in the calendar year credited, and any remaining balance may not be carried over to the next calendar year. The use of management administrative leave time shall be at the discretion of the City Administrator.

C. Employee shall be entitled to military reserve leave time pursuant to state and federal law and City policy.

6. Equipment and Allowances. City agrees to provide Employee \$600.00 per month as and for an automobile allowance and \$100.00 per month as a telecommunications allowance. Neither the automobile nor the telecommunications allowance shall be reported as income for purposes of contribution or payment by City or Employee to City's retirement plan.

7. Termination. For the purpose of this Agreement, termination of this Agreement and Employee's employment shall occur when:

(A). Employee resigns following the City Administrator's acceptance of the resignation, whether formal or informal. Employee shall provide City with a minimum of sixty (60) calendar days' notice prior to any voluntary resignation, unless the parties agree otherwise.

(B). City Administrator terminates this Agreement as authorized in § 1.

(C) Material breach of this Agreement declared by either party with a thirty (30) day cure period for either Employee or City. Written notice of a material breach of contract shall be provided in accordance with the provisions of § 15.

(D) This Agreement may be immediately terminated by the City Administrator for cause as provided below. After giving notice to Employee that this Agreement is terminated for cause, the City shall have no obligation to continue the employment of Employee, or to provide further compensation or benefits. If the termination is for cause, no Severance under § 8 shall be required to be paid by City. For purposes of this Agreement, "cause" is defined to include any of the following:

- 1) Conviction of, or plea of guilty or nolo contendere to, any crime or offense (other than minor traffic violations or similar offenses) which is likely to have a material adverse impact on the City's reputation; or
- 2) Moral Turpitude which is defined herein as (1) conduct which is contrary to honesty, or, (2) conduct which constitutes a blatant violation of moral conduct standards; vileness. Acts of moral turpitude means a general readiness to do evil, an act of baseness, vileness, or depravity in the private and social duties which a man owes to his fellowmen, or to society in general, contrary to the accepted and customary rule of right and duty between man and man; or
- 3) Proven failure of the Employee to observe or perform any one or more of his required duties and obligations, if that failure continues for a period of thirty

(30) calendar days from the date of his receipt of notice from the City Council specifying the acts or omissions deemed to amount to that failure.

8. Severance. Severance shall be paid to the Employee if employment is terminated pursuant to § 7B or in the event of an uncured material breach by the City, and for no other reason. City shall provide a severance payment which is equal to four (4) months of Employee's hourly base salary. This severance shall be paid in a lump sum upon termination. Severance payments may not exceed the statutory limits in Government Code section 53260 et seq.

9. Government Code 53243.2. Pursuant to California Government Code 53243.2, if the Agreement is terminated, any cash settlement Employee may receive from the City related to the termination shall be fully reimbursed to City if the employee is convicted of a crime involving an abuse of his office or position.

10. Performance Evaluation. On an annual basis, the City Administrator in writing shall review and evaluate Employee's performance, and shall mutually define such goals and performance objectives which they determine necessary for the proper operation of the Public Works Department in the attainment of the City Council's and City Administrator's policy objectives. Further, the City Administrator and Employee shall establish a relative priority among those various goals and objectives to be reduced to writing with a mutual expectation of Employee's achievement of those goals and objectives within a mutually agreed upon timeframe. In the City Administrator's sole discretion, the performance of Employee may be reviewed on a more frequent basis.

11. Hours of Work. Employee shall devote his entire productive time, ability and attention to the business of the City of Placentia during the term of this Agreement.

12. Outside Activities.

(A). During the term of this Agreement Employee shall be a full-time Director of Public Works. Employee shall not engage in any other occupation, business, educational, professional or charitable activities that would conflict or materially interfere with Employee's performance of City duties.

(B). This Agreement shall not be interpreted to prohibit Employee from making personal investments or conducting private business affairs, if those activities are not deemed to be a conflict of interest under state law or would otherwise not be a violation of state or federal law or City's Municipal Code, and do not materially interfere with the services required under this Agreement.

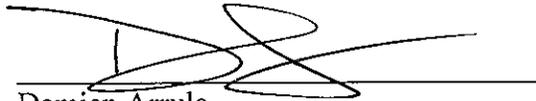
13. Indemnification. Except for an act of misappropriation of public funds, or an indictment, the filing of an information, a plea of guilty or a plea of *nolo contendere* for a crime involving moral turpitude, City shall defend, hold harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring within the scope of his employment as Director of Public Works, in accordance with the provisions of California Government Code § 825, applicable provisions of the California Tort Claims Act and other applicable law. City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered there from.



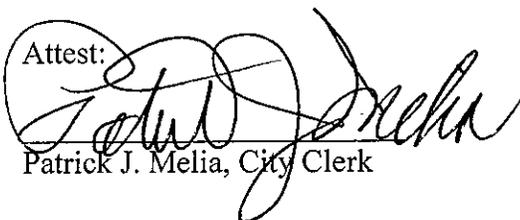
18. City's Policies and Procedures. The terms and conditions of Employee's employment, including additional employment benefits of Employee not specifically provided for in this Employment Agreement, shall be governed by City's personnel policies and procedures and City Charter, to the extent not inconsistent with the provisions of this Agreement. In the event of any such inconsistency or conflict, the provisions of this Agreement shall govern.

IN WITNESS WHEREOF, City has caused this Agreement to be signed and duly executed on its behalf by its City Administrator, and duly attested by its City Clerk, and Employee has signed and executed this Agreement as of the date and year first above written.

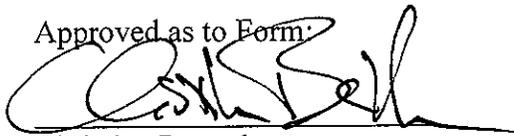
City of Placentia



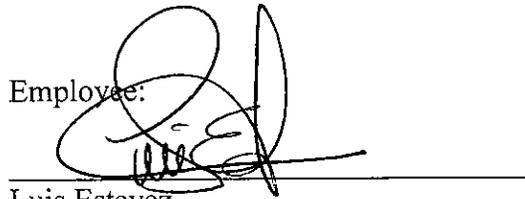
Damien Arrula  
City Administrator

Attest:  


Patrick J. Melia, City Clerk

Approved as to Form:  


Christian Bettenhausen  
City Attorney

Employee:  


Luis Estevez