

CITY MANAGER EMPLOYMENT AGREEMENT

This City Manager Employment Agreement between the City of Laguna Woods ("City") and Christopher Macon ("Manager") ("Agreement") is made this 17th day of October, 2018.

RECITALS

- A. Christopher Macon has been employed by the City of Laguna Woods since May 2007 and has served as City Manager since August 2013.
- B. City desires to continue to employ Christopher Macon, as City Manager, as provided by Chapter 2.06 of the Laguna Woods Municipal Code, and upon the terms and conditions set out herein.
- C. Christopher Macon desires to continue to serve as City Manager of the City of Laguna Woods on the terms and conditions set out herein.
- D. City desires to enter into a new employment agreement with Christopher Macon as City Manager of the City of Laguna Woods for the period October 17, 2018, to and including August 21, 2024.

AGREEMENT

NOW, THEREFORE, the parties agree as follows on the terms and conditions of Manager's employment.

1. DUTIES AND TERM

Effective October 17, 2018 ("Effective Date"), and effective until August 21, 2024, unless earlier terminated by either of the parties, City hereby employs Manager, and Manager hereby accepts employment, as City Manager of the City. Manager shall perform the functions and duties specified for the City Manager of the City in Chapter 2.06 of the Laguna Woods Municipal Code and other ordinances, resolutions and policies of the City, and shall perform such other legally

permissible and proper duties and functions as the City Council of the City (the "Council") may from time to time assign, consistent with the Laguna Woods Municipal Code and other applicable law. City and Manager hereby expressly agree that the employment relationship created by this Agreement is "at will" and that the Manager serves at the will and pleasure of the City Council.

2. NOTIFICATION REQUIREMENTS REGARDING EXPIRATION OR TERMINATION OF AGREEMENT

(a) Potential Renewal of Agreement. On or before July 15, 2024, and in the event Agreement is not earlier terminated, Manager shall notify Council of the provisions of Section 2 of Agreement, at which time Manager and Council shall meet to discuss whether Agreement shall be renewed or not renewed, and if renewed, upon such terms and conditions as the parties may mutually agree to.

(b) Termination by Manager. In the event Manager terminates his employment as Manager, then Manager shall give City at least forty-five (45) days' notice of termination in writing in advance of the date of termination, unless mutually agreed upon otherwise.

(c) All Terminations. Manager agrees that in the event Manager's employment is terminated, with or without cause, under no circumstances will Manager be entitled to, nor shall, contest the existence or nature of Manager's "at will" employment status, nor will Manager be entitled to seek or receive the remedy of reinstatement to employment with the City in any administrative or legal forum.

(d) Effect of City Council Change on Terminations. As the sole and exclusive restriction on Manager's "at will" status, City shall not call for, initiate, or terminate Manager's employment within one hundred twenty (120) days following the certification of any City election at which any City Councilmember seat is up for election or within one hundred twenty (120) days following the appointment of any City Councilmember.

3. SEVERANCE AND SEVERANCE PAY AND BENEFITS

(a) Termination without Cause. In the event that Manager is involuntarily terminated by the Council without cause, City agrees to pay Manager within fifteen (15) days of the later to occur of (i) the date of termination of employment or (ii) the date of final determination by the Council of the matters subject to a hearing as set forth in this paragraph: (i) a lump sum cash payment (“Severance Pay”) equal to six (6) months of the base salary Manager is receiving on the date of the Council’s action to terminate Manager, or as many months as then remain on Manager’s contract term, whichever is less, less legally required or authorized deductions; and (ii) City shall pay Manager’s Consolidated Omnibus Budget Reconciliation Act (“COBRA”) premiums for COBRA insurance coverage otherwise available to Manager, for a period of six months, or as many months as then remain on Manager’s contract term, or until Manager becomes ineligible for COBRA, whichever is less.

Such severance pay shall be in addition to any other payments for accrued leave or other cash payments Manager would be entitled to at the termination of employment. In exchange for and as a condition to receipt of the Severance Pay, Manager shall execute a release and waiver, in a form acceptable to the City Attorney, releasing the City from any and all claims associated with Manager’s termination and waiving any rights to unemployment benefits to which Manager may otherwise be entitled.

(b) Termination by City with Cause. In the event Manager is terminated for cause as defined herein due to the reasonable determination of the Council, based upon the weight of the evidence produced at a hearing conducted by the Council, then, and in that event, City shall have no obligation to pay the Severance Pay and Severance Benefits described above in Section 3, subpart (a). The Council’s determination of the sufficiency of cause shall be final and binding. In the context of this Agreement, “for cause” shall mean that Manager has committed, in the

performance of Manager's duties or in any manner that causes harm to Manager's or the City's reputation, either (i) any illegal act involving personal gain to Manager; (ii) any act of insubordination or defiance of official City Council instruction or direction, given to Manager after being approved by a majority of the members of City Council, (iii) any conviction on a crime of fraud, misrepresentation, deceit, or moral turpitude; or (iv) malfeasance.

Nothing set forth herein shall be deemed to confer upon Manager any due process or other right to have a hearing by Council concerning any proposed termination of Manager; provided, however, that Manager shall be entitled to a hearing solely concerning any proposal by the Council not to pay Manager the Severance Pay and Severance Benefits.

4. SALARY AND OTHER COMPENSATION

(a) Salary. Commencing on the Effective Date, City shall pay Manager an annual base salary, exclusive of benefits, in the sum of One Hundred Eighty Three Thousand Seven Hundred and Seventy Dollars (\$183,770.00) per year, payable in installments at the same time and by the same methods as other City employees are regularly paid. Thereafter, such base salary amount shall be adjusted July 1 of each succeeding year, in the amount of any increase in the Bureau of Labor Statistics' Los Angeles-Long Beach-Anaheim Consumer Price Index for All Urban Consumers (CPI-U), between April of the then-current and previous years, not to exceed 2% in any single year. The City acknowledges that this salary may be subject to increase based upon merit and performance. In addition thereto, at least thirty (30) days prior to Manager's Anniversary Date each year; the Council shall conduct a performance evaluation of Manager, and if a majority of the Council deems Manager to have successfully performed up to the Anniversary Date may, in their sole and absolute discretion, grant Manager a discretionary bonus or increase in base salary or other benefits or compensation, based on merit and performance and consistent with the City's compensation policies in effect at the time of said increase. City and Manager agree to

review Manager's salary and benefits at the time of Manager's annual performance evaluation for each year this Agreement is in effect.

(b) Reduction of Salary. Council may, in its discretion, reduce the salary of Manager due to budgetary constraints, on condition that any such reduction shall not exceed the average reduction applicable to all management employees of the City at the time of reduction in Manager's salary. City shall not at any time during this Agreement reduce the salary of Manager, except as permitted by this Agreement.

5. BENEFITS

(a) Paid Time Off. Manager shall accrue annual paid time off (leave) at a rate of twenty (20) days per year, to be administered consistent with the provisions of Resolution No. 18-23. Manager shall not maintain annual paid time off in excess of 480 hours.

(b) Administrative Leave. Upon each January 1 of the term hereof, Manager shall accrue eighty (80) hours of paid administrative leave. Such administrative leave must be used each calendar year in which it is accrued, or shall be lost at the end of the calendar year, without cash payment or other compensation, and cannot be carried over to a subsequent calendar year. Administrative leave shall not be treated as compensable upon separation or termination.

(c) Vehicle Insurance. At a minimum, Manager shall procure and maintain in full force and effect during the term of this Agreement automobile liability insurance with minimum limits of \$100,000 per claim and \$300,000 per occurrence, or such lesser amount as otherwise may be established by the City Council.

(d) Supplemental Benefits. Except as provided otherwise herein, Manager shall receive any and all other supplemental benefits as are generally available to management employees of the City as provided by applicable City Resolutions and Personnel Rules. Except as otherwise provided herein, all actions undertaken by City relating to supplemental benefits for

management employees shall be considered actions affecting the same benefits applicable to Manager. As used herein, supplemental benefits include, but are not limited to, monthly benefit allowances, flexible benefits plan options, paid time off, administrative leave, holiday pay, retirement benefits and payments, and health insurance.

(e) Retirement. Manager shall be eligible for all of the retirement rights, benefits and obligations set forth in Resolution No. 18-23 currently in existence or as may be amended from time to time (collectively “Resolution 18-23” herein.).

(f) Reduction of Benefits. City shall not at any time during the term of this Agreement reduce the benefits of Manager, except as permitted by this Agreement.

6. PROFESSIONAL DEVELOPMENT, OUTSIDE PROFESSIONAL ACTIVITIES AND GENERAL EXPENSES

(a) Professional Development.

(i) Subject to the Council’s discretion to adopt and amend the budget, City agrees to pay for professional dues and subscriptions on behalf of Manager which are reasonably necessary, as determined by the Council, for the Manager’s continuation and full participation in national, regional, state or local associations and organizations necessary and desirable for Manager’s continued professional participation, growth and advancement, or for the good of the City. Furthermore, City shall pay for any additional professional dues and subscriptions as may be approved by the Council from time to time.

(ii) Subject to the Council’s discretion to adopt and amend the budget, City agrees to pay within the adopted budget the reasonable travel and subsistence expenses of Manager for official travel, meetings and events reasonably necessary to continue the professional development of Manager and reasonably necessary to fulfill official and other functions for the City, all as determined to be reasonable and necessary by the Council. Such meetings and events

may include, but are not limited to national, regional, state and local conferences of governmental groups and committees in which Manager serves as a member.

(b) Outside Professional Activities. Manager agrees to remain in the exclusive employ of the City of Laguna Woods while employed by the City of Laguna Woods. This section shall not prohibit occasional teaching, writing, speaking, consulting or other employment for compensation, a fee, or other value, provided that Manager gives advance written notification to the Council of such teaching, writing, speaking, consulting or other employment. Any teaching, writing, speaking, consulting or other employment performed or engaged in by Manager during the term of this Agreement shall not interfere with Manager's performance of Manager's duties and obligations under this Agreement.

(c) General Expenses. City recognizes that certain expenses of a non-personal and generally job-affiliated nature are incurred by the Manager, including participation in civic and other local organizations, and hereby agrees to reimburse or pay said reasonable general expenses.

Subject to the Council's discretion to adopt and amend the budget, the City Treasurer (or other designated employee) is hereby authorized to disburse funds within the adopted budget as needed to fulfill all provisions of this Agreement upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

City shall bear full cost of any fidelity or other bonds required of Manager under any law or ordinance.

(d) Technology Allowance. Manager shall at all times keep and maintain his own cell phone with e-mail, Internet, and data capabilities available for use in connection with Manager's services to be provided hereunder, and such laptop computer or tablet computer

technology as is reasonably required to assure Manager can be responsive to City's needs, including emergency response. Manager shall be paid a Technology Allowance of One Hundred Fifty Dollars (\$150.00) per month, to offset the costs of maintaining such cell phone and personal computing technology.

7. PERFORMANCE EVALUATION

(a) The Council and Manager may annually define such goals and objectives for the City which they mutually determine necessary for the proper operation of the City in the attainment of the Council's policy objectives, and the Council and Manager may further establish a priority among those various goals and objectives to be reduced to writing. The process of considering the establishment and priority of goals and objectives of the City shall be conducted and completed generally in July of each year ("Goals and Objectives"), and may occur in connection with Manager's annual performance review.

(b) The Council, following informal and nonbinding consultation with Manager, shall periodically assess the Goals and Objectives and how they relate to the performance of Manager. The Council shall review and evaluate the performance of Manager at least once annually on a form Council and Manager mutually agree to. Notwithstanding any term or provision of this Agreement to the contrary, Manager shall serve at the will and pleasure of the Council, and the Council shall be entitled to terminate the employment of Manager without cause.

8. TERMS OF EMPLOYMENT

The Council, following informal and nonbinding consultation with Manager, may by motion, resolution or written amendment to this Agreement approved as an official Council meeting agenda item, fix any other terms and conditions of employment as it may determine, from time to time, relating to the performance of Manager, provided such terms and conditions are not prohibited by the provisions of this Agreement, the Laguna Woods Municipal Code or any other

rules or regulations of the City or other applicable laws. Manager shall be subject to applicable City Resolutions and Personnel Rules, provided, however, that the Mayor will replace the role of the City Manager therein in dealings affecting Manager that would otherwise be referred to or involve the City Manager, and provided further that nothing therein shall abridge or infringe the “at will” nature of Manager’s employment, nor grant Manager any rights inconsistent with that status.

9. CONFLICT OF INTEREST PROHIBITION

It is understood and agreed that because of the duties of Manager within and on behalf of the City of Laguna Woods and its citizenry, Manager shall not, during the term of this Agreement, individually, as a partner, joint venturer, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the City of Laguna Woods, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of the City Council. For and during the term of this Agreement, Manager further agrees, except for a personal residence or residential property acquired or held for future use as his personal residence and real property acquired by Manager prior to the Effective Date of this Agreement, not to invest in any other real estate or property improvements within the corporate limits of the City of Laguna Woods without prior consent of the City Council.

10. PROVISIONS OF GOVERNMENT CODE SECTION 53243.4

(a) In the event that the City provides paid leave to the Manager pending an investigation of a crime involving abuse of his office or position covered by Government Code section 53243.4, and should that investigation lead to a conviction, the Manager shall fully reimburse the City for any salary provided for that purpose.

(b) In the event that the City provides funds for the legal criminal defense of the Manager pending an investigation of a crime involving abuse of his office or position covered

by Government Code section 53243.4, and should that investigation lead to a conviction, the Manager shall fully reimburse the City for any funds provided for that purpose.

(c) In the event that the City provides a cash settlement related to the termination of the Manager as defined in the terms of this Agreement and the Manager subsequently is convicted of a crime involving abuse of his office or position covered by Government Code section 53243.4, the Manager shall fully reimburse the City for any funds provided for that purpose.

11. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties concerning the subject matter set forth herein and no promise, representation, warranty or covenant not included in this Agreement has been or is relied upon by any party hereto concerning the offer and acceptance of employment described herein.

12. NO CONTINUING WAIVER

No waiver of any term or condition of this Agreement by either party shall be deemed a continuing waiver of such term or condition.

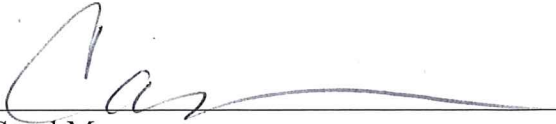
13. EFFECTIVE DATE AND ANNIVERSARY DATE

The Effective Date of this Agreement shall be October 17, 2018. The Anniversary Date shall be August 21 of each subsequent year this Agreement remains in effect.

[SIGNATURES ON NEXT PAGE]


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth hereinabove.

CITY:



Carol Moore
Mayor

MANAGER:



Christopher Macon

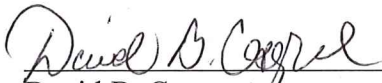
Agreement approved by the City Council in open session at a meeting on October 17, 2018.

ATTEST:



Yolie Trippy
Deputy City Clerk

APPROVED AS TO FORM:



David B. Cosgrove
City Attorney