COPY

EMPLOYMENT AGREEMENT

CITY MANAGER

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into this 6th day of June, 2018, by and between the City of Riverside a California charter city and municipal corporation ("Employer") and Alfred W. Zelinka ("Employee"), collectively party or parties, both of whom understand and agree to the following:

RECITALS

WHEREAS, the City Council of the City of Riverside ("City Council"), the governing body of the Employer, desires to retain the services of the Employee as the City Manager, as that office has been created in Article VI, Section 600 of the City of Riverside City Charter ("Charter"); and

WHEREAS, it is the desire of the City Council to provide benefits and establish certain terms and conditions of employment as set forth herein.

TERMS

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

Section 1. Duties

The City Council hereby employs the Employee as the City Manager of the City of Riverside to perform the functions and duties of the City Manager as specified in the Charter and to perform other legally permissible and proper duties and functions consistent with the office of the City Manager, as the City Council shall from time to time assign. Employee shall also serve as Executive Director of the City's various Authorities currently in existence, as has been

previously determined by the respective agencies, and any authorities subsequently created by City Council.

Section 2. Term

The Term of this Agreement shall become effective beginning on the date written above, and shall remain in effect until July 1, 2021 (the "Initial Term), unless otherwise terminated pursuant to the provisions stated herein. On March 31, 2020, and on each succeeding March 31st while this Agreement is in effect, the Initial Term, and any subsequent Term, of this Agreement shall be automatically extended for successive periods of two (2) years. During the Term of this Agreement, the Employee shall be a full-time City Manager.

Section 3. Salary

The Employer agrees to pay the Employee for services rendered, as provided herein, two hundred ninety five thousand dollars ($295,000) per year, payable in installments at the same time and in the same manner as other employees of the Employer are paid. The Employer may increase the compensation of the Employee dependent upon the results of the performance evaluation conducted under the provisions of Section 17 of this Agreement. Employee shall be entitled to cost of living increases consistent with those provided for the Executive Group as set forth in the Employer's Fringe Benefit and Salary Plan ("FBSP). Employee shall be subject to any reduction in pay imposed on the Executive Group as adopted by City Council.

Section 4. Deferred Compensation

In addition to the sums otherwise payable to Employee hereunder, the Employer agrees to contribute matching funds to a deferred compensation account in the amount set forth in the Employer's FBSP.

Section 5. Pension

The Employer agrees to continue the Employee as a member of the Public Employee Retirement System and will pay the entire employer contribution. Employee shall pay the required employee contribution.

Section 6. Benefits

The Employer agrees to provide Employee with the same benefits as are provided to the others in the Executive Group of the Employer per the FBSP, including but not limited to accrual of sick leave, medical, dental and optical coverages, and holiday schedule, which shall be the same as for the Executive Group set forth in Section 1-1 of the FBSP. Employee may purchase disability insurance as set forth in Section 19-1 of the FBSP.

The Employer agrees to provide Employee with a Health Reimbursement arrangement up to two thousand dollars ($2,000) per year for reimbursement of out-of-pockets expenses for Health and Wellness programs including executive physical exams conducted by a qualified physician or medical facility. Funds must be used by June 30th of each year. There will be no carryover of any unused funds.

Section 7. Life Insurance

The Employer agrees to provide Employee, at Employer's expense, with a term life insurance policy with a face value equal to twice the Employee's annual salary (Table 9, Section 18-2 FBSP). Employee shall name the policy's beneficiaries.

Section 8. Vacation, and Administrative Leave

Employee will accrue vacation at the rate of two hundred (200) hours per year of employment accruable and subject to cash out consistent with that provided for the Executive Group (Section 6 and Table 4 of the FBSP).

Employee will receive forty eight (48) hours of administrative leave per fiscal year, sixteen (16) hours of which will be used to participate in community service activities in Riverside. Administrative leave must be used by June 30th of each year, which is the end of each fiscal year. There shall be no carryover of any administrative leave.

Section 9. Automobile Allowance

Employee shall receive an automobile allowance of six hundred twenty five dollars ($625) per month or as may be modified in the future, plus the use of the electric charging facility for electric or hybrid vehicles located in the City Hall Parking Garage.

Section 10. General Business Expense

Employer agrees to budget and pay for travel and professional dues, including but not limited to subscriptions for the Employee necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer.

Section 11. Termination and Severance Pay

In the event Employee is terminated without cause, prior to the expiration of the Term of this Agreement, and Employee is willing and able to perform duties under this Agreement, Employee shall be entitled to a cash payment of compensation equal to one year's annual salary ("Severance Pay"), if Employee is terminated within two years of the execution of this Agreement. Thereafter, Employee shall be entitled to a cash payment of compensation equal to six months annual salary.

Employer agrees not to initiate termination of this Agreement within ninety days following a change in membership of the City Council.

Notwithstanding the above, if Employee is terminated, the maximum Severance Pay that Employee may receive shall be an amount equal to the monthly salary of the Employee multiplied by the number of months left on the unexpired term of this Agreement.

In the event Employee is terminated for Good Cause as defined in Section 12, the Employer shall have no obligation to continue the employment of Employee and shall have no obligation to make the Severance Pay stated above.

Section 12. Termination for Good Cause

Employer may terminate the Employee for "Good Cause". "Good Cause" shall be defined as conviction of, or plea of guilty or nolo contendre 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 or on the Employee's reputation; or substantiated act arising out of the City's Discipline Policy III-1; or proven failure of the Employee to observe or perform any of his duties and obligations, if that continues for a period of thirty business days from the date of receipt of notice from the Employer specifying acts or omissions deemed to amount to that failure.

Section 13. Termination Due to Incapacity

In the event Employee is unable to perform the duties and functions consistent with the Office of the City Manager due to serious illness, injury, impairment, or physical or mental condition for a period of three consecutive months, beyond Employee's full use of any provided or earned leave, the Employee may be terminated due to incapacity. Upon termination due to incapacity, Employee shall be entitled to six months' salary minus any disability insurance proceeds received by the Employee.

Section 14. Communication at Separation

In the event the Employer terminates the Employee for any reason or no reason, both parties agree that no member of the City Council, the Mayor, City management staff, nor the City

Manager, shall make any written, oral or electronic statement to any member of the public, the press, or any City employee concerning the Employee's termination except in a form of a press release or statement, the content of which shall not contain any text or information that is disparaging to either party. Either party may verbally repeat the substance of the press release or statement in response to any inquiry.

Section 15. Resignation

In the event that the Employee voluntarily resigns his position with the Employer, the Employee shall provide a minimum of thirty days' notice unless Employer and Employee agree otherwise.

Section 16. Ethics

For general City matters, the Employer shall acknowledge that the Employee adheres to and is bound by the most current ICMA Code of Ethics with Guidelines. The Employer shall not request the Employee to deviate from the ICMA Code of Ethics with Guidelines. The ICMA Code of Ethics with Guidelines shall be relied upon as a secondary resource to the American Institute of Certified Planners Code of Ethics and Professional Conduct for matters involving planning, zoning, development, and related land use matters.

For matters involving planning, zoning, development, and related land use matters, the Employer shall acknowledge that the Employee adheres to and is bound by the most current American Institute of Certified Planners Code of Ethics and Professional Conduct. The Employer shall not request the Employee to deviate from the American Institute of Certified Planners Code of Ethics and Professional Conduct. The ICMA Code of Ethics with Guidelines shall be relied upon as a secondary resource to the American Institute of Certified Planners Code of Ethics and

Professional Conduct for matters involving planning, zoning, development, and related land use matters.

Section 17. Performance Evaluation

The City Council shall review and evaluate the performance of the Employee at least once annually at a time mutually agreed to by both parties. Said review and evaluation shall be conducted in accordance with procedures and forms and with respect to specific criteria set forth in the current City Manager Performance Appraisal form. Said review and evaluation shall be private and confidential, and the results shall be summarized and discussed in closed session, to the extent permitted by law, or through some other mutually acceptable closed format. Both parties agree that the primary purposes of such evaluation are to facilitate open and frank discussion, define roles and expectations, identify performance strengths and weaknesses, and to provide an opportunity for the Employee to take affirmative action to address weaknesses and areas needing improvement. Interim evaluations may be initiated by either party to maintain open communications regarding the Employee's performance.

Section 18. Organizational Performance through Strategic Planning

Both parties acknowledge that the performance of the City Manager is critical to upholding the mission of and advancing the aspirations for the City. Both parties acknowledge that investing time periodically to review current opportunities and challenges facing the City, and to confirm City Council priorities, benefits alignment between policy objectives and operations of the organization. To this end, beginning on or around July 2019 and continuing every two years, both parties shall conduct facilitated biennial mid-budget cycle strategic planning processes that informs each upcoming budget process. The Employee shall recommend a facilitator for the Employer's approval to support the strategic planning process. All fees and expenses for the

facilitator shall be paid by the Employer. Outputs from the strategic planning process shall be reduced to writing.

Section 19. Exclusive Employment

Employee shall devote all of his workplace time, energy, and efforts to the Employer, and shall accept no outside employment, but the foregoing shall not limit the Employee in teaching, writing, limited consulting and participation on professional boards or committees, subject to the Employer's concurrence, but only to the extent that such activities do not interfere with the Employee's duties as set forth in this Agreement.

Section 20. Work Life Balance

Both parties acknowledge that employees generally, including but not limited to the Employee, are most productive when they maintain a work-life balance that enables them to meet their responsibilities outside work while also upholding their responsibilities in the workplace. Further, both parties acknowledge that increasingly the opportunity to achieve a work-life balance can be as important a factor as pay and benefits. To this end, the City Manager will reinforce work-life balance throughout the City organization consistent with workplace responsibilities and City Council priorities.

Section 21. Indemnification

Employer agrees to defend, hold harmless, and indemnify Employee against any claims, demands, or legal actions whether groundless or otherwise, arising out of alleged acts or omissions occurring within the scope and during the course of employment, subject to the Employee's cooperating in good faith with the Employer with respect to defense of such claims, demands, or legal actions in accordance with the provisions of California Government Code Sections 825 and 825.6. Employer may compromise and settle any such claim, demand, or action and pay the

amount of any settlement or judgment rendered therefrom. This covenant shall survive termination of this Agreement.

In the event Employee is convicted of a crime involving an abuse of his office or position, Employee will reimburse Employer amounts paid during the investigation including but not limited to Administrative Leave pay, legal defense expenses, Severance Pay and Severance Benefits. For purposes of this section, abuse of office or position shall mean an abuse of public authority, including but not limited to, waste, fraud, and violation of the law under order of authority; or a crime against public justice.

Section 22. Attorney's Fees

The Employer and Employee recognize the mutual benefits of legally sound terms and good faith negotiations with respect to employment. Employer agrees to pay a one-time fee up to two thousand dollars ($2,000) directly to an attorney selected by the Employee for review and consultation concerning this Agreement, subject to the receipt of invoices.

Section 23. Other Terms and Conditions of Employments

The City Council, in consultation with the Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the provisions of this Agreement, the Charter, any ordinance or resolution of Employer, or any other applicable law.

Section 24. Nondiscrimination

Employee agrees that in the performance of Employee's functions and duties, he shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex, genetic

information, gender, gender identity, gender expression, sexual orientation, or military or veteran's status, or any other legally protected characteristic or status.

Section 25. General Provisions

This shall constitute the entire agreement between the parties as to the subject matter hereof and supersedes all prior and contemporaneous oral and written understandings or agreements of the parties. No promise, representation, warranty or covenant not included in this Agreement has been or is relied on by any party thereto. If any provision or any portion hereof is held unconstitutional, invalid, or unenforceable, the remainder of this Agreement or portion hereof shall be deemed severable, shall not be affected, and shall remain in full force and effect. This Agreement may only be amended in writing as duly executed by both parties.

Section 26. 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 3900 Main Street, Riverside, California, 92522, or such other address as may be given, in writing, to the other party.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first written above.

[Signatures on following page.]

EMPLOYER

Chris MacArthur
Mayor Pro Tem

EMPLOYEE

Alfred W. Zelinka

Attested to by:

Colleen J. Nicol
City Clerk

Approved as to form:

Gary G. Geuss
City Attorney