

**CITY MANAGER
EMPLOYMENT AGREEMENT**

**AN AGREEMENT MADE AND ENTERED INTO BY AND BETWEEN
CITY OF VISALIA
AND LESLIE B. CAVIGLIA**

This Employment Agreement (the "Agreement") is made and effective as of this **September 4, 2021** (the "Effective Date") between the City of Visalia through its duly elected and formed City Council (the "CITY"), a charter city in the State of California, and Leslie B. Caviglia, an individual ("CITY MANAGER").

WHEREAS, pursuant to City's Charter and duly adopted ordinances, resolutions, practices and policies, the City Council has the responsibility of establishing the terms and conditions of employment for its employees, and consistent with such Charter, ordinances, resolutions, practices and policies, the City Council may, where appropriate and at its option, enter into employment contracts with individual employees to set forth the terms and conditions of employment, including among other things any severance payments that the City Council may elect to provide in the case of termination without cause; and

WHEREAS, CITY desires to secure the services of CITY MANAGER and CITY MANAGER desires to accept such employment upon the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of the material advantages accruing to the parties and the mutual covenants contained herein, and intending to be legally and ethically bound hereby, CITY and CITY MANAGER agree as follows:

SECTION 1: DUTIES AND SCOPE OF EMPLOYMENT

A. CITY shall employ CITY MANAGER as City Manager and CITY MANAGER accepts such employment. CITY MANAGER shall devote substantially all of her time, attention, energy, knowledge, and skill solely and exclusively to performing all duties as City Manager to perform the functions and duties specified in the City Charter, and to perform such other legally permissible and proper duties and functions as the Council shall from time to time assign. City Manager shall serve for an unspecified term at the will of the Council and may have her services terminated by a vote of the Council in accordance with provisions in the Charter and this Agreement.

B. As an exempt, salaried employee, CITY MANAGER will be expected to work such hours as required by the nature of CITY MANAGER's work assignments. CITY MANAGER agrees not to render full time services to any other entity or person during the term of this Agreement, unless otherwise

allowed by this Agreement. CITY reserves the right to modify CITY MANAGER's responsibilities and duties at any time in its sole and reasonable discretion.

SECTION 2: SCOPE OF EMPLOYMENT

A. Term. The term of this Agreement shall commence **September 4, 2021** and continue in effect until terminated pursuant to Section 6 of this Agreement.

B. Employment Status. This Agreement describes the only employment rights and benefits to which CITY MANAGER shall be entitled during the term of this Agreement. CITY MANAGER is an at-will employee who serves at the pleasure of the City Council. During the term of this Agreement, CITY MANAGER will not acquire or accrue tenure or any other employment rights with CITY including, without limitation, any property interest in continued employment with CITY unless otherwise required by law. Notwithstanding the at-will nature of this Agreement, the parties agree to the severance benefits described in Section 6(C) of this Agreement.

SECTION 3: COMPENSATION

A. Base Salary. In consideration for her services to CITY during the period in which this Agreement is effective, CITY will pay to CITY MANAGER an initial base salary of **\$203,390** per year. In or about November, 2021, the City Council will review the performance of CITY MANAGER and, upon a determination of satisfactory performance, shall increase CITY MANAGER's base salary by four percent (4%) effective the first pay period in December, 2021. CITY may, in its sole discretion and from time-to-time, adjust CITY MANAGER's base salary at any time after the Effective Date and during the term of this Agreement. Base salary shall accrue daily and be paid through biweekly pay periods during the period in which this Agreement is effective and shall be subject to all lawful withholdings and deductions required by federal and state laws, and any other authorized deductions.

SECTION 4: SUPPLEMENTAL BENEFITS

A. Deferred Compensation. CITY MANAGER may, if she so chooses, participate in one of CITY's deferred compensation programs for employees. At this time, CITY does not contribute to deferred compensation on CITY MANAGER's behalf. If in the future CITY begins contributing to deferred compensation, CITY MANAGER shall be entitled to such contributions to the same extent as CITY Department Heads.

B. Retirement. CITY MANAGER will remain enrolled in the 3% @ 60 CalPERS Miscellaneous Retirement Program for Classic CalPERS members. City Manager will pay 12 percent of salary toward required CalPERS contributions (representing the full employee contribution of 8 percent of salary together with 4 percent of the employer contribution), and the City will pay any remainder of the required CalPERS contributions.

C. Health Benefits. CITY MANAGER shall be eligible for medical, dental and vision care as offered to other CITY Department Head employees. CITY MANAGER's cost for participation is dependent upon the plan selected by CITY MANAGER, including whether coverage shall include any of CITY MANAGER's dependents.

D. Section 125. CITY MANAGER may participate in CITY's flexible spending account available for unreimbursed medical expenses, child care and group insurance premiums. CITY MANAGER may also choose to participate in voluntary plans at CITY MANAGER's expense.

E. Leave Accruals. CITY MANAGER shall accrue, on a bi-weekly basis, 20 days (160 hours) of compensated vacation per year. The maximum allowable vacation that may be accrued at any one time is 320 hours. CITY MANAGER shall accrue sick leave pursuant to City of Visalia Sick Leave Policy #305a, and all provisions of that policy apply to the CITY MANAGER.

F. Administrative Leave. CITY MANAGER shall be granted a total of 80 hours of administrative leave per calendar year. The amount available to CITY MANAGER for any partial calendar year of employment shall be prorated. CITY MANAGER shall be eligible to use such leave as of the Effective Date of this Agreement. CITY MANAGER shall be eligible to sell back unused administrative leave hours each calendar year, consistent with CITY's Personnel Policy Guidelines and as applied to CITY's department heads.

G. Holidays. CITY MANAGER shall receive eleven (11) compensated holidays per calendar year, to be taken consistent with CITY's Personnel Policy Guidelines and as applied to CITY's department heads.

H. Floating Holidays. CITY MANAGER shall be granted 8 hours of floating holidays per calendar year, and shall be eligible to use such floating holiday as of the Effective Date of this Agreement.

I. Educational Assistance. CITY MANAGER shall be eligible for up to \$1,200 in educational assistance on a reimbursement basis per fiscal year to help defray education expenses, such as tuition, books and other materials (if any) from accredited institutions, consistent with CITY's Personnel Policy Guidelines. The educational assistance shall constitute a non-taxable benefit and shall not be included as wages in CITY MANAGER's IRS form W-2.

J. Long-Term Disability. CITY MANAGER shall be eligible for long-term disability insurance up to two-thirds of her salary and up to the plan's cap, if disabled for more than 90 days. CITY MANAGER is responsible for payment of the premium, currently calculated at .052% of her base salary.

K. Vehicle Allowance. CITY shall provide CITY MANAGER with a \$550 monthly vehicle allowance paid the first pay period of each month.

L. Life Insurance. CITY shall provide CITY MANAGER a policy of term life insurance equal to twice annual base salary. CITY MANAGER may purchase a supplemental policy of up to \$300,000.00 at the established group-rate price.

M. Professional Organizations. CITY shall pay for CITY MANAGER's membership in professional organizations related to her duties as City Manager including, but not limited to: the California Redevelopment Association; the International City Managers Association; and the American Society of Public Administrators.

N. Service Clubs. CITY MANAGER will be reimbursed an amount not to exceed \$750.00 per calendar year for dues to participate in such local service clubs, which CITY MANAGER desires to join.

O. Event Expense. CITY MANAGER will be paid \$1,000 in the paycheck including January 1 of each year. These funds may be used for voluntary activities at the discretion of CITY MANAGER for attending and/or making charitable contributions to community events, fundraisers, and other community-related activities.

SECTION 5: PERFORMANCE AND REVIEWS

A. Annual Performance Reviews. In order to maintain a clear and well-defined relationship between CITY and CITY MANAGER, the City Council and CITY MANAGER will endeavor to annually, or more often at the discretion of City Council, review CITY MANAGER's performance and set goals and objectives for CITY MANAGER. Such review shall be consistent with CITY's Personnel Policy Guidelines, or as otherwise directed by City Council.

SECTION 6: TERMINATION

A. Termination by Death.

1. CITY MANAGER's employment with CITY shall terminate automatically upon CITY MANAGER's death.

2. CITY's obligations under this Agreement in such event shall be limited to: (1) the prorated payment of CITY MANAGER's base salary through the date of death to the extent not yet paid; (2) the payment of accrued and unused vacation and administrative leave, and unused sick leave if CITY MANAGER otherwise qualifies under applicable CITY sick leave policy, at CITY MANAGER's then applicable rate of base salary through the date of CITY MANAGER's death; and (3) the payment of any unpaid reimbursable business expenses incurred and documented by CITY MANAGER or her legal representative in accordance with this Agreement. CITY shall make the payments to CITY MANAGER's estate or beneficiary, as applicable. As of the date of CITY MANAGER's death, CITY's obligations under this Agreement shall terminate and CITY will have no further obligation to pay CITY MANAGER or

her estate or beneficiaries any compensation or other amounts, except as required by law.

B. CITY Termination For Cause.

1. Notwithstanding any other provision contained in this Agreement, CITY may terminate this Agreement at any time, for cause. Termination pursuant to this paragraph shall be effective on the date written notice is provided to CITY MANAGER describing the cause for termination as defined herein below, and shall be subject to a post-termination hearing on the factual grounds for such cause as may be required by law. For purposes of this Agreement, "cause" shall mean:

- (i) Any willful breach or habitual neglect of CITY MANAGER's duties which she is required to perform under the terms of this Agreement, job description, or other City policy or procedure;
- (ii) The commission of any material act of dishonesty, fraud, misrepresentation, or other act of moral turpitude;
- (iii) Gross carelessness or misconduct;
- (iv) Failure to obey the lawful direction of CITY's City Council in such a way that has a direct, substantial, and adverse effect on CITY's reputation; and/or
- (v) Conviction of a felony.

2. In the event of such termination, CITY's obligations under this Agreement shall be limited to: (1) the prorated payment of CITY MANAGER's base salary through the date of termination to the extent not yet paid; (2) the payment of accrued and unused vacation and administrative leave through the date of termination, and unused sick leave if CITY MANAGER otherwise qualifies under applicable CITY sick leave policy, at CITY MANAGER's then applicable rate of base salary; and (3) the payment of any unpaid reimbursable business expenses incurred and documented by CITY MANAGER in accordance with this Agreement. As of the date of termination, CITY's obligations under this Agreement shall terminate and CITY will have no further obligation to pay CITY MANAGER any compensation or other amounts, except as required by law.

C. Termination by CITY for Other than Death or Cause.

1. CITY may terminate this Agreement for any reason upon delivery of 30 days' written notice to CITY MANAGER or such later date as may be specified in the notice.

2. In the event of such termination, CITY's obligation under this Agreement shall be limited to: (1) the prorated payment of CITY MANAGER's base salary through the date of termination to the extent not yet paid; (2) the payment of accrued and unused vacation and administrative leave through the date of termination, and unused sick leave if CITY MANAGER

otherwise qualifies under applicable CITY sick leave policy, at the CITY MANAGER's then applicable rate of base salary; (3) the payment of any unpaid reimbursable business expenses incurred and documented by CITY MANAGER in accordance with this Agreement; and (4) payment of 6 months' compensation, as defined in Section 3 of this Agreement, in and for severance and as consideration of a mutual release of all claims through the date of termination.

3. Notwithstanding the foregoing, notice of termination shall not be given during or within a period of ninety (90) days succeeding any general municipal election held in the City at which new member(s) of the City Council are elected.

D. Termination by CITY MANAGER.

1. CITY MANAGER may terminate this Agreement for any or no reason, upon 30 days' written notice to the City Council.

2. In the event of such termination, CITY's obligations under this Agreement shall be limited to the prorated payment of: (1) CITY MANAGER's base salary through the date of termination to the extent not yet paid; (2) accrued and unused vacation and administrative leave through the date of termination, and unused sick leave if CITY MANAGER otherwise qualifies under applicable CITY sick leave policy, at CITY MANAGER's then applicable rate of base salary; and (3) any unpaid reimbursable business expenses incurred and documented by CITY MANAGER in accordance with this Agreement. As of the date of termination, CITY's obligations under this Agreement shall terminate and CITY will have no further obligation to pay CITY MANAGER any compensation or other amounts, except as required by law.

SECTION 7: RELEASE OF CLAIMS

If the Agreement is terminated pursuant to Section 6(C) and CITY MANAGER accepts any of the payments described therein after termination and to the extent not prohibited by law, CITY MANAGER shall be deemed to voluntarily release and forever discharge CITY and its officers, directors, employees, agents, and their successors and assigns, individually and collectively and in their official capacities (the "Releasees"), from any and all liability arising out of her employment and/or the termination of her employment. Nothing contained in this paragraph shall prevent CITY MANAGER from enforcing the terms of this Agreement.

SECTION 8: CONFIDENTIALITY

CITY MANAGER shall maintain in confidence the confidential information he receives in the course of her employment and shall not disclose any such information and shall not, either during the term of this Agreement or thereafter, use or permit the use of any such information in connection with any activity or business and shall not divulge such information to any person,

firm, or corporation whatsoever, except as may be necessary in the performance of her duties hereunder or as required by law. The term "confidential information" includes local, state or national security information, personnel information, and patient information.

SECTION 9: GENERAL PROVISIONS

A. Entire Agreement. This Agreement constitutes the entire agreement between the parties and contains all the agreements between them with respect to the subject matter hereof. It also supersedes any and all other agreements or contracts, either oral or written, between the parties with respect to the subject matter hereof.

B. Amendments. Except as otherwise specifically provided, the terms and conditions of this Agreement may be amended at any time by mutual written agreement of the parties.

C. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect its other provisions, and the other provisions of this Agreement shall be construed in all respects as if such invalid or unenforceable provisions had been omitted.

D. Governing Law. This Agreement shall be governed and enforced according to the laws of the State of California.

E. Attorneys' Fees and Costs. Each party will bear its/her own costs including attorneys' fees in connection with the negotiation and execution of this Agreement. If either party commences any legal proceeding against the other party with respect to any of the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party all expenses of those proceedings and any appeal thereof, including reasonable attorneys' fees, and all attorneys' fees, costs and expenses incurred in collecting or executing on any judgment, order or award.

F. Necessary Acts. The parties agree to perform any further acts and execute and deliver any further documents, which may be reasonably necessary to carry out the provisions of this Agreement.

G. Ambiguities and Uncertainties. This Agreement and any ambiguities or uncertainties herein, or the documents referenced herein, shall be equally and fairly interpreted and construed without reference to the identity of the party preparing this document or the documents referred to herein, on the express understanding and agreement that the parties participated equally in the negotiation and preparation of the Agreement and the documents referred to herein, or have had equal opportunity to do so. Accordingly, the parties hereby waive the benefit of California Civil Code section 1654 and any successor or amended statute providing that in cases of uncertainty, language

or a contract should be interpreted most strongly against the party who caused the uncertainty to exist.

H. Execution. This Agreement may be executed in counterparts and by facsimile or electronic PDF, all of which shall constitute one binding and legally enforceable instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement.

CITY OF VISALIA

AUTHORIZED REPRESENTATIVE: STEVE NELSEN

TITLE: Mayor

SIGNATURE:



DATE:

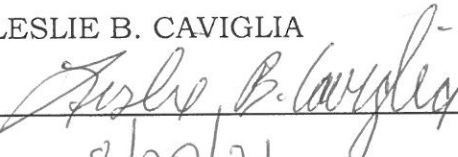
8/19/21

CITY MANAGER

NAME:

LESLIE B. CAVIGLIA

SIGNATURE:



DATE:

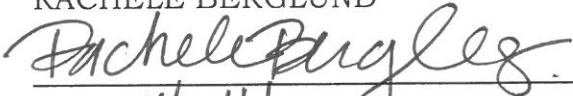
8/20/21

APPROVED AS TO FORM

LEGAL COUNSEL FOR CITY

RACHELE BERGLUND

SIGNATURE:



DATE:

8/24/2021