

CEO/CITY MANAGER'S AGREEMENT

THIS AGREEMENT is made and entered into in the City of Lancaster effective this 10th day of July, 2024 by and between the CITY OF LANCASTER, a municipal corporation of the State of California, hereinafter referred to as "City," and Trolis Niebla, hereinafter referred to as "Employee."

WITNESSETH:

WHEREAS, the City desires to employ the services of Trolis Niebla as Chief Executive Officer/City Manager of the City of Lancaster, as provided for in Chapter I of Article II of the Lancaster Municipal Code; and

WHEREAS, it is the desire of City Council to:

- A. Secure and retain the services of Employee and to provide inducement for him to remain in such employment;
- B. Make possible full work productivity assuring Employee's morale and peace of mind with respect to future security; and
- C. Provide a just means for terminating Employee's services as such time as he may be unable to fully discharge his duties.

WHEREAS, Employee desires to accept employment as City Manager of said City.

NOW, THEREFORE, in consideration of their mutual promises, obligations, and covenants hereinafter contained, the parties hereto agree as follows:

1. Term of Agreement. This agreement shall be in full force and effect for a period of three (3) years commencing on the date set forth above and ending July __, 2027, unless sooner terminated pursuant to the terms hereof. Notwithstanding the foregoing, this Agreement shall annually automatically extend from year to year unless either party gives the other party notice of its decision not to extend this agreement not less than six (6) months prior to the date of expiration.

2. Duties. City hereby agrees to hire the services of Employee to perform the functions and duties as specified in Section 2.08.060 of the Lancaster Municipal Code with the cooperation and assistance of its City Council and staff.

3. Compensation. In consideration of the performance of the duties and functions as outlined herein, Employee shall receive the sum of Three Hundred Twenty Five Thousand Dollars (\$325,000) per year payable at the time and in the manner as provided for all other executive management personnel of the City, which compensation shall be increased by 3.5% annually on each anniversary hereof.

4. Benefits. Employee shall be entitled to the following benefits in addition to the compensation outlined above:

(a) Automobile. The City shall provide Employee with an automobile allowance of \$600 per month, to be used by Employee to provide, maintain, and insure reliable transportation,

at Employee's own expense, in support of daily business use as necessary. Employee shall keep and maintain automobile insurance coverage for any and all vehicles used by Employee pursuant to paragraph 4(a) in accordance with California law.

(b) **Additional Benefits.** Employee shall be entitled to all benefits to which other executive management employees of the City are entitled, including any changes made to those benefits, plus the following:

(i) City shall pay one hundred percent (100%) of the premium for group health, dental care and vision insurance for Employee, spouse and eligible children as of the effective date of this Agreement. City shall pay the premium for life insurance in the face amount of Employee's annual salary and shall pay to Employee an additional Two Thousand Dollars (\$2,000) per year for Employee to purchase additional life insurance.

(ii) The City will provide for professional dues and subscriptions necessary for Employee's continuation and full participation in national, regional, state, and local associations and organizations necessary and desirable for his continued professional growth and advancement, and for the good of the employer. The City will also budget and pay for travel and sustenance expenses of Employee for professional and official travel, meetings, and training to continue his professional development. This will include membership and meetings such as the ICMA conference, CA Managers' Association conference, and appropriate meetings of the League of California Cities.

(iii) In recognition of the fact that Employee will leave his civil service position with the City upon entry into this Agreement, Employee shall be treated pursuant to the City's policies, procedures and benefits systems pertaining to sick, vacation and other forms of leave as leaving service with the City effective as of the date hereof and rehired as a contract employee with 188.4 hours of banked vacation time, 566.5 hours of banked sick time and ten years of service. Nothing in the preceding sentence shall be construed to affect Employee's status with respect to retirement or other non-leave related length-of-service-based benefits. Employee shall also receive any other leave benefits not set forth herein that executive management employees receive.

(iv) Employee's maximum accrual and buyback of leave will be governed by the policies and procedures applicable to other executive management employees of the City.

(v) Employee shall have the option, at his sole and absolute discretion, of receiving City-paid deferred compensation as salary.

5. **Review.** City Council shall have the right to review and evaluate the City Manager's performance as City Manager with consideration for an adjustment in compensation, benefits, and/or contract terms based on performance. Any adjustments under this Section will be over and above salary adjustments as provided for all other executive management personnel of the City as provided in Section 3 above.

6. **Termination.**

(a) This Agreement may be terminated in the manner provided for in Section 2.08.060R of the Lancaster Municipal Code. Except as hereinafter provided, in the instance that (i) the City

Council exercises its right to terminate Employee or its right not to extend the term hereof pursuant to Section 1 above, and (ii) Employee is willing to perform the duties of City Manager, the City agrees to pay to Employee twelve (12) months of salary plus accrued benefits as provided in Section 4(b)(iii). Employee shall be entitled to the benefits described in Section 4(b)(i) until the end of the twelve month severance period or until the Employee finds other employment, whichever occurs first. The amounts payable in accordance with the foregoing sentences shall be payable at the option of the Employee either in a lump sum amount or as a payroll payment over the applicable period of time. In the instance that Employee exercises his right to terminate, Employee shall be eligible only for his salary and benefits as outlined above until the effective date of his termination.

(b) In the event the City Council at any time during the course of this Agreement reduces the salary or other financial benefits of Employee in a greater percentage than an applicable across-the-board reduction for all employees of the City, or in the event the City Council refuses following written notice to comply with any provision herein benefiting Employee, or Employee resigns following a suggestion, whether formal or informal, by the City Council that he resign, then in that event, Employee may, at his option, be deemed "terminated" at the date of such reduction, such refusal to comply, or resignation within the meaning and context of the severance pay provision.

(c) The decision to terminate the Agreement shall be made in closed session and confirmed in a public meeting. In recognition of Employee's professional status and integrity, Employee and the City Council shall prepare a joint public statement to be made by the City Council at the public meeting when termination is confirmed.

(d) Employee may choose to resign his office instead of being terminated if a decision by the City Council to terminate has been made in closed session. In such an event, the public announcement as provided for above will note Employee has resigned and the termination provisions hereof remain applicable.

(e) Notwithstanding paragraphs 6(a)-(d) above, during the first twelve (12) months hereof, this Agreement may be unwound upon mutual written agreement of the Parties.

7. Indemnification. The City Council shall defend, hold harmless, and indemnify Employee against any tort, professional liability claim, or demand, or civil rights or other legal action, arising out of any act, event or omission occurring in the performance of Employee's professional duties as City Manager, except to the extent that Employee's actions are the result of gross negligence or willful misconduct. The City Council will defend, compromise or settle any such claim or suit, as appropriate, and pay the amount of any settlement or judgment rendered thereon. This indemnification shall extend beyond termination of employment or other expiration of this Agreement, to provide full and complete protection to Employee for acts undertaken or committed by Employee in his capacity as City Manager, regardless of whether receipt of notice or filing of any claim or lawsuit occurs during or following Employee's employment with the City. The extent of defense or indemnification may be limited by the provisions of California State law.

8. Amendments. Any amendment, modification, or variance from the terms of this Agreement shall be in writing and shall be effective only upon the prior approval of the City Council of the City of Lancaster.

9. Assignments. This Agreement shall not be assigned or subcontracted by either party without the prior consent of the other.

10. Entire Agreement. This Agreement constitutes the whole agreement between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first hereinabove written.

CITY OF LANCASTER, a municipal corporation

APPROVED AS TO FORM:

CITY:

Allison E. Burns, City Attorney

R. Rex Parris, Mayor

ATTEST:

EMPLOYEE:

Andrea Alexander, City Clerk

Trolis Niebla, City Manager