

CITY MANAGER EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into at Vacaville, California, this 23rd day of June, 2009, by and between the CITY OF VACAVILLE, a municipal corporation, hereinafter referred to as the "EMPLOYER," and LAURA C. KUHN, an individual, hereinafter referred to as "EMPLOYEE" or "CITY MANAGER."

RECITALS

WHEREAS, EMPLOYER has utilized the services of EMPLOYEE as Assistant City Manager since October 2005 and as Interim City Manager since January 2, 2009; and

WHEREAS, EMPLOYER, acting by and through its City Council, desires to employ the services of EMPLOYEE as City Manager of the City of Vacaville, and assure the continuous service of EMPLOYEE in such official capacity as provided for under the Municipal Code of the City of Vacaville by establishing herein certain salary and fringe benefits, and the other terms and conditions of employment; and

WHEREAS, EMPLOYEE desires to undertake employment as City Manager of the City of Vacaville under the terms and conditions of employment as set forth herein.

NOW, THEREFORE, in consideration of this Agreement, and the mutual promises, covenants, and stipulations herein contained, the parties hereto agree as follows:

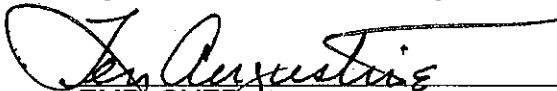
AGREEMENT

1. **EMPLOYMENT:** EMPLOYER hereby appoints and employs EMPLOYEE as City Manager of Vacaville under this Agreement and conferring upon and delegating to EMPLOYEE all of the duties, powers, and responsibilities of City Manager as the same are specifically prescribed and set forth in the State Law, the Vacaville Municipal Code, and the ordinances, resolutions, policies, rules and regulations as from time to time existing thereunder. EMPLOYEE accepts continued employment as City Manager of the City of Vacaville and agrees to loyally perform these duties to the best of EMPLOYEE's ability at all times.
2. **TERM; NOTICE OF APPROACH OF END OF TERM; INVOLUNTARY TERMINATION:**
 - A. The term of employment shall run from June 24, 2009, until the date specified in a notice of termination given by either party to the other pursuant to the terms herein.
 - B. The City Council may, by a majority vote, provide the EMPLOYEE, in writing, notice to terminate this Agreement not earlier than four (4) months from the date of such notice. EMPLOYEE, however, may remain on the City payroll up to a maximum of three (3) months beyond the termination date if EMPLOYEE has sufficient vacation or administrative leave time to cover that period. In all cases, after termination notice is given, EMPLOYEE will continue to diligently perform EMPLOYEE'S duties and assist in the transition up to the termination date.
 - C. Involuntary termination does not include the EMPLOYEE'S death, permanent incapacity due to injury or illness, whether physical or mental, dismissal for willful misconduct in office or dishonesty in office; dismissal following EMPLOYEE'S conviction of a felony or misdemeanor involving moral turpitude; or EMPLOYEE'S resignation for any reason other than that so stated in this section.

3. **VOLUNTARY RESIGNATION OR RETIREMENT; NOTICE OF INTENTION TO SEEK OTHER EMPLOYMENT:** Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the EMPLOYEE to resign at any time from EMPLOYEE'S position as City Manager or to retire from public service. In the event that EMPLOYEE voluntarily resigns the position, or retires from public service, prior to the expiration of the term of this Agreement, EMPLOYEE shall give EMPLOYER'S City Council not less than three (3) months prior written notice, unless the parties otherwise agree in writing. Further, should EMPLOYEE begin to actively seek other employment, EMPLOYEE will notify EMPLOYER forthwith of EMPLOYEE'S intention to seek other employment.
4. **EXCLUSIVE EMPLOYMENT:** EMPLOYEE agrees to give full attention to EMPLOYEE'S duties and will not engage in any outside employment or business activities which might conflict with these duties. This limitation shall not include occasional teaching, writing, or consulting performed during the EMPLOYEE'S vacation or other time off.
5. **EVALUATION:** EMPLOYER shall conduct an annual performance evaluation of EMPLOYEE starting in June, 2010.
6. **SALARY:** The agreed upon beginning and base compensation shall be \$197,165. This salary amount, along with any other adjustments which may be authorized in the future under this Agreement, constitutes EMPLOYEE'S total base salary. In addition, EMPLOYEE will receive Department Head incentive pay (currently, 5.8% of base salary).
7. **DEFERRED COMPENSATION:** EMPLOYER agrees to provide an amount equal to 1% of salary for use by EMPLOYEE in a Deferred Compensation Plan. Such amount shall be adjusted in accordance with the benefits provided to non-safety management employees.
8. **VACATION:** EMPLOYER agrees to provide EMPLOYEE twenty-five (25) paid vacation days per year. Up to Seven Hundred Twenty (720) hours of vacation may be accumulated by EMPLOYEE. EMPLOYEE, however shall have the right, at any time prior to or upon EMPLOYEE'S retirement, resignation, or termination date, to redeem accumulated vacation hours in an amount determined by EMPLOYEE.
9. **MEETINGS AND CONFERENCES:** EMPLOYER recognizes the responsibility of the EMPLOYEE to participate in professional national, regional, state, and local associations, organizations, and continuing educational programs for the maintenance of EMPLOYEE'S professional growth and the direct benefit to the EMPLOYER therefrom. The EMPLOYER therefore agrees to budget and to pay for EMPLOYEE'S expenses while attending such meetings or programs.
10. **INDEMNIFICATION:** EMPLOYER shall defend, hold harmless, and indemnify the 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 in the performance of the EMPLOYEE'S duties. EMPLOYER will compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered therefrom.
11. **GENERAL BENEFITS AND WORKING CONDITIONS:** Unless otherwise specified herein, all other working conditions and benefits currently in existence or as may be adjusted by the City Council for all other non-safety management employees shall apply to the EMPLOYEE. EMPLOYEE shall also be entitled to receive cost of living adjustments as granted by EMPLOYER to Department Head employees from time to time.
12. **RETIREMENT:** EMPLOYER agrees to continue participation in the P.E.R.S. 414H2 and PARS retirement plans equivalent to a 2.7 at 55 formula. EMPLOYEE shall contribute 7% and 2% respectively.

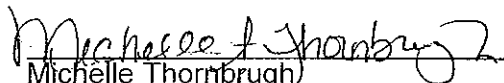
13. **HEALTH INSURANCE:** EMPLOYER agrees to pay all costs of medical, dental, vision, life and long-term disability insurance for EMPLOYEE and EMPLOYEE'S spouse and dependents in accordance with the plans provided by the EMPLOYER. However, EMPLOYER'S payment of the cost of medical insurance shall not exceed the amount charged for the Kaiser Health Plan. EMPLOYER'S contribution shall be in accordance with the contribution made for other City Department Heads, as such contribution may be modified from time to time. In addition to other insurance and benefits, EMPLOYER agrees to pay four (4) calendar months of salary in the event of EMPLOYEE'S non self-inflicted death or disability which renders EMPLOYEE incapable of performing the duties required by this Agreement.
14. **AUTOMOBILE ALLOWANCE:** EMPLOYER shall provide to EMPLOYEE an automobile allowance in the amount of \$500 per month and such amount shall be increased in the same amount of increase as is granted to any non-safety management employee(s) from time to time.
15. **CHANGES IN TERMS AND CONDITIONS OF EMPLOYMENT:** EMPLOYER may amend this Agreement and fix such other terms and conditions of employment as it deems appropriate and timely, provided that said terms and conditions are not inconsistent or in conflict with the provisions of this Agreement.

IN WITNESS WHEREOF, the EMPLOYER has caused this Agreement to be signed and executed on its behalf by its Mayor and duly attested by its City Clerk, and EMPLOYEE has signed and executed this Agreement, the day and year first above written.


EMPLOYER
Len Augustine
Mayor, City of Vacaville


EMPLOYEE
Laura C. Kuhn
City Manager

ATTEST:


Michelle Thornbrugh
City Clerk
City of Vacaville

APPROVED AS TO FORM:


Gerald L. Hobrecht, City Attorney

FIRST AMENDMENT TO
CITY MANAGER EMPLOYMENT AGREEMENT

THIS FIRST AMENDMENT, made and entered into at Vacaville, California, this 14th day of September, 2010, by and between the CITY OF VACAVILLE, a municipal corporation, hereinafter referred to as "EMPLOYER," and LAURA C. KUHN, an individual, hereinafter referred to as "EMPLOYEE" or "CITY MANAGER."

RECITALS

WHEREAS, on June 23, 2009, EMPLOYER and EMPLOYEE entered into an agreement entitled "City Manager Employment Agreement" ("Agreement"); and,

WHEREAS, on March 23, 2010, the City Council adopted Resolution Number 2010-22, by which: (i) the Department Head incentive pay was rolled into salary, effective April 1, 2010, and (ii) the Department Head contribution towards the PERS Employer contribution was increased; and,

WHEREAS, the parties wish to amend the Agreement to amend the terms and conditions of EMPLOYEE'S employment as herein provided; and

WHEREAS, on September 14, 2010, the City Council approved this First Amendment and authorized the Mayor to execute this First Amendment.

NOW, THEREFORE, in consideration of this First Amendment and the mutual promises, covenants and stipulations herein contained, the parties hereto agree as follows:

AGREEMENT


1. **SECTION 6 AMENDED:** Section 6 of the Agreement is amended to read in full as follows:

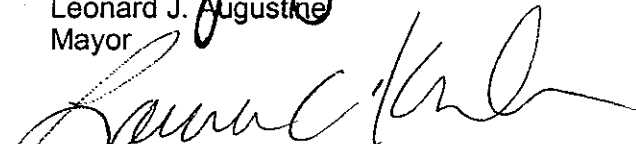
"6. SALARY: Effective July 1, 2010, the new annual base salary shall be \$221,304.24, which, as of that date, includes all increases and modifications since the initial Agreement dated June 23, 2009. The base salary shall automatically include any other adjustments which may be authorized in the future under this Agreement."

2. **SECTION 12 AMENDED:** Section 12 of the Agreement is amended to read in full as follows:

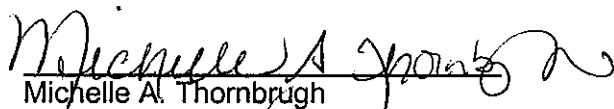
"12. RETIREMENT: EMPLOYER agrees to continue participation in the P.E.R.S. 414H2 and PARS retirement plans equivalent to 2.7% at 55 formula. EMPLOYER'S contributions shall be in accordance with the contributions made for other City Department Heads; as such contributions may be modified from time to time."

IN WITNESS WHEREOF, the EMPLOYER has caused this First Amendment to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and EMPLOYEE has signed and executed this First Amendment, the day and year first above written.


EMPLOYER
Leonard J. Augustine
Mayor


EMPLOYEE
Laura C. Kuhn
City Manager

ATTEST:


Michelle A. Thornbrugh
City Clerk

APPROVED AS TO FORM:


Gerald L. Hobrecht
City Attorney