

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the 5th day of May, 2021, by and between the CITY OF SOUTH PASADENA, California, a Municipal Corporation, hereinafter called the "City", and Armine Chaparyan, hereinafter called "Employee."

RECITALS

WHEREAS, Employer requires the serves of a City Manager;

WHEREAS, Employee has the necessary education, experience, skills and expertise to serve as the Employer's City Manager;

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

1. **Powers and Duties of the City Manager.** The City Council hereby employs Employee as City Manager of the City of South Pasadena to perform the functions and duties specified in the South Pasadena Municipal Code (Section 2.18-6) and the California Government Code and to perform other legally permissible and proper duties and functions as the City Council shall from time-to-time assign, subject to this Agreement. Such duties and functions shall include but not be limited to serving as the Executive Director of the Successor Agency to the former Redevelopment Agency, the Public Finance Authority, the Housing Authority and as Emergency Operations Director. The City Council may from time to time fix other terms and conditions of employment relating to the performance of Employee provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the City's Municipal Code, or other applicable law.

Employee agrees to devote Employee's full time and effort to the performance of this Agreement and to remain in the exclusive employ of City and not to become otherwise employed while this Agreement is in effect without the prior written approval of the City Council.

2. **Term.** Employee shall report to work on May 31, 2021 ("Commencement Date"). The Term of this Agreement shall be a period of four years, commencing May 31, 2021 and ending, unless extended, on May 31, 2025. The Employee serves at the pleasure of the City Council and nothing herein shall be taken to imply or suggest a guaranteed tenure.

3. **Compensation.**

- A. City shall pay Employee for the performance of Employee's duties as City Manager under this Agreement an annual base salary of \$215,000 (Two Hundred Fifteen Thousand Dollars).
- B. Employee shall be paid at the same intervals and in the same manner as regular City employees, pursuant to an approved salary schedule, less customary and legally required payroll deductions. Employee shall be

exempt from paid overtime compensation and from Social Security taxes, other than the mandatory Medicare portion of such taxes. Salary and/or benefit adjustments may be considered by the City Council in conjunction with Employee's initial and annual performance evaluations pursuant to Paragraph 8 of this Agreement.

C. Employee is considered a "classic" CalPERS member. Employee shall pay Employee's share of CalPERS pension costs. Employee shall be entitled to all benefits, rights and privileges, including but limited to CalPERS Retirement, vacation, management leave, sick leave and health insurance plan benefits, accorded to non-public safety City Department Directors, except as otherwise provided in this Agreement. If there is any conflict between this Agreement and any resolution fixing compensation and benefits for non-public safety City Department Director or other unclassified employees, this Agreement shall control.

D. Notwithstanding Paragraph 3.C. above:

- i. Employee shall be advanced 40 hours of a total annual 160 hours of vacation upon her Commencement Date. Thereafter, Employee shall accrue vacation on a monthly basis equivalent to a total 160 hours of annual vacation. Employee may not accrue more than 320 hours of unused vacation;
- ii. Employee shall receive 24 hours of sick leave upon her Commencement Date, in addition to the accrual of 8 hours of sick leave for every month of employment. There is no accrual cap on sick leave.

4. **Automobile.** City shall provide Employee a monthly auto allowance of \$500, which Employee acknowledges shall be subject to taxation. Such auto allowance is conditioned on Employee's commitment that should she purchase or lease a new vehicle during her tenure as City Manager, that such vehicle will be a plug-in hybrid electric vehicle (PHEV), all electric, hydrogen fuel cell, or other low-emission/alternative fuel vehicle. Pursuant to Government Code Section 7522.34, reimbursement for use of one's private vehicle through an auto allowance is not considered pensionable compensation; accordingly, City shall not include the monthly payment of auto allowance in employee's salary for purposes of PERS reporting. Except as expressly provided herein, Employee shall be responsible for paying for all liability, property damage, and comprehensive insurance and for the purchase, operation, maintenance, repair and replacement of any personal automobile she may use in the conduct of the City's business. Notwithstanding Employee's monthly auto allowance, Employee commits to use of public transit whenever practicable.

5. **Hours of Work.** Employee is an exempt employee and is expected to engage in those hours of work that are necessary to fulfill the obligations of the City Manager's position. Employee shall maintain a regular work schedule consistent with that approved by the City Council for other management employees of the City. It is anticipated that Employee will devote

a great deal of time outside the City's normal office hours to the business of City and to that end Employee's schedule or work each day and week shall vary in accordance with the work required to be performed. The Employee will spend sufficient hours on site to perform the City Manager duties and it is also anticipated that the Employee will perform some of her City Manager duties off site, such as attendance at community meetings or events, and meetings with other government officials. Employee shall not be entitled to additional compensation for such time.

6. Professional Development. Employer agrees to budget for and to pay the professional dues, subscriptions, travel and subsistence expenses of Employee for professional participation in appropriate organizations such as but not limited to the League of California Cities, International City/County Management Association, and San Gabriel Valley City Managers' Association.

7. General Expenses. City recognizes that certain expenses of a non-personal and job-related nature may be incurred by Employee. City agrees to reimburse Employee for reasonable expenses that are authorized by the City budget, submitted to the City Council for approval and that are supported by expense receipts, statements or personal affidavits, and audit thereof in like manner as other demands against the City.

Employer will provide all equipment necessary for the completion of Employee's duties. This equipment shall include, but not be limited to, cellular phone, computers and other electronic devices deemed appropriate by the Employee. Employer acknowledges and approves incidental personal use by Employee during the term of this Agreement. In addition, Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance. Finally, Employer shall budget an additional \$1,000 annually for membership fees and dues for Employee to serve in local clubs and/or organizations that serve the City of South Pasadena.

8. Performance Evaluation. During the first 30 days of employment Employee and the City Council will meet to develop an initial transition plan, which will be a basis for the Employee's initial performance evaluation. Employee shall initiate and schedule an initial performance evaluation to take place six months after Employee's services for the City begins ("initial performance evaluation"). At the initial performance evaluation, the City Council and Employee shall develop mutually agreeable performance goals and criteria which the City Council shall use in reviewing Employee's performance at the first annual performance evaluation in 2022.

The City Council shall review and evaluate the Employee's performance annually on the anniversary of this Agreement. As part of this annual performance evaluation, the City Council and Employee shall jointly define such goals and performance objectives that they determine necessary for the proper operation of the City of South Pasadena and in the attainment of the City Council's policy objectives and shall further establish a relative priority among those various goals and objectives. At any performance evaluation, Employee will be afforded an adequate opportunity to discuss each evaluation with the City Council. Among other things, the evaluation shall include the City Council's and Employee's expectations of one another. Nothing herein shall constrain the City Council from establishing a work plan, the priorities or objectives therefor, or changing or modifying the plan. It shall be the Employee's responsibility to initiate the review for the initial performance evaluation, as well as for the annual performance

evaluation each year.

9. **Indemnification.** City shall defend, hold harmless and indemnify Employee against any non-intentional tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Manager, to the extent required by Government Code §§ 825 and 995. Said indemnification shall extend beyond termination of employment or expiration of this Agreement. Pursuant to Government Code § 825(a), the City reserves the right not to pay any judgment, compromise, or settlement until it is established that the injury arose out of an act or omission occurring within the scope of the Employee's employment as an employee of the City.

10. **Conflict of Interest Prohibition.** It is further understood and agreed that because of the duties of Employee within and on behalf of the City of South Pasadena and its citizenry, 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 of South Pasadena, except for stock ownership in any company whose capital stock is publically held and regularly traded, without prior approved of the City Council. For and during the term of this Agreement, Employee further agrees, except for a personal residence or residential property acquired or held for future use as her personal residence, not to invest in any other real estate or property improvements within the corporate limits of the City of South Pasadena, without the prior consent of the City Council. Employee further agrees that she will refrain from conduct which might cause the appearance of a conflict of interest with hers position and duties as City Manager.

11. **Separation.**

A. Resignation/Retirement.

Employee may resign and/or retire at any time and agrees to give the City at least 45 days advance written notice of the effective date of the Employee's resignation and/or retirement.

B. Termination and Removal.

1. Employee is an at-will employee serving at the pleasure of the City Council as provided in Government Code Section 36506.
2. It is understood by the Parties to this Agreement that termination and/or removal of the Employee, with or without cause, is subject to the procedures set forth in Section 2.18-8 (Removal Procedure) of the South Pasadena Municipal Code and the following provisions to the extent that they are not in conflict with the aforementioned removal procedure.
3. The City Council may remove Employee from the position of City Manager at any time, with or without cause, by majority vote of its

members. Notice of termination shall be provided to Employee in writing. "Termination," as used in this paragraph, shall also include the request that Employee resign, a reduction in salary or other financial benefits of the City Manager, a material reduction in the powers and authority of the City Manager, or the elimination of the City Manager's position. Any such notice of termination or act constituting termination may be given at or effectuated at a duly noticed regular meeting of the City Council.

4. Given the at-will nature of the position of Employee as City Manager, an important element of the employment Agreement pertains to termination. It is in both the City's interest and that of Employee that any separation of Employee is done in a businesslike manner.

C. Separation Without Cause.

1. In the event Employee is terminated by the City Council during the term of this Agreement where 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 payment equal to six (6) months' base salary then in effect as provided in Paragraph 3A or a lump sum payment equal to the remaining term of the Agreement, whichever is shorter. A decision not to renew the term of Employee's Agreement upon the expiration of the term shall not entitle Employee to the severance or continued health insurance benefits described in paragraphs 11.C.1. and 11.C.2.
2. In addition, the City shall extend to Employee the right to continue health insurance as may be required by and pursuant to the terms and conditions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). In the event that the City pays a six (6) months' severance to Employee pursuant to Paragraph 11.C.1. above, City agrees to pay Employee's COBRA coverage for six months, or until Employee either secures full-time employment or obtains other health insurance, whichever of these three events first occurs. Employee shall notify the City within five days of securing new full-time employment or insurance.
3. All payments required under Paragraph 11.C.1. and 2. above are subject to and shall be interpreted to comply with the limitations set forth in Government Code Section 53260.

D. Separation for Cause.

1. Notwithstanding the provisions of Paragraph 11.C., Employee may be terminated for cause. As used in this section "cause" shall mean

only one or more of the following:

- i. Conviction of a felony;
- ii. Continued abuse of non-prescription drugs or alcohol that materially affects the performance of Employee's duties as City Manager;
- iii. Repeated and protracted unexcused absences from the City Manager's office and duties or absence due to disability if such disability precludes performance of essential job duties for more than six (6) cumulative months after attempts at reasonable accommodations pursuant to the Americans with Disabilities Act and/or California's Fair Employment & Housing Act;
- iv. Upon the reasonable determination of the City Council that Employee has committed either (a) any illegal act involving personal gain to Employee or (b) gross negligence or (c) malfeasance.

12. **Reimbursement to City Required.** The following limitations apply to City's obligation to Employee pursuant to Paragraphs 9 and 11 above:

- A. **Paid Leave.** Pursuant to Government Code Section 53243, in the event the Employee is placed on paid leave pending an investigation, Employee shall reimburse such pay to City if he is subsequently convicted of a crime of moral turpitude or that constitutes "abuse of office or position," as that term is defined by Government Code Section 53243.4;
- B. **Legal Defense.** Pursuant to Government Code Section 53243.1, in the event the City pays for Employee's legal criminal defense, she shall fully reimburse such funds to the City if she is subsequently convicted of a crime of moral turpitude of that constitutes "abuse of office or position;"
- C. **Severance.** Pursuant to Government Code Section 53243.2, if this Agreement is terminated, any cash settlement related to the termination that Employee may receive from City, including any severance paid under Paragraph 11, must be fully reimbursed to City if she is subsequently convicted of a crime of moral turpitude or that constitutes "abuse of office or position."

13. **General Provisions.**

- A. This Agreement constitutes the entire agreement between the parties. The parties hereby acknowledge that they have neither made nor accepted any other promise or obligation with respect to the subject matter of this Agreement. This Agreement may be amended only by a writing signed by Employee, approved by the City Council, and executed on behalf of both

parties.

- B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of the Employee.
- C. This Agreement may be terminated by either party, with or without cause, subject only to the requirements of Paragraph 11 above. Notice of termination to the City shall be given in writing, either by personal service or by registered or certified mail, postage prepaid, addressed to City as follows:

Mayor
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030

With a courtesy copy to:

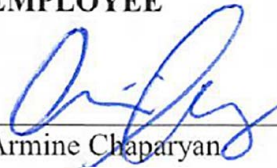
Colantuono, Highsmith & Whatley, PC
South Pasadena City Attorney
ATTN: Teresa L. Highsmith
790 E. Colorado Blvd, Suite 850
Pasadena, CA 91101

Any notice to Employee shall be given in a like manner, and, if mailed, shall be addressed to Employee at the address then shown in City's personnel records. For the purpose of determining compliance with any time limit stated in this Agreement, a notice shall be deemed to have duly been given on the date of delivery, if served personally on the party to whom notice is to be given, or on the second (2nd) calendar day after mailing in the manner provided in this section. Notwithstanding the forgoing, this Agreement shall automatically terminate on the death or permanent disability of Employee.

- D. A waiver of any of the terms and conditions of this Agreement shall not be construed as a general waiver by the City and the City shall be free to enforce any term or condition of this Agreement with or without notice to Employee notwithstanding any prior waiver of that term or condition.
- E. If any provision or any portion of this Agreement is held to be unconstitutional, invalid or unenforceable, the remainder of the Agreement shall be deemed severable and shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF the City of South Pasadena has caused this Agreement to be signed and executed on its behalf by its Mayor and duty attested by its Chief City Clerk, and the Employee has signed and executed this Agreement, both in duplicate as of the day and year first above written.

EMPLOYEE


Armine Chaparyan 4/22/21
Date


CITY OF SOUTH PASADENA

ATTEST:


DocuSigned by:

781DBEA3DC52477...
Linda Thai

DEPUTY CITY CLERK

DocuSigned by:

38815312B7DE402...
Diana Mahmud 4/23/2021
Date
MAYOR

Approved as to Form:

DocuSigned by:

0057F4936840F1...
Teresa L. Highsmith
CITY ATTORNEY