

2025
CITY MANAGER EMPLOYMENT AGREEMENT
(Employee: Kanika Kith)

THIS 2025 CITY MANAGER EMPLOYMENT AGREEMENT ("Agreement") is made and entered into on this 20th day of October 2025 ("Effective Date") by and between the CITY OF SAN FERNANDO, a municipal corporation and general law city ("CITY") and KANIKA KITH, an individual ("EMPLOYEE"). For purposes of this Agreement, the capitalized term "Parties" shall be a collective reference to both CITY and EMPLOYEE. The capitalized term "Party" may refer to either CITY or EMPLOYEE interchangeably and reasonably appropriate.

RECITALS

THIS AGREEMENT is made and entered into in consideration of the following:

WHEREAS, CITY desires to engage and employ EMPLOYEE to serve as the City Manager of the City of San Fernando as that position is generally described under Division 2 (City Manager) of Title III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code ("City Manager"); and

WHEREAS, the City Council finds that EMPLOYEE possesses the education, training, experience and expertise necessary to perform the duties of City Manager; and

WHEREAS, EMPLOYEE desires to accept employment as City Manager subject to the consideration, terms and conditions set forth under this Agreement; and

WHEREAS, the City Council approved by majority vote the appointment of EMPLOYEE as City Manager at its Regular Meeting of October 6, 2025, and approved this Agreement formalizing the terms of EMPLOYEE's employment as City Manager in open session at its Regular Meeting of October 20, 2025 under Agenda Item 9 of the Administrative Reports portion of the City Council agenda in compliance with Government Code Sections 53262, 54953(c)(3) and 54956.

NOW, THEREFORE, for and in consideration of the mutual agreements contained herein, CITY and EMPLOYEE agree as follows:

SECTION 1. POSITION, TERM, DUTIES

1.1 Employment as City Manager

This Agreement establishes the terms and conditions of employment of EMPLOYEE as the City Manager of CITY.

1.2 Term of Employment

A. Subject to subsection B of this Section, below, this Agreement shall have an indefinite term ("Term")

B. Section 1.2.A., above notwithstanding, EMPLOYEE's employment with CITY shall be at-will and EMPLOYEE shall at all times serve at the pleasure of and at the convenience of the San Fernando City Council ("City Council"). Nothing in Section 1.2.A., above, shall operate to prohibit, restrict or otherwise limit the City Council's ability to immediately terminate this Agreement and EMPLOYEE's employment (i) at any time for convenience and without cause; or (ii) at any time for cause.

C. This Agreement along with EMPLOYEE's employment with the City may be terminated by EMPLOYEE at any time for convenience subject to the 45-day resignation notification requirement set forth under Section 3.2, of this Agreement, below, unless the 45-day notification requirement is waived by the City Council.

1.3 Duties and Responsibilities

A. EMPLOYEE shall perform the duties and functions of the City Manager as specified under the laws of the State of California, the San Fernando Municipal Code, the ordinances and resolutions of the CITY and this Agreement. EMPLOYEE shall also perform such other duties and functions as the City Council may assign from time to time.

B. EMPLOYEE shall serve as the City Manager and shall be vested with the powers, duties and responsibilities of the City Manager as set forth in Division 2 (City Manager) of Title III (Officers and Employees) of Chapter 2 (Administration) of the San Fernando Municipal Code ("Division 2"), as the same may be amended or modified from time to time by the City Council. EMPLOYEE's performance of the City Manager's duties shall be subject to the direction and oversight of the City Council. It is the intent of the Parties that EMPLOYEE shall use all reasonable efforts to keep the City Council fully informed of all significant operations or major undertakings of the CITY. EMPLOYEE's duties and responsibilities shall include, but are not limited to, the following:

1. Except as otherwise provided under the San Fernando Municipal Code, as the same may be amended or modified from time to time by the City Council, or this Agreement, EMPLOYEE shall serve as the CITY's chief executive officer, subject to direction and control of the City Council. The City Manager shall be responsible for the efficient administration of all affairs of the CITY which are under the City Manager's control.
2. EMPLOYEE shall perform all the duties of the City Manager as set forth in Section 2-121 of Division 2 of the City of San Fernando Municipal Code (the "Municipal Code"), the California Government Code, and CITY policies and procedures approved by the City Council, as may be provided from time to time. The City Manager shall also perform other legally permissible and proper duties and functions as the City Council may assign from time to time.
3. The City Council may also designate EMPLOYEE as the administrative head of other CITY-related legal entities. Such other legal entities could include financing authorities, joint powers authorities and/or the Successor Agency to the San Fernando Redevelopment Agency.
4. EMPLOYEE shall administer and enforce policies established by the City Council and promulgate written policies and procedures as necessary to implement such policies.

1.4 Hours of Work

A. The position of City Manager shall be deemed an exempt position under state and federal wage and hour laws. EMPLOYEE's compensation (whether salary or benefits or other allowances) is not based on hours worked and EMPLOYEE shall not be entitled to any compensation for overtime.

B. EMPLOYEE shall be allowed reasonable flexibility in setting office hours, provided: (i) EMPLOYEE maintains a reasonably substantial on-site presence at City Hall during normal CITY business hours; (ii) EMPLOYEE is reasonably available to members of the City Council, CITY staff and members of the community on a regular and routine basis that generally conforms to the CITY's normal business hours as the same may be amended from time to time by the City Council; and (iii) EMPLOYEE is reasonably available to participate in community events or other functions that may occur during non-business hours as the City Council may from time-to-time request.

C. Consistent with subsection B, above, EMPLOYEE's work hours may generally conform to the 9/80 work schedule afforded department heads and directors, however, EMPLOYEE understands that the duties, demands and responsibilities of the office of City Manager may from time to time require working days and hours that do not strictly conform to the 9/80 schedule generally afforded to other executive level staff and shall be available to discharge the duties and responsibilities of City Manager at all times as reasonably necessary.

1.5 Regional and Professional Activities

The City Council desires that EMPLOYEE be reasonably active in professional organizations that will promote the standing of the CITY and advance the CITY's goals, interests and policy objectives while also providing EMPLOYEE with opportunities for the type of professional development that will enhance the City Manager's ability to serve the CITY and perform the City Manager's duties. To this end, EMPLOYEE may, upon reasonable notice and approval by the City Council, join professional organizations and participate in the activities of such organization insofar as such participation promotes the interests of the CITY and does not unduly interfere with the performance of EMPLOYEE's duties as City Manager. These activities may include, without limitation, participation in the California Contract Cities Association, California League of Cities, Independent City Association, City Management Foundation or other similar national, statewide, regional or professional organizations provided that such activities do not in any way interfere with or adversely affect EMPLOYEE's performance as City Manager. Subject to funding availability as determined by the City Council in its sole and absolute discretion, CITY may pay for the dues and subscriptions of the City Manager necessary for participating in national, statewide, regional or professional organizations.

1.6 Residence

EMPLOYEE shall not be required to reside within the territorial boundaries of the CITY. The foregoing notwithstanding, EMPLOYEE shall maintain a permanent residence within a reasonable distance to the CITY to permit EMPLOYEE travel to the CITY within sixty (60) minutes in the event of CITY emergencies.

1.7 Conflicts of Interest

EMPLOYEE shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the CITY, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of the City Council. EMPLOYEE shall further refrain from developing a financial stake in any commercial venture or partnership with any entity doing business with the CITY where such financial stake would create a violation of Government Code Section 1090. For and during the term of this Agreement and any extension term, EMPLOYEE further agrees that except for a personal residence or residential property acquired or held for future use as EMPLOYEE's personal residence, EMPLOYEE will not invest in any other real estate or property improvements within the corporate limits of the CITY without the prior consent of the City Council and subject to the restrictions of all applicable financial conflict of interest laws.

1.8 ICMA Code of Ethics

A. EMPLOYEE agrees to become a member of the International City/County Management Association ("ICMA"). The Parties mutually desire that EMPLOYEE shall comply with the latest draft of the ICMA Code of Ethics, provided such compliance is not inconsistent with or contrary to the laws of the State of California or the San Fernando Municipal Code .

B. CITY and the City Council agree that neither the City Council nor any of its members will give EMPLOYEE any order, direction, or request that would require EMPLOYEE to violate the ICMA Code of Ethics, unless such direction or request is authorized by the laws of the State of California or the San Fernando Municipal Code.

1.9 Performance Evaluation

A. Performance evaluations are an important way for the City Council and EMPLOYEE to ensure effective communications about City Council expectations and EMPLOYEE's performance. The City Council reserves the right to conduct a general job performance evaluation and review of EMPLOYEE at least once each fiscal year. In addition, the City Council reserves the right to conduct an informal job performance review once each fiscal year quarter on an as-needed basis.

B. In conducting the evaluation and review the Parties may, but shall not be required to, use the services of a professional consultant selected by the City Council. The job performance evaluation and review shall serve the following purposes and objectives: (i) to evaluate EMPLOYEE's overall job performance over the course of the fiscal year; (ii) to identify areas of notable progress and/or accomplishment and identify ways to sustain and/or improve upon such progress and/or accomplishments; (iii) to identify areas requiring improvement and how such improvement might be accomplished; (iv) to measure EMPLOYEE's success in meeting, achieving and/or exceeding City Council-defined, goals, objectives, priorities, activities and programs over the fiscal year or since the last performance evaluation and review; (v) to establish goals, objectives, and priorities for the upcoming year; (vi) to determine, what if any, adjustments or enhancement should be considered and approved to EMPLOYEE's compensation terms.

C. The failure of CITY to undertake a performance evaluation shall not limit CITY's ability to terminate this Agreement pursuant to Section 3, below. Nothing in this Section shall be construed to restrict or otherwise limit CITY's ability to undertake any other review or investigation of EMPLOYEE during the course of a fiscal year which the City Council may deem necessary to address any allegation of unlawful or inappropriate conduct or other wrongdoing.

SECTION 2. BASE COMPENSATION; BENEFITS AND REIMBURSEMENTS

2.1 Base Salary

A. Annual Base Salary and Adjustments.

1. Base Salary: Effective as of the start date of the bi-weekly employee payment cycle immediately following the Effective Date of this Agreement, CITY shall pay EMPLOYEE an annual base salary of **Two Hundred Sixty-Four Thousand, Three Hundred and Fifty Dollars (\$264,350)** per year (hereinafter, the "Base Salary"), subject to deductions for taxes, deferred compensation and other out-of-pocket benefits paid for by the EMPLOYEE as a CITY executive management employee. CITY shall pay EMPLOYEE in bi-weekly installments at the same time other employees of the CITY are paid.

B. Bilingual Bonus and Longevity Pay. EMPLOYEE shall receive a bilingual bonus and longevity pay subject to the same terms and conditions as the same are provided to City Department Heads under City Council Resolution No. 8289 approved March 18, 2024 (hereinafter, "Resolution No. 8289") as the same may be later repealed, amended or modified by the City Council.

2.2 Retirement/Deferred Compensation

A. EMPLOYEE shall receive retirement benefits through the California Public Employees Retirement System (CalPERS) based on the classification tiers, formulas, employee contributions, and other standards stated in Section 5 of Exhibit "A" of Resolution No. 8289 as the same may be later repealed, amended or modified by City Council action. EMPLOYEE is currently classified as a Tier 3 (New) employee, and contributions will be initially made based on that classification. EMPLOYEE has requested reclassification by CalPERS to Tier 2 (Classic) based on prior service. Upon reclassification, CITY and EMPLOYEE will cooperate and work with CalPERS, and make contribution adjustments, including providing any additional amounts needed to correct prior under-contributions due to EMPLOYEE's misclassification, and such obligations will survive termination or expiration of this Agreement. EMPLOYEE shall receive such other retirement benefits as may be provided to eligible employees under Section 5 of Exhibit "A" of Resolution No. 8289 as the same may be later repealed, amended or modified by subsequent City Council action.

B. EMPLOYEE shall also be eligible for deferred compensation through voluntary contribution to the 457 Deferred Compensation plan available through the ICMA. The foregoing notwithstanding, CITY shall deposit the sum of Five Hundred Dollars (\$500) per month in EMPLOYEE's 457 Deferred Compensation plan.

2.3 Annual Leave (Vacation and Sick)

A. Accrual of Annual Leave. For purposes of this Agreement, the term "Annual Leave" shall have the same meaning as set forth under Resolution No. 8289 or as the meaning of the term "Annual Leave" may be modified or amended by subsequent resolutions of the City Council that repeal, amend or otherwise modify the term "Annual Leave" as defined under Resolution No. 8289. Except as otherwise provided under this Agreement, commencing upon the Effective Date and throughout the term of this Agreement, EMPLOYEE shall accrue Annual Leave in the same amount and in the same manner accrued by the City's Department Head Classification employees as set forth under Resolution No. 8289 or as the package of compensation and other benefits set forth under Resolution No. 8289 may be subsequently repealed, amended or otherwise modified by subsequent City Council resolution.

B. Except as otherwise provided under Government Code Section 53243 or other applicable law, upon voluntary or involuntary separation from the CITY, EMPLOYEE may cash-out the unused balance of the total accrued Annual Leave. The cash out shall be in an amount equal to the total number of unused annual leave hours multiplied by the quotient of EMPLOYEE's annual base salary at the time of separation divided by two thousand eighty (2,080) hours, the number of work hours in a calendar year.

2.4 Additional Miscellaneous Benefits.

A. Commencing upon the Effective Date, EMPLOYEE shall receive the following benefits in the manner prescribed under Resolution No. 8289 as the same may be repealed, amended or otherwise, modified in whole or in part by the subsequent City Council resolution: (i) Management Leave; (ii) Bereavement Leave; and (iii) Wellness Reimbursement Benefit.

2.5 Holidays

EMPLOYEE shall receive paid holidays in accordance with CITY's current practices as set forth under Section 6 of Resolution No. 8289 as such practices may be amended or modified from time to time by the CITY by action of the City Council. Paid holidays will be those approved by the CITY by action of the City Council. The CITY currently provides twelve (12) paid holidays per calendar year.

2.6 Medical, Dental and Vision Insurance

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, EMPLOYEE shall receive any and all employee medical, dental, and vision insurance benefits provided under Section 4 of Exhibit "A" of Resolution No. 8289 as the same may be repealed, amended or otherwise modified by subsequent City Council resolution.

2.7 Bonding

Except as otherwise provided under the San Fernando Municipal Code or applicable state law, CITY shall bear the full cost of any fidelity or other bonds required of EMPLOYEE under any law or ordinance.

2.8 Automobile Allowance

EMPLOYEE shall receive the same vehicle-related benefit afforded Department Heads under Section 9 of Exhibit "A" of Resolution No. 8289 as the same may be amended, modified or repealed by the City Council.

2.9 Cellular Phone Allowance; Other Necessary and Customary Business Equipment and Facilities; Special Electronic Equipment

A. CITY shall provide EMPLOYEE with a City-owned/City-issued cellular phone to be used for conducting CITY-related business. Consistent with Resolution No. 8289, EMPLOYEE, in lieu of being provide a City-issued cell phone may elect to receive the technology reimbursement afforded City Department Heads under Section 8 of Exhibit "A" of Resolution 8289.

B. The CITY shall provide EMPLOYEE with other customary and necessary equipment and facilities reasonably required for EMPLOYEE to perform the City Manager's duties and functions such as an office within City Hall, a landline telephone in the City Hall office, a desktop computer, business cards, business stationary and the like. All such equipment and facilities made available to EMPLOYEE shall at all times remain the property of the CITY and EMPLOYEE acknowledges, understands and agrees that EMPLOYEE shall have no right of privacy to such equipment or any data or information stored in such equipment or facilities.

C. The City Council reserves the right but does not assume the obligation to provide EMPLOYEE at CITY's expense, special electronic communications equipment such as an iPad. All such equipment and facilities made available to EMPLOYEE shall at all times remain the property of the CITY, and EMPLOYEE acknowledges, understands and agrees that EMPLOYEE shall have no right of privacy to such equipment or any data or information stored in such equipment or facilities.

2.10 Reimbursement for Expenses Not Covered by Allowances

A. CITY shall reimburse EMPLOYEE for reasonable and necessary travel, subsistence and

other business expenses incurred by EMPLOYEE in the performance of the City Manager's duties or in connection with EMPLOYEE's participation in those authorized activities referenced under Section 1.3, above. All reimbursements shall be subject to and in accordance with any limitations or restrictions set forth under the laws of the State of California and any CITY-adopted reimbursement policies as either may be adopted, updated or otherwise amended from time to time.

B. EMPLOYEE may also receive such reimbursements as are offered City Department Heads under Section 8 of Exhibit "A" of Resolution No. 8289.

2.11 Long Term Disability

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, EMPLOYEE shall receive any and all employee long term disability program benefits otherwise accorded CITY's Department Head employees, as prescribed as of the Effective Date of this Agreement and such benefits may be modified, amended or repealed from time to time by the City Council.

2.12 Term Life Insurance

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, EMPLOYEE shall receive any and all term life insurance program benefits otherwise accorded CITY's executive management employees, as prescribed as of the Effective Date of this Agreement and such benefits may be modified, amended or repealed from time to time by the City Council.

2.13 Jury Duty

EMPLOYEE will receive full pay and benefits while responding to a jury summons or serving on a jury, up to a maximum of fourteen (14) business days. Any compensation for such jury duty (except travel pay) shall be remitted to CITY.

2.14 Other Benefits

Except as otherwise set forth in this Agreement, and in addition to the benefits specified herein, EMPLOYEE shall receive any and all other benefits granted to all City Department Heads under Resolution No. 8289 as the same may be modified, amended or repealed from time to time by the City Council.

SECTION 3. EMPLOYMENT "AT-WILL"; SEPARATION FROM EMPLOYMENT

3.1 Employment with CITY is "at-will"

A. EMPLOYEE's employment status with CITY shall be at-will and EMPLOYEE shall serve at the pleasure of the City Council as provided under Government Code Section 36506. CITY, through the City Council, may at any time terminate EMPLOYEE's employment with the CITY with or without cause by majority vote of its full membership (i.e., by no less than three affirmative votes). EMPLOYEE acknowledges, understands and agrees that EMPLOYEE may not rely on or invoke any procedures, provisions or protections set forth under the CITY's Employment Policies, as defined herein, insofar as such procedures, provisions or protections limit, restrict, modify, prohibit or regulate EMPLOYEE's status as an "at-will" employee of CITY or the ability of the City Council to terminate EMPLOYEE's employment at any time for cause or for convenience. For purposes of this Agreement, the capitalized term "Employment Policies" means and refers to any ordinance, resolution, regulation, rule or other written policy of the CITY as the same may be amended, modified or supplemented from time to time (including

but not limited to the San Fernando Municipal Code and any written employment manual of the CITY) which governs, regulates or otherwise relates to employment with the CITY. The CITY's Employment Policies shall not apply to EMPLOYEE insofar as such Employment Policies limit, restrict, modify or regulate (or may be interpreted to limit, restrict, modify or regulate) EMPLOYEE's status as an "at-will" employee of CITY.

B. Except as otherwise provided under this Section 3, EMPLOYEE shall not be entitled to any pre-termination hearing or other similar proceeding or appeal proceeding as a precondition to any decision or action by the City Council to terminate EMPLOYEE's employment whether for cause or for convenience.

C. Nothing in this Agreement shall confer upon EMPLOYEE any right to any property interest in continued employment with the CITY.

3.2 Resignation/Retirement

A. EMPLOYEE may resign and/or retire from employment with the CITY at any time for any reason, provided EMPLOYEE provides the City Council with written notice of EMPLOYEE's intent to so terminate EMPLOYEE's employment at least forty-five (45) calendar days prior to the effective date of separation.

B. The City Council in its sole and absolute discretion may waive or shorten the 45-day prior written notice requirement provided the request for such waiver is made in writing by EMPLOYEE and further provided that the City Council's waiver of the notice requirement is also made in writing.

C. The failure of EMPLOYEE to provide the prior written notice required under this Section shall constitute a material breach of this Agreement.

3.3 Separation for Convenience and Without Cause; Severance

A. In the event EMPLOYEE is terminated for convenience and without cause by the City Council while EMPLOYEE is willing and able to perform the City Manager's duties under this Agreement, then in that event the CITY agrees to pay EMPLOYEE a lump sum cash payment equal to eighteen (18) months' worth of EMPLOYEE's annual Base Salary at the time of separation [i.e., the value of one months' worth of EMPLOYEE's annual Base Salary at the time of separation multiplied by eighteen].

B. CITY shall extend to EMPLOYEE the right to continued health insurance as may be required by and pursuant to terms and conditions of this Consolidated Omnibus Reconciliation Act of 1986 ("COBRA"). The CITY agrees to reimburse EMPLOYEE for COBRA coverage at the same benefit level (i.e., employee only, employee +1, or family) as provided as of the date of separation for the same number of months for which EMPLOYEE is entitled to a lump sum cash payment under Section 3.3(A), or until EMPLOYEE either secures and begins full-time employment or obtains other health insurance, whichever of these three events first occurs. EMPLOYEE shall notify the CITY within five (5) calendar days of securing new full-time employment or insurance.

C. All payments required under Section 3.3(A) or 3.3(B), above, are subject to and shall be interpreted to comply with the limitations set forth in Government Code Section 53260. Further, in the event EMPLOYEE is convicted of a crime involving an abuse of office or position, EMPLOYEE shall reimburse the CITY for any paid leave or cash settlement (including severance), as provided by Government Code Sections 53243 through 53243.4.

D. The foregoing notwithstanding, CITY shall not exercise its right to terminate EMPLOYEE for convenience and without cause during the 90-day period immediately preceding or the 90-day period immediately following any General Municipal Election of the CITY in which two or more City Council seats are subject to an election contest or during the 90-day period immediately preceding or the 90-day period immediately following any Special Municipal Election of the CITY in which two or more City Council seats are subject to an election contest.

3.4 Separation for Cause

A. Notwithstanding the provisions of Section 3.3, above, EMPLOYEE may be terminated for cause. As used in this Section, "cause" shall mean any one or more of the following:

- (i) Any material breach of this Agreement, after providing reasonable notice and an opportunity to cure;
- (ii) Conviction (including a plea of no contest) of a felony or any misdemeanor under the Political Reform Act (Government Code Section 81000 et seq.) or Government Code Section 1090;
- (iii) Conviction (including a plea of no contest) of any offense constituting an "abuse of office or position" within the meaning of Government Code Section 53243.4;
- (iv) Conviction (including a plea of no contest) of a misdemeanor involving a crime of moral turpitude or felony under California law, including but not limited to any conviction under Penal Code Section 424;
- (v) Continued abuse of non-prescription drugs or alcohol that materially affects the performance of EMPLOYEE's duties;
- (vi) Repeated and protracted unexcused absences from EMPLOYEE's office and duties;
- (vii) Résumé fraud;
- (viii) A finding by judicial proceeding that legally prohibited personal acts of sexual harassment against a CITY official or employee or legally prohibited personal acts of discrimination against a CITY official or employee have occurred;
- (ix) A pattern of repeated, willful and intentional failure to carry out materially significant and legally constituted policy decisions of the City Council made by the City Council as a body, or persistent willful violation of properly established rules and procedures; and
- (x) Any other action or inaction of EMPLOYEE that materially and substantially impedes or disrupts the performance of CITY or its organizational units or is detrimental to employee safety or public safety.

The City Council, in its sole and absolute discretion, may place the EMPLOYEE on administrative leave with pay until resolution of allegations or charges, including but not limited to criminal charges, brought against EMPLOYEE, or until a final judicial or administrative decision finding legally prohibited personal acts of sexual harassment against a CITY official or employee or legally prohibited personal acts of discrimination against a CITY official or employee. Prior to terminating this Agreement pursuant to this Section, the City

Council shall give EMPLOYEE at least ten (10) calendar days prior written notice of the charges. Within the ten-day period, but not earlier than five (5) calendar days after the notice has been given, the City Council shall meet with EMPLOYEE in closed session and give EMPLOYEE an opportunity to address the City Council regarding the charges. EMPLOYEE may have a representative at the closed session with the City Council. After hearing EMPLOYEE's response to the charges, the City Council shall make a decision as to whether to terminate this Agreement and shall inform EMPLOYEE in writing of its decision. Other than as provided in this subsection, EMPLOYEE expressly waives any other form of hearing or appeal of the City Council's decision. Nothing in this subsection creates a property right in employment. Notwithstanding anything contained in this subsection, EMPLOYEE remains an at will employee serving at the pleasure of the City Council. The initiation of termination proceedings for cause shall not operate to prohibit or otherwise restrict the City Council from exercising its right to terminate EMPLOYEE without cause as provided under Section 3.3 of this Agreement.

B. In the event the CITY terminates EMPLOYEE for cause, then the CITY may terminate this Agreement immediately, and EMPLOYEE shall be entitled to only the compensation accrued up to the date of termination, payments required under Sections 2 and subsection 3.5 and such other termination benefits and payments as may be required by law. In the event of termination for cause, the City Manager shall not be entitled to any severance provided for under subsection 3.3, above. The foregoing notwithstanding, CITY may deduct from such payments any reimbursement sums it is owed pursuant to Government Code Sections 53243 through 53243.4.

3.5 Return of City Equipment

EMPLOYEE agrees that all property, including without limitation, all equipment, tangible, Proprietary Information (as defined below), documents, records, notes, contracts, and computer-generated materials furnished to or prepared by EMPLOYEE incident to EMPLOYEE's employment are the property of CITY and shall be returned promptly to CITY upon termination of EMPLOYEE's employment. EMPLOYEE's obligations under this subsection shall survive the termination of EMPLOYEE's employment and the expiration or early termination of this Agreement.

SECTION 4. GENERAL PROVISIONS

4.1 Proprietary Information

"Proprietary Information" means all information and any idea pertaining in any manner to the business of the City Council, the CITY or the CITY's various, departments, divisions, committees and commissions, which was produced by EMPLOYEE in the course of EMPLOYEE's employment or otherwise produced to or acquired by EMPLOYEE in the course of EMPLOYEE's employment with the CITY. Proprietary Information shall include, without limitation, trade secrets, product ideas, inventions, processes, formulae, data, know-how, software and other computer programs, copyrightable material, marketing plans, strategies, sales, financial reports, forecasts and customer lists. All Proprietary Information not generally known outside of CITY's organization, and all Proprietary Information so known only through improper means, shall be deemed "Confidential Information". During EMPLOYEE's employment by CITY, EMPLOYEE shall use Proprietary Information, and shall disclose Confidential Information, only for the benefit of CITY and as is or may be necessary to perform EMPLOYEE's job responsibilities under this Agreement. Following termination, EMPLOYEE shall not use any Proprietary Information and shall not disclose any Confidential Information, except with the express written consent of CITY. EMPLOYEE's obligations under this Section shall survive the termination of EMPLOYEE's employment and the expiration of this Agreement.

4.2 Notices

All notices, requests, demands and other communications under this Agreement shall be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to CITY at the address below, and or at the last known address maintained in EMPLOYEE's personnel file. EMPLOYEE agrees to notify CITY in writing of any change in EMPLOYEE's address during EMPLOYEE's employment with CITY. Notice of change of address shall be effective only when accomplished in accordance with this Section.

CITY's Notice Address:

City of San Fernando
117 Macneil Street
San Fernando, California 91340
Attn: Mayor and City Council

City Manager's Address: [Deliver to last updated address in personnel file]

4.3 Indemnification

A. CITY shall defend, hold harmless and indemnify EMPLOYEE against any claim, demand, judgment or action of any type or kind arising within the course and scope of EMPLOYEE's employment to the extent required by Government Code Sections 825 and 995.

B. Subsection (A) of this Section notwithstanding, CITY reserves all rights (including all rights to monetary reimbursement) afforded under Government Code Sections 53243, 53243.1, 53243.2, 53243.3 and 53243.4 and nothing in this Agreement shall be operate or otherwise be construed to place any restriction upon CITY in exercising and/or enforcing such rights under the foregoing Government Code Sections. In the event EMPLOYEE is convicted of an offense constituting an abuse of office or position, EMPLOYEE shall reimburse CITY for any sums expended investigating and/or defending such wrongdoing as provided under Government Code Section 53243, 53243.1 and 53243.3. For purposes of this Agreement, the phrase "abuse of office or position" shall have the same meaning as set forth under Government Code Section 53243.4

4.4 Entire Agreement

This Agreement is intended to be the final, complete, and exclusive statement of the terms of EMPLOYEE's employment by CITY. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the employment of EMPLOYEE, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of CITY, now or in the future, apply to EMPLOYEE and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

4.5 Amendments

This Agreement may not be altered, modified, or amended except in a written document signed by EMPLOYEE, approved by the City Council and signed by Mayor.

4.6 Waiver

Failure to exercise any right under this Agreement shall not constitute a waiver of such right.

4.7 Assignment

EMPLOYEE shall not assign any rights or obligations under this Agreement. CITY may, upon prior written notice to EMPLOYEE, assign its rights and obligations hereunder.

4.8 Severability

If any court of competent jurisdiction holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

4.9 Attorney's Fees

In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

4.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California, with venue property only in Los Angeles County, State of California.

4.11 Interpretation

This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. Each party waives their future right to claim, contest, or assert that this Agreement was modified, cancelled superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

4.12 Acknowledgment

EMPLOYEE acknowledges that EMPLOYEE has had the opportunity to consult legal counsel in regard to this Agreement, that EMPLOYEE has read and understands this Agreement, that EMPLOYEE is fully aware of its legal effect, and that EMPLOYEE has entered into it freely and voluntarily and based on EMPLOYEE's own judgment and not on any representations or promises other than those contained in this Agreement.

4.13 Counterparts

The Parties agree that this Agreement may be executed in multiple originals including multiple counterparts, and that each of the counterparts to any original taken together shall constitute one valid and binding agreement between the Parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, CITY has caused this Agreement to be signed and executed on its behalf by its Mayor and duly attested to by its City Clerk, and EMPLOYEE has signed and executed this Agreement, as of the date first indicated above.

CITY OF SAN FERNANDO

By: Mary Mendoza
Mary Mendoza, Mayor

Date: 10-21-25

EMPLOYEE

By: Kanika Kith
Kanika Kith, an individual

Date: 10-21-25

APPROVED AS TO FORM:

By: Richard Padilla
Richard Padilla, City Attorney

Date: 10-21-25

ATTEST:

By: Julia Fritz
Julia Fritz, City Clerk

Date: 10-21-25

RESOLUTION NO. 8289

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO,
CALIFORNIA, ESTABLISHING THE SALARY AND BENEFITS FOR CERTAIN
EMPLOYEES IN CLASSIFICATIONS DESIGNATED AS DEPARTMENT HEADS
AND RESCINDING RESOLUTION NO. 7973 AND RESCINDING RESOLUTION
NO. 7973(A)**

WHEREAS, under California State Law, the City Council is vested with the authority to designate classifications as being Department Heads; and

WHEREAS, the City Council has established and designated the following classifications as Department Heads; (1) City Clerk, (2) Deputy City Manager/Economic Development, (3) Director of Community Development, (4) Director of Finance, (5) Director of Public Works, (6) Director of Recreation and Community Services, (7) Police Chief; and

WHEREAS, the classification designated as department heads of the City of San Fernando as critical to the City's efficient and effective operations, the City Council recognizes the management nature and responsibilities of the positions; and

WHEREAS, the City Council desires to provide competitive salary and benefits to its employees; and

WHEREAS, the City Council desires to provide competitive salary and benefits to its employees and update the salary schedules for the Director of Recreation and Community Services and City Clerk; and

WHEREAS, the City Council desires to place the Director of Recreation and Community Services to DH 77 Step A and the City Clerk at DH 74 Step D; and

WHEREAS, the City of San Fernando intends to provide adjustments effective the first day of the first pay period that includes January 1, 2024, to employees in Department Head classification; and

WHEREAS, the City Council has determined that it is appropriate to provide economic adjustments to employees and Department Head classifications that are consistent with negotiated provisions in other recognized bargaining units in the City.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1: Approve the wages, benefits, and terms and conditions of employment for the employees in Department Head classifications as outlined in the attached Exhibit "1."

SECTION 2: The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this 18th day of March 2024.



Celeste T. Rodriguez, Mayor of the City of
San Fernando, California

ATTEST:



Julia Fritz, City Clerk

CERTIFICATION

I, City Clerk of the City of San Fernando, California, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 8289, which was regularly introduced and adopted by the City Council of the City of San Fernando, California, at a regular meeting thereof held on the 18th day of March 2024, by the following vote of the City Council:

AYES: Fajardo, Mendoza, Rodriguez - 3

NAYS: None

ABSENT: Solorio - 1

ABSTAINED: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Fernando, California, this 21st day of March, 2024.



Julia Fritz, City Clerk

Upon the City Council's adoption of Resolution No. 8289, the compensation, benefits plan, and terms and conditions of employment for employees in classifications designated as Department Heads will be as set forth below.

SECTION 1. DEPARTMENT HEAD CLASSIFICATIONS:

- City Clerk
- Deputy City Manager/Economic Development
- Director of Community Development
- Director of Finance
- Director of Public Works
- Director of Recreation and Community Services
- Police Chief

SECTION 2. SALARY:

The base salary for each employee subject to this Resolution shall be adjusted as follows:

- Effective on the first day of the first pay period including January 1, 2024, the employee's base salary shall be increased by four percent (4.0%).
- Effective on the first day of the first pay period including July 1, 2024, the employee's base salary shall be increased by four percent (4.0%).
- Effective on the first day of the first pay period including July 1, 2025, the employee's base salary shall be increased by five percent (5.0%).
- Effective on the first day of the first pay period including July 1, 2026, the employee's base salary shall be increased by five percent (5.0%).
- Effective on the first day of the first pay period including July 1, 2027, the employee's base salary shall be increased by four percent (4.0%).

SECTION 3. SPECIAL PAY:

Longevity

Department Heads that have completed 10 years of service from date of hire will receive an additional three percent (3%) over and above the base salary step.

Department Heads that have completed 20 years of service from date of hire will receive a total of four percent (4%) over and above the base salary.

Department Heads that have completed 30 years of service from date of hire will receive a total of five percent (5%) over and above the base salary.

Department Heads on leave of absence without pay, with the exception of Family & Medical Leave (FMLA), shall not have such leave time credited as service time for purposes of calculating the years of service.

Bilingual Pay

The City shall provide Bilingual Pay of \$46.15 per pay period to Department Heads that satisfy the following conditions:

1. Department Head has satisfactorily demonstrated to the City his/her fluency in the Spanish language, based on written and/or oral testing procedures as selected by the City; and
2. Employee is required in the normal course of his/her duties to communicate in Spanish with members of the public, as determined by and approved in writing by the City Manager.

To the extent permitted by law, this pay shall be reported to CalPERS as compensation earnable and pensionable compensation pursuant to C.C.R. §571(a)(4) and C.C.R. §571.1(b)(3), Bilingual Premium.

Acting Pay

Department Heads who, by written assignment, perform the duties of a position with a higher salary classification than that in which they are regularly employed shall receive the compensation specified for the position to which assigned, if performing the duties thereof for a period of fifteen (15) or more consecutive work days. The increased compensation shall be retroactive to the first day of said assignment, and at the step within the higher classification as will accord the employee an increase of at least 5% of his or her current regular compensation.

Deputy City Manager Designation

The City Manager may, at his or her discretion, designate no more than one (1) Department Head as Deputy City Manager. In addition to the duties and responsibilities included in the Department Head's regular classification, the Deputy City Manager designation will be responsible for assisting the City Manager with general City administrative duties, as assigned, and will assume the responsibilities of the City Manager during the City Manager's absence. A Department Head designated as Deputy City Manager will receive ten percent (10%) special assignment pay on top of their base salary.

SECTION 4. EMPLOYEE AND RETIREE INSURANCE BENEFITS:**Medical, Dental and Vision Insurance for Active Employees**

The City contracts with the California Public Employees' Retirement System (CalPERS) for medical insurance coverage. Eligible new hires are covered under the program on the first day of the month following enrollment. The City will contribute the Public Employee's Medical and Hospital Care Act (PEMHCA) statutory minimum on behalf of each participant in the program. A participant is defined as:

1. An enrolled employee and eligible dependents;
2. An enrolled retiree and eligible dependents; and
3. A surviving annuitant.

The City will provide Department Heads with a full flex cafeteria plan in accordance with IRS Code Section 125. Department Heads shall receive a monthly flex dollar allowance to purchase medical, dental and vision benefits offered through the City's insurance plans.

For 2024, the monthly flex dollar allowances for employees purchasing benefits under the cafeteria plan, inclusive of the statutory PEMHCA minimum, are as follows:

	January 1, 2024
Employee only:	\$1,049.24
Employee + 1:	\$1,808.87
Family:	\$2,430.92

The monthly flex dollar allowance may be used in accordance with the terms of the cafeteria plan to purchase benefits offered under the cafeteria plan and other supplementary products. After enrolling in a mandatory medical insurance plan, or opting out under the "Opt Out" provision below, Department Heads have the option to waive the other benefits and have the excess flex dollars converted to taxable income or purchase other supplementary products.

In the event that premiums and/or costs for the selected benefits exceed the monthly flex dollar allowance, the balance will be paid by the employee through automatic pre-tax payroll deduction, as permitted under IRS Code Section 125.

Each January 1, the monthly dollar allowance, inclusive of the statutory PEMHCA minimum, will be adjusted based on the average change from the prior year's monthly premium from CalPERS contracting agencies in the Los Angeles Area Region for all plans. The adjustment will not be less than 0.0% and will not exceed 4.0%.

If any bargaining unit negotiates a flex dollar allowance that exceeds the amounts identified above, the City will adjust the flex dollar allowance for Department Heads to match the higher flex dollar amount.

Opt Out

Department Heads may elect to discontinue participation in the CalPERS Medical Insurance Plan coverage ("Opt Out"), subject to the provisions set forth below. The intent of this provision is to share premium savings that the City will receive as a result of a Department Head canceling City coverage.

1. Department Heads electing to waive City medical insurance coverage for themselves and all eligible family members must annually provide the City with proof of other health/medical insurance coverage that meets the minimum essential coverage requirements, as established by the Affordable Care Act, through another source (other than coverage in the individual market, whether or not obtained through Covered California, and must waive any liability to the City for their decision to cease coverage under the City's Medical Insurance Plan.
2. For Department Heads that elect to opt-out of City medical coverage, the City shall deposit, on behalf of the employee, an amount equal to the most expensive family level dental and vision premiums (currently \$210/month) each month into Retiree Health Savings Account.
3. After electing to Opt Out, a Department Head who later requests to re-enroll under the City plan can only do so during the open enrollment period or after a qualifying event as permitted by the insurance carrier and Cafeteria Plan regulations.
4. For medical insurance plans, when a unit employee is the spouse of another benefited employee, the affected employees shall have the option of:
 - a. Receiving a flex dollar amount and selecting coverage as a single employee; or
 - b. One (1) employee may select a plan and list the spouse as a dependent under the two-party or family coverage, as applicable and the remaining employee may opt-out as outlined above.

Medical Insurance for Retirees

The City provides Medical Insurance for Retirees as follows:

1. Retiree Medical Tier I: Department Heads hired on or before June 30, 2015 and who retire on or after July 1, 2015:

If the employee meets the vesting schedule set forth in California Government Code Section 22893, 100% paid medical insurance benefits for whatever plan is selected by the employee for himself/herself and eligible dependents, except that if the employee chooses the most expensive plan, the employee will pay the difference in premiums.

2. Retiree Medical Tier II: Department Heads hired on or after July 1, 2015:

If the employee meets the vesting schedule set forth in California Government Code Section 22893, PEMHCA minimum (currently \$157 per month for 2024).

Retiree Health Savings Account

For Department Heads that are in Retiree Medical Tier II as described above, and effective the pay period that includes January 1, 2024, the City will contribute \$150 per pay period into a Retiree Medical Trust (RMT) or Retiree Health Savings (RHS) Plan, whichever is designated by the City. An employee may elect to contribute an additional amount to the RMT or RHS, at his or her option.

Life Insurance

The City shall provide all Department Heads with a \$50,000 Basic Life and AD&D insurance policy at no cost to the employee.

SECTION 5. RETIREMENT:

The City shall provide retirement benefits to eligible employees through the California Public Employees' Retirement System (CalPERS) as follows: The definition of "new" member and "classic" member are set forth in the Public Employee Pension Reform Act of 2013 (PEPRA).

First Tier: "Classic" members hired prior to November 12, 2005 will receive the 3% at 60, single highest year compensation retirement calculation.

Second Tier: "Classic" members hired on or after November 12, 2005 will receive the 2% at 55, final 36-month average compensation retirement calculation.

Third Tier: "New" members hired on or after January 1, 2013 will receive the 2% at 62, final 36-month average compensation retirement calculation.

In accordance with the existing contracts with CalPERS, the City shall provide the following retirement benefits to employees:

- a. Fourth Level of 1959 Survivor Benefits (Government Code Section 21574).
- b. 5% Cost of Living Allowance (COLA) for employees hired on or before November 12, 2005; and 3% COLA for employees hired after November 12, 2005 (Government Code Section 21335).
- c. Credit for unused sick leave for employees as per CalPERS guidelines (Government Code Section 20965).

Retirement benefits applicable to the Police Chief only are included in Article 3. RETIREMENT BENEFITS, Sections 3.01 – 3.03, of the Memorandum of Understanding between the San Fernando Police Officers Association and the City of San Fernando for the term January 1, 2024 through June 30, 2028.

CalPERS Contributions

1. Employer Paid Members Contributions for Classic Members

The City shall pay 8.0% of the member contribution for First Tier "classic" members and 7.0% of the member contribution for Second Tier "classic" members.

The City's payments, above, shall be treated as a "pick up" of employee contributions pursuant to IRC 414(h)(2).

The City shall report the value of the Employer Paid Member Contribution ("EPMC") to CalPERS as compensation earnable on behalf of each Department Head, pursuant to California Government Code Section 20636(c)(4).

2. PEPRA Member Contributions

In accordance with PEPRA, "New" members shall pay, by pre-tax payroll deduction, the full employee contribution of 50% of the total normal cost.

3. CalPERS Cost Sharing

Classic Employees shall pay 4% as cost sharing in accordance with Government Code section 20516(f)

SECTION 6. LEAVE BENEFITS:

Management Leave

Management leave provides a means of compensation for hours worked by exempt employees beyond their normal work schedule. The City shall provide Department Heads with one hundred twenty (120) hours of Management Leave per year credited each January 1. Management Leave must be used in the year earned and cannot be carried over from one calendar year to the next. Unused management leave hours will be cashed out in December of each year at the employee's current rate of pay. At the time of separation, any unused management leave hours will be paid at the employee's current rate of pay.

Annual Leave

Department Heads earn Annual Leave in lieu of vacation and sick leave. Annual Leave is intended to provide time for an employee to be away from the work environment and to enable such employee to return to work mentally and physically refreshed.

The City shall provide for Annual Leave to accrue on a payroll-to-payroll basis prorated in accordance with the following rates.

0 – 4 years of City service: 6.15 hours per pay period (160/year)

5 – 9 years of City service: 7.69 hours per pay period (200/year)

10 or more years of City service: 9.23 hours per pay period (240/year)

Department Heads who have pre-existing sick leave and/or vacation accrual balances shall convert sick leave to annual leave at the rate of one hour of sick leave to 0.5 hours of annual leave; and convert vacation to annual leave at the rate of one hour of vacation to one hour of annual leave.

Department Heads may, at the employee's discretion, accrue up to four hundred (400) hours of Annual Leave. Upon separation from City service, the employee shall be compensated for any unused Annual Leave at his or her regular rate of pay.

Holiday Leave

Each Department Head shall be entitled to the following holidays with pay (8 hours per holiday):

- | | |
|--|-----------------------------|
| (1) New Year's Day | (8) Labor Day |
| (2) Martin Luther King, Jr. Day | (9) Veterans Day |
| (3) Presidents' Day | (10) Thanksgiving Day |
| (4) Cesar Chavez Day | (11) Day after Thanksgiving |
| (5) Memorial Day | (12) Christmas Day |
| (6) Juneteenth National Independence Day | (13) Floating Holiday |
| (7) Independence Day | |

Floating holiday hours are credited each January 1 and must be used before December 30. Unused floating holiday hours are not carried forward.

Bereavement Leave

Department Heads shall be permitted to use up to five (5) days of paid bereavement leave following the death of an immediate family member and one (1) paid day following the death of an extended family member.

For the purposes of this benefit, "Immediate Family" shall mean grandparent, parent, child, sibling (including step or half), spouse, or registered domestic partner as permitted by California law, or any person living in the household. Proof of residence may be required. "Parent" shall mean biological, foster, or adoptive parent, stepparent, legal guardian or person who has parental rights to employee. "Child" shall mean a biological, adopted, or foster child, stepchild, legal ward or a child of a person who has parent's rights.

For the purpose of implementing this benefit, "Extended Family" shall mean: Aunts, Uncles, and Cousins, god-parents or god-parent equivalent.

The City Manager may authorize additional days of leave for bereavement purposes on an as-needed basis.

SECTION 7. WORK SCHEDULE:

Department Heads shall devote not less than 40 hours per week to assigned duties. It is recognized that Department Heads may need to devote more time outside of normal office hours for the benefit of the City.

SECTION 8. REIMBURSEMENTS:

Tuition Reimbursements

The City shall reimburse Department Heads for pre-approved courses to a maximum of \$3,000 per fiscal year. Approval must be obtained from the City Manager prior to enrolling in the course. Requests for reimbursement and approval must be in accordance with the City's policy on tuition reimbursement.

Tuition reimbursement shall be contingent upon employee satisfactorily completing course(s) with a minimum of a "B" grade and commit to continued service (employment) to the City of San Fernando for the equivalent of the school units, not to exceed two (2) years.

Wellness Reimbursement

To encourage the health and well-being of employees, the City shall reimburse certain wellness expenses in an amount not to exceed \$750 each fiscal year. Employees must request reimbursement using a City-approved form and supply valid receipts at time of reimbursement. Unused funds will not be carried over to the following fiscal year.

The following are reimbursable items under this section:

- a. Medical examination by the health provider of the employee's choice.
- b. Other formal wellness programs provided by professionals (e.g. smoking cessation, weight control, nutrition, or similar programs.)

- c. Reimbursement for employee or eligible dependent medical expenses (deductibles or co-payments) not covered by the employee's health, dental, or vision insurance.
- d. Reimbursement for medical, vision, and dental insurance premiums in excess of the monthly flex dollar allowance, if applicable.
- e. Additional contact lenses, prescription glasses, or prescription sunglasses not covered by medical or vision insurance.
- f. Dental work (included orthodontia) for employee or eligible dependents not covered by medical or dental insurance.
- g. Membership in a health club or fitness center.
- h. Registration fees for health classes (e.g. yoga, cross fit, etc.).
- i. Entrance fees for competitive sporting events (e.g. bicycle or running race, mud run competition, et cetera).

Technology Reimbursement

Department Heads may elect to receive a technology reimbursement of \$125/month in lieu of a City-issued cell phone. Department Heads that continue to receive a City-issued cell phone will not receive the reimbursement.

SECTION 9. CAR ALLOWANCE:

Department Heads will receive a City-provided vehicle or car allowance of \$400/month as compensation for attendance at off-site meetings, conferences, professional development, and any other business-related travel. Department Heads receiving a City-provided vehicle or car allowance will not be reimbursed for mileage.

SECTION 10. SEVERANCE PAY:

Department Heads are considered at-will employees and serve at the pleasure of the City Manager. If a Department Head is dismissed or discharged without cause, the City will provide the employee up to three (3) months' severance pay. Severance pay shall be calculated on base salary only, and on years of service with the City at a rate of one (1) month per one (1) year of service. In the event a Department Head is dismissed for cause, the City shall have no obligation to pay severance benefits.

After receiving written notice of dismissal from the City, Department Heads may elect to be placed on administrative leave for an amount of time equal to their earned severance pay (i.e. up to three months) instead of receiving a lump-sum payout. The employee must notify the City of their election within three (3) business days of receiving written notice of dismissal.

SECTION 11. EMPLOYMENT CONTRACTS

The City Manager, with the approval as to form by the City Attorney, may execute a separate employment contract with any Department Head provided the benefits included in the contract do not exceed the benefits listed in this Resolution. Benefits listed in this Resolution shall govern unless otherwise provided in the Department Head's employment contract.

SECTION 12. PROVISIONS OF LAW AND SEVERABILITY:

The parties agree that this Resolution is subject to all current and future applicable federal, state, and local laws.

If any article, part, or provision of this Resolution is in conflict with or inconsistent with applicable provisions of federal, state or local law, or is otherwise held to be invalid or unenforceable by a court of competent jurisdiction, such article, part, or provision thereof shall be suspended or superseded by such applicable law or regulation, and the remainder of the Resolution shall not be affected thereby.