

FIFTEENTH AMENDMENT TO EMPLOYMENT AGREEMENT

This Fifteenth Amendment to Employment Agreement is entered into this 17th day of December, 2019 ("Effective Date"), 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, July 5, 2005, May 4, 2010, October 5, 2010, May 19, 2015, March 1, 2016, April 5, 2016, July 5, 2017, and December 17, 2017, amended certain provisions of the Employment Agreement; and

WHEREAS, the City Council has recently completed labor negotiations with respect to all of the City's employee bargaining groups to amend their respective memoranda of understandings to relating to provisions governing an employee's cash-out of paid leave to ensure compliance with federal tax law; and

WHEREAS, as has been their past practice, it is now the desire of City and Employee to amend Employee's Employment Agreement relating to the cash-out of paid leave to provide Employee with the same general process for an employee's election to cash-out paid leave as provided to the employees of the City's various bargaining groups;

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

AGREEMENT

Section 1. The text of Section 3 of the Employment Agreement, titled "Fringe Benefits," is hereby deleted in its entirety and rewritten to read as follows:

"A. City shall pay to, or on behalf of, Employee, as fringe benefits, those same fringe benefits provided to those members of the Redlands Association of Management Employees (RAME) hired before March 11, 2010, as provided under the RAME MOU, along with all other RAME MOU benefits provided to all RAME members that are not inconsistent with the same. In addition, Employee shall receive the same retirement benefits provided to classic non-sworn employees of the City. Employee's fringe benefits shall be added to, or increased proportionally by, any additional or increased benefits provided to RAME by City.

B. With respect to executive leave, Employee shall accrue 120 hours of executive leave annually, each January 1st. Any hours of executive leave not used by Employee during the calendar year such leave is received by Employee shall roll-over and may be used by

Employee in any subsequent year; provided, however, Employee shall have the right to cash out such leave in accordance with subsection G of this Section 3, any such hours not used by Employee at Employee's then-existing hourly rate.

C. During the term of this Employment Agreement, in an effort to support a healthy life style for City employees, the City will provide to Employee a City-paid membership (initial fee and monthly fees) for the YMCA for Employee and Employee's spouse.

D. City shall contribute the entire monthly premium for Employee and Employee's eligible dependents for a vision insurance plan with Medical Eye Services, or an equivalent insurance plan approved by City with at a minimum similar benefits to those of Medical Eye Services as such benefits exist on the date of this Fifteenth Amendment to Employment Agreement.

E. With respect to City's 401 (a) deferred compensation plan, Employee shall have the right to participate in such plan in accordance with its terms as they may be changed from time to time by the City.

F. Notwithstanding any other provision of this Section 3, with respect to City's deferred compensation plans, City shall contribute annually, each calendar year, for the benefit of Employee the maximum amount by law Employee is entitled to contribute to City's 457(b) deferred compensation plan for such year. Such contribution shall be made on or before March 1st of each calendar year. Beginning the calendar year 2022, the City shall make the amount of aforementioned contribution to the City's 401(a) deferred compensation plan, provided the City has a qualified 401(a) deferred compensation plan permitting the same. If no such qualified 401(a) deferred compensation plan then exists, the City shall continue to make the annual contribution to Employee's 457(b) deferred compensation plan provided for in this Subsection F.

G. Notwithstanding any other provision of this Employment Agreement to the contrary, Employee shall only be entitled to cash out Employee's accrued vacation leave, executive leave, and/or sick leave (collectively, "Leave"), in accordance with the following process: For the calendar year 2019, Employee may elect to convert any accrued Leave earned in the 2020 calendar year to cash to be paid during the first week of February, the first week of June, the first week of September, and/or the last week of December, of each year. Commencing in the year 2020 and for every subsequent calendar year, such election by Employee shall be made no later than November 30th of such calendar year, and shall be payable at the same aforementioned quarterly times during the calendar year. Employee's election is irrevocable, and may not be changed after the election is made. Only amounts earned in the current year prior to the quarterly cash out times may be elected by employee to be converted to cash. If Employee does not have the elected amount of hours available at the time of the elected payout time, Employee shall be paid by City only the hours that are then available."

Section 2. This Fifteenth Amendment to the Employment Agreement shall affect only the Sections and Subsections of the Employment Agreement referred to herein, and all other terms and conditions of the Employment Agreement between City and Employee, as amended, shall remain in full force and effect.

In witness hereof the Parties have executed this Agreement on the 17th day of December, 2019.

CITY OF REDLANDS

EMPLOYEE



Paul W. Foster, Mayor



Daniel J. McHugh

ATTEST:



Jeanne Donaldson, City Clerk