

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into between the City of Redlands (hereinafter referred to as the "City" or the "City Council") and John Davidson (hereinafter referred to as the "City Manager") who mutually agree and promise as follows:

1. Term.

The City hereby appoints Employee as City Manager, commencing on December 11, 2000 and continuing for an indefinite period of time or until terminated pursuant to Section 7, below.

2. Salary.

Employee's annual salary shall be One Hundred Fifteen Thousand (\$115,000) dollars.

3. Duties.

The City Manager shall perform the duties and exercise the powers of City Manager as prescribed by Sections 2.04.180, 2.04.190 and 2.04.200 of the Redlands Municipal Code. In addition to the powers and duties set forth in the Code, the City Manager shall have such powers and duties which are delegated to him, from time to time, by the City Council. The City Manager shall execute all powers and duties in accordance with the policies adopted by the City Council and the State of California Government Code.

4. City Manager and Council Responsibilities.

The City Manager shall be the administrative head of the City and the Redlands Redevelopment Agency. As such, the City Manager shall have the responsibility for implementing City Council and Redevelopment Agency Board policy, whereas the City Council and the Redevelopment Agency Board shall retain the responsibility for formulating and adopting the policy.

5. Personnel Matters.

The City Manager shall have the additional responsibility of organizing , reorganizing and arranging the staff of the City in such a way that in his judgment best serves the City. The City Manager shall have responsibility for all personnel matters, including selection, assignment and transfer of employees in accordance with the Personnel Rules of the City. City Councilmembers, individually and collectively, will promptly refer all criticisms, complaints and suggestions called to their attention by City staff to the City Manager for study and recommendation. The City Manager shall promptly review such matters and report back to the Council within a reasonable period of time and in accordance with the City's Personnel Rules. The City Manager shall consult with Councilmembers, individually or collectively, on any personnel matter when requested to do

so by one or more Councilmembers, subject to the requirements of the Ralph M. Brown Act, Government Code Section 54950, et seq.

6. Other Duties.

The City Manager (or his designee) shall: (1) review all policies proposed to the City Council and make appropriate recommendations to the City Council; (2) periodically evaluate employees as provided for by California law and City policy; (3) advise the City Council of possible sources of funds that might be available to implement present or contemplated City programs or services; (4) maintain and improve his professional competence by available means, including subscription to and reading of appropriate periodicals, and joining and participating in appropriate community relations program; and (6) serve as liaison between the City Council and as its designated representative with respect to all employer-employee matters, and make recommendations to the City Council concerning those matters. Notwithstanding that a designee of the City Manager may perform these duties, the City Manager shall be the person ultimately responsible to the City Council for the proper implementation of the duties and responsibilities described herein.

7. Termination.

The City Manager shall serve at the will and pleasure of the City Council and may be removed from office (terminated) at any time for any reason, or for no reason, upon a majority vote of the City Council. Nothing in this Agreement shall prevent the City Council from terminating this Agreement and the services of the City Manager at its sole discretion. Except as otherwise provided herein, termination of this Agreement shall be in accordance with Sections 2.04.140, 2.04.150, 2.04.160 and 2.04.170 of the Redlands Municipal Code.

A. Termination.

In the event the City Manager is terminated by the City at a time when the City Manager is willing and able to perform his duties under this Agreement, the City Council agrees to provide the City Manager notice in writing six (6) months prior to the date this Agreement and the employment of the City Manager are to be terminated. In the alternative, the City may immediately terminate the City Manager from his employment with the City by providing him with notice and, except as otherwise provided in Subsection B, below, by providing the City Manager with six (6) months salary and six (6) months continuation of health benefits (collectively "Severance Pay") in lieu of the above described notice.

B. Termination for Cause.

In the event that it is determined that the City Manager has been terminated for cause, the City Manager shall not be entitled to any Severance Pay. "Cause" includes, but is not limited to, the City Manager being convicted of a felony or for a crime involving moral turpitude. Such

determination shall be made following the hearing, if requested, pursuant to Section 2.04.150 of the Redlands Municipal Code, except that the hearing shall be before a neutral hearing officer selected from a list supplied by the State Mediation and Conciliation Service and the issue at the hearing shall be limited solely to whether or not there is sufficient evidence to support a finding of termination for cause.

Any hearing officer selected must be able to and shall hear the matter within thirty days of the City Manager's receipt of the notice of termination and shall render a decision within fifteen days of the close of the hearing. Following the hearing, the hearing officer shall submit his/her findings and decision to the City Council, which shall be final and binding as to the issue of whether the termination was for cause.

Should the hearing officer determine that the City Manager was terminated for reasons other than for cause, the City Manager shall be entitled to receive Severance Pay commencing from the date of termination specified in the final action of the City Council.

C. Resignation.

If the City Manager desires to resign his position, he will provide the City Council with at least forty-five (45) calendar day's notice, in writing. In the event that the City Manager resigns from his employment with the City, the City Manager shall not be entitled to any Severance Pay.

8. Fringe Benefits.

City shall pay to, or on behalf of, the City Manager for fringe benefits an amount which is proportionate to those provided to members of the City's management group (RAME); provided, however, with regard to the City's deferred compensation plan, City shall pay annually to the City Manager the maximum amount that the City Manager is entitled, by law, to contribute to the plan during that year. In addition, the City Manager shall receive the same PERS benefit provided to non-sworn members of the City's management group (RAME). These amounts shall be adjusted proportionately, based on any adjustment in City contributions to these fringe benefits given to members of the City's management group. Employee shall have the option to convert one hundred hours of accrued vacation of the City Manager to cash, annually. Employee shall also have the option to convert up to ninety-six (96) hours accrued sick leave less any sick leave hours used during the year, to cash annually.

9. Transportation.

City shall provide the City Manager with a City vehicle to be used in the performance of his duties and for commuting between his residence and the City. The City shall be responsible for repair and maintenance of the vehicle and shall pay for all costs associated with its operation, including but not limited to, fuel, insurance and fees.

10. Community Service Organization. City shall pay the City Manager's annual dues for the City Manager's participation in a community service organization of the City Manager's choice.

11. Reimbursement for Expenses.

The City Manager shall be reimbursed on a monthly basis for all reasonable sums necessarily incurred or paid by him in the performance of his duties or incurred when traveling on business pertaining to the City under direction of the City Council upon submission of adequate records and other documentary evidence verifying such expenditures.

12. Annual Leave.

Upon execution of this Agreement, City will immediately credit the City Manager with eighty (80) hours of accrued vacation time. In addition, the City's policies pertaining to the accrual and use of leave for the City's management group shall likewise apply to the City Manager.

13. Professional Development.

The City recognizes the desirability of the City Manager's representation of the City in and before local civic and professional organizations, including, but not limited to, the League of California Cities' Annual Conference and its City Manager Development Conference. The City Manager is authorized to become a member of such organization for which the City shall pay all membership and reasonable expenses upon presentation of written documentation of the same.

14. Term Life Insurance.

During the term of this Agreement, the City shall obtain term life insurance for the benefit of the City Manager in the amount of twice his annual salary.

15. General Provisions.

A. This Agreement supersedes any and all other agreements, either oral or written, between the parties hereto with respect to the employment of the City Manager by the City and contains all of the covenants and agreement between the parties with respect to the employment of the City Manager by the City.

B. Each parties to this Agreement agrees that no representations, inducements, promises or agreements, verbally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein and that any agreement, statement, or promise not contained in this Agreement shall not be valid or binding on either party.

C. Any modifications of this Agreement will be effective only if made in writing and signed by both the City Manager and the City.

D. If any provision of this Agreement is held by a Court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

IN WITNESS WHEREOF, the parties have executed this Agreement on the 21st day of November, 2000.

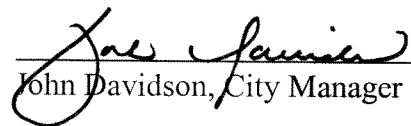
ATTEST:



City Clerk



Pat Gilbreath, Mayor



John Davidson, City Manager