

EIGHTH AMENDMENT TO EMPLOYMENT AGREEMENT

This Eighth Amendment to Employment Agreement is entered into this 4th day of May, 2010, by and between the City of Redlands, a municipal corporation (hereinafter "City") and Daniel J. McHugh (hereinafter "Employee").

RECITALS

WHEREAS, City and Employee have entered into an Employment Agreement dated April 19, 1994, wherein City expressed its desire to employ the services of Employee as City Attorney of the City of Redlands as provided for by California Government Code Section 36505; and

WHEREAS, City and Employee on March 7, 1995, April 28, 1997, August 5, 1997, December 7, 1999, December 19, 2000, December 21, 2004, and July 5, 2005, amended certain provisions of the Employment Agreement; and

WHEREAS, Employee's fringe benefits have customarily been equivalent to those fringe benefits provided by the City Council to the City's Department Directors and those management employees in the employee organization known as the "Redlands Association of Management Employees ('RAME'); and

WHEREAS, on or about December 16, 2008, the City Council took action to separate the Department Directors from the RAME organization; and

WHEREAS, on or about December 16, 2008, the City Council also approved by resolution a "Benefits Profile" package for Department Directors, including certain health insurance benefits; and

WHEREAS, on April 29, 2010, the City Council concluded negotiations with the RAME organization and approved RAME's MOU relating to salary and benefits for the term July 1, 2009 through June 30, 2012; and

WHEREAS, as been past custom and practice, now that the City Council has concluded negotiations with the City's Department Directors and RAME, it is the desire of the City and Employee to amend Employee's employment agreement to restate Employee's benefits in light of such completed negotiations; and

WHEREAS, it is further desire of City Council and Employee to identify those benefits which have become "vested" during the course of Employee's employment, in particular, Employee's vested right to "Lifetime Medical and Dental Insurance" coverage; and

NOW, therefore, in consideration of the mutual promises contained herein, the City of Redlands and Daniel J. McHugh agree as follows:

Section 1. Section 3 of the Employment Agreement, entitled "Fringe Benefits," is hereby amended by (a) labeling the first existing paragraph of said section, which is set forth in Employee's

First Amendment to Employment Agreement, as "A," and amending the text of that subsection; (b) by labeling the second existing paragraph of said section, which is set forth in Employee's Second Amendment to Employment Agreement, as "B;" (c) by labeling the third existing paragraph of said section, which is set forth in employee's Third Amendment to Employment Agreement, as "C;" and (d) by adding a new subsection "D." The amended subsection "A" and the new subsection "D" shall, respectfully, read as follows:

"A. City shall pay to or on behalf of Employee for fringe benefits those same fringe benefits provided to the members (hired before March 11, 2010) of the Redlands Association of Management Employees (RAME), as described in the RAME MOU approved for the period July 1, 2009 – June 30, 2012. In addition, Employee shall receive the same PERS benefit provided to non-sworn employees of the City."

"D. Notwithstanding Subsection 'A,' above, relating to fringe benefits, City shall pay for and provide to Employee the "Health Allotment" insurance benefit as provided to City Department Directors in accordance with the 'Benefits Profile' adopted by City Council Resolution No. 6795."

Section 2. Section 6 of the Employment Agreement, entitled "Termination," is hereby amended by the addition of subsection "C" to read as follows:

"C. Upon, and from and after, Employee's separation of employment from City, Employee shall receive "Lifetime Medical and Dental Insurance" coverage in accordance with, or equal to, the coverage limits, terms and conditions for such issuance as the same exists on May 4, 2010. City shall pay all premiums required for such 'Lifetime Medical and Dental Insurance' coverage for Employee and Employee's eligible dependants."

In witness hereof the Parties have executed this Agreement on the 4th day of May, 2010.

CITY OF REDLANDS

EMPLOYEE



Pat Gilbreath, Mayor



Daniel J. McHugh

ATTEST:



Sam Irwin, City Clerk

Bernardino Superior Court was presented. Under the terms of the agreement, Dr. Shabahang shall pay the City of Redlands Eleven Thousand, Seven Hundred Dollars (\$11,700). Upon receipt of funds, the City of Redlands will file a dismissal of the lawsuit with prejudice. Each Party shall bear its own attorneys' fees and costs incurred in connection with the lawsuit and preparation of the agreement.

Surveillance Project Contract - On motion of Councilmember Gallagher, seconded by Mayor Pro Tem Bean, the City Council unanimously approved the third amendment to the Leverage Integrated Surveillance System agreement to implement the aerial phase of the Police Department surveillance camera project.

Employment Agreements – City Manager/City Attorney - On motion of Councilmember Aguilar, seconded by Councilmember Harrison, the City Council voted to approve the First Amendment to the Employment Agreement for the City Manager's Employment Contract and the Eighth Amendment to the Employment Agreement for the City Attorney's Employment Contract. The amendments restate the City Manager's and City Attorney's fringe benefits to ensure their consistency with those granted by City Council to City Department Directors and Redlands Association of Management Employees (RAME) employees. Mayor Pro Tem Bean and Councilmember Gallagher moved to continue the item to allow a rewrite of the amendments to remove all reference to RAME and to look at those and possibly other amendments to the contracts. With the motion to continue defeated by a vote of three to two, Mayor Pro Tem Bean and Councilmember Gallagher voted against the original motion in the form presented. Mayor Gilbreath pointed out that the City Manager, the City Attorney and all Department Directors are participating fully in the furlough program to reduce costs. The City Manager pointed out that the City Council members are also helping by forgoing a portion of their stipend entitlement.

Tree Trimming Contract - On motion of Councilmember Harrison, seconded by Councilmember Gallagher, the City Council unanimously approved an agreement between the City of Redlands and West Coast Arborists, Inc. for annual tree trimming and arboricultural services for a five-year term. Councilmember Harrison asked that West Coast Arborists consider subcontracting with local businesses for disposal of the larger pieces of tree trimmings too big for their chipper/shredder.

COMMUNICATIONS:

Home Depot Grant – Tabettha Johnson, City of Redlands Volunteer Resource Coordinator, described the work project planned for Saturday, May 8, 2010, involving over 500 members of the Latter Day Saints Church. Renovations and