

## CITY OF GALT

### AGREEMENT FOR EMPLOYMENT

This Employment Agreement ("**Agreement**") is made and entered into this 23<sup>rd</sup> day of March, 2010, by and between the City of Galt (the "**City**"), a general law city, and Steven P. Rudolph ("**Employee**").

1. Appointment of City Attorney:

The City Council of the City hereby appoints Employee to the position of City Attorney and Agency Counsel of the Galt Redevelopment Agency, in and for the City of Galt, California.

2. Term of Agreement:

- a. The initial term of this Agreement shall be for a period of four (4) years ("**Initial Term**") commencing on April 19, 2010, and continuing until April 19, 2014 ("**Termination Date**"). The parties to this Agreement may terminate this Agreement pursuant to the provisions of paragraph 5.
- b. No sooner than eight (8) months before the Termination Date or any succeeding Termination Date, Employee may send a written request to the City Council, with a copy to the City Manager, requesting renewal of the Agreement ("**Request for Renewal**"). If the Employee sends a Request for Renewal to the City Council, this Agreement shall automatically renew for an additional four (4) year term ("**Subsequent Term**") unless the City gives the Employee written notice of non-renewal ("**Notice of Non-renewal**") within sixty (60) days of receipt of the Request for Renewal.

3. At-Will Employment:

Employee is an "at will" employee who shall serve at the pleasure of the City Council. Accordingly, the City Council may terminate Employee's employment at any time, with or without cause. This provision may not be altered except by a written instrument executed by Employee, and formally approved by the City Council, which specifically references this Agreement and section.

4. Duties and Responsibilities:

- a. Employee shall commence his duties on April 19, 2010.

- b. Employee shall serve as the City Attorney and Agency Counsel of the Galt Redevelopment Agency of the City and he shall be vested with the powers, duties and responsibilities set forth in the Galt Municipal Code and California law. Employee shall perform the functions and duties specified under the laws of the State of California; the Galt Municipal Code; the Ordinances and Resolutions of the City; and such other duties and functions as the City Council may from time-to-time assign.
- c. Employee agrees to devote his productive time, ability and attention to the City's business. For the duration of this Agreement, Employee shall not hold secondary employment, and shall be employed exclusively by the City, subject to any exceptions approved in writing by the City Council. As an exempt employee, Employee shall not receive overtime or extra compensation for work performed outside normal business hours.

5. Termination of Employment and Severance:

- a. Employee may terminate this Agreement with or without cause, by giving the City sixty (60) days written notice in advance of termination. During the notice period, all the rights and obligations of the parties under this Agreement shall remain in full force and effect.
- b. The City Council may terminate this Agreement with or without cause, subject to any limitations in the City Code at the time of termination.
- c. In the event City terminates Employee's employment without cause, the City shall pay Employee an amount equal to nine (9) months aggregate salary and benefits ("Severance"). Severance shall be paid to Employee in lump sum, unless the parties agree otherwise in writing.
- d. Employee shall not be removed from office within a period of ninety (90) days after any municipal election at which a member of the City Council is elected.
- e. If Employee is terminated for "cause," the City shall not owe any Severance under this Agreement. A for "cause" termination under this Agreement shall only include (1) willful misconduct, (2) malfeasance, (3) any act of moral turpitude or dishonesty for personal gain, (4) improper use of City funds or property, (5) a material violation of City policies or procedures or (6) following conviction of or pleading nolo contendere to a felony or

misdemeanor relating to Employee's fitness to perform his assigned duties.

6. Compensation:

- a. The base salary for the position of City Attorney shall be Twelve Thousand and Five Hundred Dollars (\$12,500.00) per month.
- b. Employee shall be paid at the same intervals and in the same manner as regular City employees.
- c. The City shall not at any time during the term of this Agreement reduce the base salary, compensation or other financial benefits of the Employee, unless as part of a general City management salary reduction, and then in no greater percentage than the average reduction of all designated management employees.
- d. Employee shall receive the benefits identified in Exhibit A to this Agreement.

7. Indemnification:

The City shall defend, hold harmless and indemnify Employee against any tort, civil rights, personnel, discrimination, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the course and scope of Employee's performance of his duties. Such indemnity shall cover Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorneys fees, and any other liabilities incurred by, imposed upon, or suffered by Employee.

The City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment therefrom. Further, any settlement by Employee must be made with the prior approval of Employer in order for indemnification, as provided in this Section, to be available.

The City's obligation to defend and indemnify Employee is contingent on Employee's cooperation with the City, and with defense counsel. In addition, the City's obligation is contingent on Employee's conduct having occurred within the course and scope of his employment.

In the event of a claim or litigation against both the City and Employee, the City may retain a single attorney to defend both parties, unless there appears to be a conflict in the positions of the City and Employee. In the event that there is a conflict between the City and Employee, then

separate counsel shall be retained for each party, and Employer shall pay for both attorneys.

8. Notices:

Notices pursuant to this Agreement shall be in writing given by deposit in the custody of the United States Postal Service, first class postage prepaid, addressed as follows:

a. City:  
Mayor and City Council  
City of Galt  
380 Civic Drive  
Galt, CA 95632

b. Employee:  
Steven P. Rudolph  
253 Randall Drive  
Folsom, CA 95630

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial process. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice, postage prepaid, with the United States Postal Service.

9. Bonding:

The City shall bear the full cost of any fidelity or other bond required under any law or ordinance.

10. Performance Evaluations:

The City Council shall review and evaluate the performance of Employee six (6) months after the commencement of employment. The City Council shall thereafter review and evaluate the performance of Employee at least every twelve (12) months, or more frequently as deemed appropriate by the City Council.

11. Training:

Employee is encouraged to maintain memberships in and to attend conferences of appropriate professional organizations including but not limited to, the League of California Cities. Employee's annual budget for such memberships and conferences, including travel and related expenses shall be as included in the City of Galt's adopted annual budget.

Additionally, and in order to encourage Employee's continued professional development, the City will reimburse Employee for Employee's expenses in attending the League of California Cities – Annual Conference and the City Attorneys annual meeting. All expense reimbursements are subject to the City policies and limited by budget line items approved by the City Council for the City Attorney from time to time.

12. Professional Obligation of the City Attorney:

The City Attorney acknowledges that he is obligated to adhere to the Rules of Professional Conduct of the State Bar of California, and in particular, Rule 3-600, which provides, in part, that in representing an organization, an attorney shall conform his or her representation to the concept that the client is the organization itself, acting through its highest authorized officer, employee, body or constituent overseeing the particular engagement.

13. Work Location:

Employee may work remotely (from home, library or other location) up to one day a week, as long it does not interfere with the proper performance of his duties, and subject to the needs of the City Council and/or City Manager.

14. Miscellaneous:

- a. The text herein shall constitute the entire agreement between the parties. This Agreement may not be modified, except by written agreement executed by both parties.
- b. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.
- c. This Agreement shall be governed by the laws of the State of California.
- d. The parties agree that any ambiguity in this Agreement shall not be construed or interpreted against, or in favor of, either party.

- e. If any legal action or proceeding is brought to enforce or interpret this Agreement, the prevailing party, as determined by the court, shall be entitled to recover from the other party all reasonable costs and attorney's fees, including such fees and costs as may be incurred in enforcing any judgment or order entered in any such action.
- f. This Agreement may be executed in counterparts containing original signatures.

**IN WITNESS WHEREOF**, the City has caused this Agreement 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 Agreement, on the day and year written below.

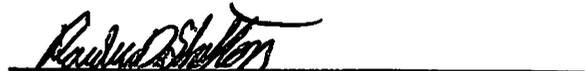
**"EMPLOYEE"**

DATED: March / 24 /2010

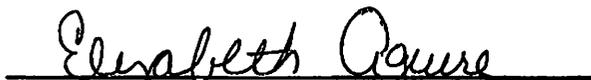
  
STEVEN P. RUDOLPH

**"CITY"**

DATED: March / 25 /2010

  
RANDY SHELTON, MAYOR

**ATTEST:**

  
ELIZABETH AGUIRE, CITY CLERK

## **EXHIBIT A**

### **EMPLOYEE BENEFITS**

#### **▪ Health, Vision, Dental, Retirement Benefits**

EMPLOYEE shall receive the same insurance benefits as other management employees which include the City paying the applicable insurance premiums for major medical (family coverage), dental (family coverage), vision (family coverage).

EMPLOYEE shall receive any additional benefits that may be provided to management employees in the future.

CITY shall pay 100% of Employee's and Employer's contributions into the Public Employee Retirement System.

#### **▪ Vacation**

EMPLOYEE shall accrue vacation leave at a rate of one hundred and sixty (160) hours per year. EMPLOYEE shall have the right to receive the cash value of any accrued and unused vacation leave upon written request to the Finance Director. Upon separation from the CITY, EMPLOYEE shall be paid for all accrued and unused vacation leave based upon his base salary on the date of separation.

EMPLOYEE shall receive an additional forty (40) hours of vacation leave, which shall be credited to his leave account on his first day of regular employment.

#### **▪ Administrative Leave**

EMPLOYEE shall be credited with eighty (80) hours of administrative leave annually, in accordance with the policy for other management employees.

#### **▪ Sick Leave**

EMPLOYEE shall accrue and may use sick leave in accordance with City policies for management employees. EMPLOYEE shall accrue ninety-six (96) hours of sick leave annually. Upon separation of employment from the CITY, EMPLOYEE shall receive reimbursement for accrued and unused sick leave pursuant to the City policies for management employees.

#### **▪ Holidays**

EMPLOYEE shall be entitled to all holidays that are provided to other management employees.

- **Car Allowance**

EMPLOYEE shall receive Three Hundred Dollars (\$300) per month as a car allowance.

- **Expense Reimbursement**

CITY will reimburse EMPLOYEE for normal business expenses subject to EMPLOYEE submitting an appropriate invoice or City will make direct payment to vendors as determined by the City for routine business expenses such as: (a) travel on City business, use of cellular or other phone/fax for City business, (b) membership in community organizations as a representative of the City.

- **Deferred Compensation**

CITY shall contribute six percent (6%) of EMPLOYEE'S base salary to EMPLOYEE'S deferred compensation account, with no requirement for a matching contribution by EMPLOYEE. Contributions shall be made on a bi-weekly basis.

- **Additional Benefits**

EMPLOYEE shall receive any additional benefits that are provided, or may be provided in the future, to other management employees of the City.

**END OF EXHIBIT**

**SECOND AMENDMENT TO  
EMPLOYMENT AGREEMENT  
FOR THE CITY ATTORNEY**

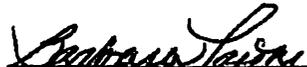
This Second Amendment to the Employment Agreement for the City Attorney (referred to herein as the "Second Amendment"), is made and entered into and effective this 4<sup>th</sup> day of August, 2011, as provided for in Section 14 of the Employment Agreement.

1. Section 2, Term of Agreement, of the Employment Agreement is deleted in its entirety and replaced with the following provision: This Employment Agreement shall extend indefinitely until terminated in accordance with Section 5, Termination of Employment and Severance.
  
2. Exhibit A, Employee Benefits, is amended as follows: The second sentence under Vacation, is deleted and replaced with the following three sentences: Employee shall only have the right to receive the cash value of vacation leave upon written request to the Finance Director made within the thirty (30) day period prior to the commencement of the calendar year in which the cash value of the vacation leave will be paid, and specifying the amount of vacation leave to be cashed out. Upon receipt of such an irrevocable written request, the Finance Director shall pay the cash value of the requested amount of vacation leave after January 1 and when the total amount of vacation leave to be cashed out has been accrued. Except as set forth above, Employee shall have no right to cash out vacation leave.

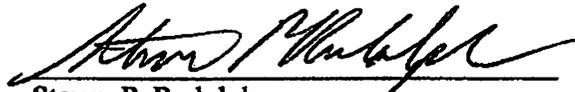
The remaining sentences of this section shall remain in full force and effect.

3. Except as amended by this Second Amendment, and the Voluntary Amendment approved by the City Council on June 21, 2011, all other provisions of the Employment Agreement shall remain in full force and effect.
  
4. This Second Amendment was approved by the City Council in closed session at the regular meeting of the City Council on 8/3, 2011.

Approved and Authorized:

  
Barbara Payne, Mayor

Accepted and Agreed to:

  
Steven P. Rudolph  
City Attorney

Attest:

  
Elizabeth Aguire  
City Clerk

**THIRD AMENDMENT TO  
EMPLOYMENT AGREEMENT  
FOR THE CITY ATTORNEY**

This Third Amendment to the Employment Agreement for the City Attorney (referred to herein as the "Third Amendment"), is made and entered into this 3<sup>rd</sup> day of September, 2014, as provided for in Section 12 of the Employment Agreement and for all purposes, is effective as of September 2, 2014.

1. Section 6, Compensation, is amended to add new subpart e, to read as follows:

"e. Cost of Living Adjustments:

1. Effective July 1, 2014 Employee shall receive a cost of living adjustment of 2% of base salary.
2. Effective July 1, 2015, Employee shall receive a cost of living adjustment between 1.5% and 3% based on the California Consumer Price Index, All Urban Consumers, annual average for 2014.
3. Effective July 1, 2016, Employee shall receive a cost of living adjustment between 1.5% and 3% based on the California Consumer Price Index, All Urban Consumers, annual average for 2015.
4. Effective July 1, 2017, Employee shall receive a one-time 4% increase to base salary. This increase is in conjunction with CalPERS Classic Member contribution increasing to 7% as of this date."

2. Exhibit A, Employee Benefits, is amended under the Section entitled Health, Vision, Dental and Retirement Benefits, by removing and replacing the third paragraph with the following provision:

"Employee, as a CalPERS Classic Member, shall be covered by the CalPERS Retirement Formula 2% @ 55, single highest year final compensation. Employee shall pay 2% of the CalPERS Employee Share with the City paying the remaining 5% of employee share and the total employer share. Effective July 1, 2017, Employee will pay the entire 7% employee share, and the City will continue to pay the entire employer share."

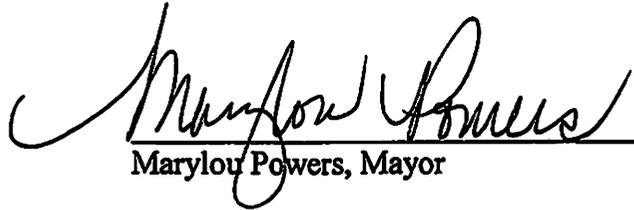
3. Exhibit A, Employee Benefits, is amended under the Section entitled Administrative Leave, by removing and replacing the full paragraph with the following provision:

"Employee shall be credited with one hundred (100) hours of administrative leave annually, in accordance with the policy for other management employees."

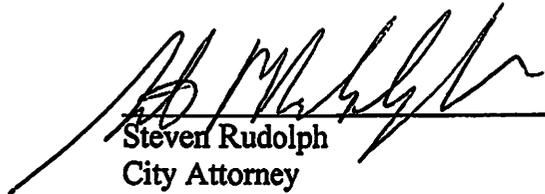
4. Except as amended by this Third Amendment, the Second Amendment approved by the City Council on August 3, 2011, and the Voluntary Amendment approved by the City Council on June 21, 2011, all other provisions of the Employment Agreement shall remain in full force and effect.

5. This Third Amendment was approved by the City Council in open session at the regular meeting of September 2, 2014.

Approved and Authorized:

  
Marylou Powers, Mayor

Accepted and Agreed to:

  
Steven Rudolph  
City Attorney

Attest:

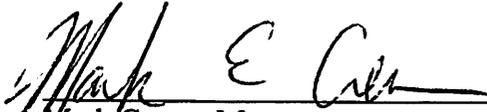
  
Elizabeth Haglund  
City Clerk

**FOURTH AMENDMENT TO  
EMPLOYMENT AGREEMENT  
FOR THE CITY ATTORNEY**

This Fourth Amendment to the Employment Agreement for the City Attorney (referred to herein as the “**Fourth Amendment**”), is made and entered into this 20<sup>th</sup> day of May, 2015, as provided for in Section 14 of the Employment Agreement and for all purposes, is effective as of May 30, 2015.

1. Section 6, Compensation, is amended to add new subpart f, to read as follows:  
  
“f. Effective May 30, 2015, Employee’s base salary shall be increased by five percent (5%).”
2. Except as amended by this Fourth Amendment, the Third Amendment approved by the City Council on September 2, 2014, the Second Amendment approved by the City Council on August 3, 2011, and the Voluntary Amendment approved by the City Council on June 21, 2011, all other provisions of the Employment Agreement shall remain in full force and effect.
3. This Fourth Amendment was approved by the City Council in open session at the regular meeting of May 19, 2015.

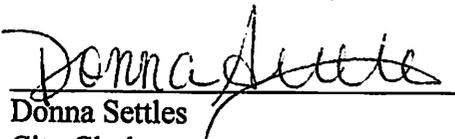
Approved and Authorized:

  
\_\_\_\_\_  
Mark Crews, Mayor

Accepted and Agreed to:

 5/20/15  
\_\_\_\_\_  
Steven Rudolph  
City Attorney

Attest:

 5/20/2015  
\_\_\_\_\_  
Donna Settles  
City Clerk