

**SECOND AMENDMENT TO
CITY MANAGER EMPLOYMENT AGREEMENT**

**BETWEEN
THE CITY OF VISALIA, CALIFORNIA, AND A. MICHAEL OLMOS**

WHEREAS, the City Council (the "Council") of the City of Visalia (the "City") desires to continue to employ the services of A. Michael Olmos (the "City Manager"), in accordance with Article IV and Article VI of the Charter of the City of Visalia (the "Charter"); and

WHEREAS, the City acting through the Council has entered into that certain contract titled "City Manager Employment Agreement. An Agreement Made And Entered Into By And Between City Of Visalia and A. Michael Olmos" effective September 14, 2013 ("Manager Employment Agreement"); and

WHEREAS, the Council has approved certain salary adjustments for all City of Visalia employees, and in recognition of City Manager's performance wishes to adjust his compensation, has by action of the Council elected to provide this adjustment to City Manager.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Council and City Manager agree as follows:

1. Section 3(A) of the City Manager Employment Agreement is hereby deleted and replaced as follows, effective December 12, 2015:

A. Base Salary. In consideration for his services to CITY during the period in which this Agreement is effective, CITY will pay to CITY MANAGER a base salary of \$194,849 per year. 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. His base salary shall be paid to him 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.

B. One-time Payment. In further consideration for his services to CITY, CITY MANAGER shall receive a one-time non-PERSable lump sum adjustment of \$1,929.00 payable on the December 31, 2015 paycheck. This section sunsets immediately upon payment.

2. All other terms and conditions of the City Manager Employment Agreement not in conflict with the foregoing are restated and shall remain in full force and effect.

IN WITNESS WHEREOF, the Council of the City of Visalia, California, has authorized this Agreement to be signed and executed this 16 day of December, 2015.

ATTEST:


Michelle Nicholson, Chief Deputy
City Clerk

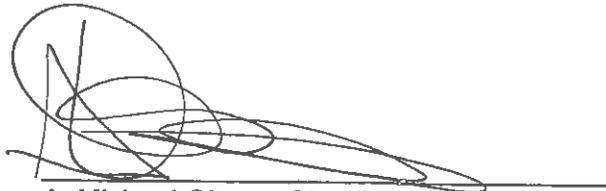

Steve Nelsen, Mayor
City of Visalia

Approved as to Form:


Rachele Berglund Bailey, Legal Counsel

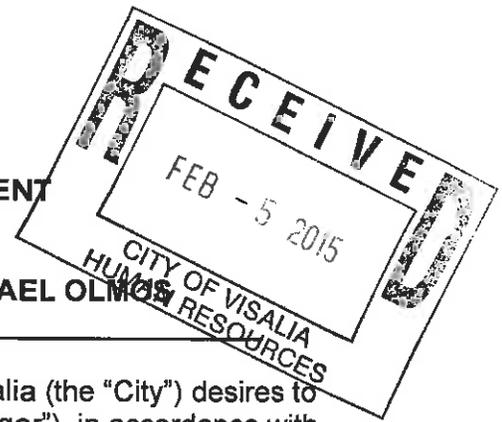
APPROVED AND ACCEPTED:

Dated: 12/16/15


A. Michael Olmos, City Manager

AMENDMENT TO
CITY MANAGER EMPLOYMENT AGREEMENT

BETWEEN
THE CITY OF VISALIA, CALIFORNIA, AND A. MICHAEL OLMOS



WHEREAS, the City Council (the "Council") of the City of Visalia (the "City") desires to continue to employ the services of A. Michael Olmos (the "City Manager"), in accordance with Article IV and Article VI of the Charter of the City of Visalia (the "Charter"); and

WHEREAS, the City acting through the Council has entered into that certain contract titled "City Manager Employment Agreement. An Agreement Made And Entered Into By And Between City Of Visalia and A. Michael Olmos" dated September 14, 2013 ("Manager Employment Agreement"); and

WHEREAS, the Council has approved certain salary adjustments for all City of Visalia employees, and in recognition of City Manager's performance wishes to adjust his compensation, has by action of the Council elected to provide this adjustment to City Manager.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, Council and City Manager agree as follows:

1. Section 3(A) of the City Manager Employment Agreement is hereby deleted and replaced as follows, effective September 20, 2014:

A. Base Salary. In consideration for his services to CITY during the period in which this Agreement is effective, CITY will pay to CITY MANAGER a base salary of \$192,920 per year. 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. His base salary shall be paid to him 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.

2. All other terms and conditions of the City Manager Employment Agreement not in conflict with the foregoing are restated and shall remain in full force and effect.

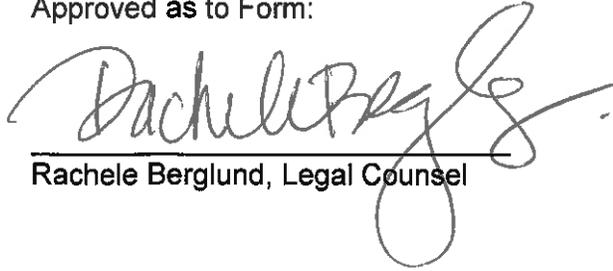
IN WITNESS WHEREOF, the Council of the City of Visalia, California, has authorized this Agreement to be signed and executed this 4th day of February, 2014. 5

ATTEST:


Leslie Caviglia, Deputy City Clerk


Steve Nelsen, Mayor
City of Visalia

Approved as to Form:



Rachele Berglund, Legal Counsel

APPROVED AND ACCEPTED:

Dated: 2/4/15


A. Michael Olmos, City Manager

**CITY MANAGER
EMPLOYMENT AGREEMENT**

**AN AGREEMENT MADE AND ENTERED INTO BY AND BETWEEN
CITY OF VISALIA
AND A. MICHAEL OLMOS**

This Employment Agreement (the "Agreement") is made and effective as of this 14th day of September, 2013 (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 A. Michael Olmos, 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 his 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 indefinite term at the will of the Council and may have his 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 14, 2013, 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 his services to CITY during the period in which this Agreement is effective, CITY will pay to CITY MANAGER an initial base salary of \$182,000 per year. 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. His base salary shall be paid to him 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 he 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 other eligible CITY employees.

B. Retirement. The City will maintain in effect the 3% @ 60 PERS Miscellaneous Retirement Program for City Manager. City Manager will pay 12 percent of salary toward required PERS contributions (representing the full employee contribution of 8 percent of salary together with 4 percent of the employer contribution), and the City will pay the remainder of the required PERS contributions.

C. Health Benefits. CITY MANAGER shall be eligible for medical, dental and vision care as offered to other CITY 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 of compensated vacation per year. The maximum allowable vacation that may be accrued at any one time is 320 hours.

F. Administrative Leave. CITY MANAGER shall be granted 14 days 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 up to a total of fourteen (14) unused administrative leave days per calendar year, consistent with CITY's Personnel Policy Guidelines and as applied to CITY's department heads. Up to 24 hours of administrative leave may be carried over into the next calendar year.

G. Holidays. CITY MANAGER shall receive ten (10) compensated holidays per calendar year, to be taken consistent with CITY's Personnel Policy Guidelines.

H. Floating Holidays. CITY MANAGER shall be granted 1 day (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 disability insurance up to two-thirds of his salary if disabled for more than 90 days. CITY MANAGER is responsible for payment of the premium, currently calculated at .052% of his base salary.

K. Take-Home Vehicle. CITY shall provide CITY MANAGER with a take-home vehicle, which shall constitute a qualified nonpersonal-use vehicle and shall not be taxable to CITY MANAGER. CITY MANAGER: 1) shall use the vehicle to commute to and from CITY work locations to perform his/her duties;

and 2) shall not use the vehicle for personal purposes (other than commuting) outside CITY's jurisdiction. Incidental personal use of such vehicle is allowed.

L. Life Insurance. CITY shall provide CITY MANAGER a policy of term life insurance equal to twice his annual 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 his 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 \$500.00 per calendar year for dues to participate in such local service clubs, which CITY MANAGER desires to join.

SECTION 5: PERFORMANCE AND 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 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 his 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 his 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 he is required to perform under the terms of this Agreement, his 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 the 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,

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: (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.

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 his employment and/or the termination of his 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 his 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 his duties hereunder or as required by law. The term "confidential information" means 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/his 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 legal enforceable instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement.

CITY OF VISALIA

AUTHORIZED REPRESENTATIVE: AMY SHUKLIAN

TITLE: Mayor

SIGNATURE:



DATE:

9-11-13

CITY MANAGER

NAME:

A. MICHAEL OLMOS

SIGNATURE:

DATE:

9/12/13