

AGREEMENT TO EXTEND THE TERMS OF THE
AGREEMENT FOR EMPLOYMENT OF CITY MANAGER

The City of Irvine, a municipal corporation organized and existing under the laws of the State of California ("City"), and Sean Joyce ("Manager") agree to extend the terms of the July 1, 2011 through June 30, 2013 Agreement For Employment of the City Manager to include the period of July 1, 2013 through June 30, 2015 with the following amendments:

1. **TERM.** Manager's term as City Manager shall commence on July 1, 2011 and end on June 30, 2015 ("Term"). The City Council reserves the sole discretion to extend the Term as below provided. Not later than three months prior to the expiration of the Term, the City Council shall provide notice to Manager in writing as to whether or not the City Council intends to extend the Term for a period of at least one additional year on terms and conditions at least as favorable as those set forth in this Agreement. If for any reason the City Council declines to so extend the Term, in addition to all other amounts then accrued or earned hereunder, upon expiration of the Term, Manager shall be entitled to the amount of six months of then-current salary as provided in this Agreement, and all other benefits as provided in Paragraph 4 of the July 1, 2011 through June 30, 2013 Agreement (collectively "Severance").

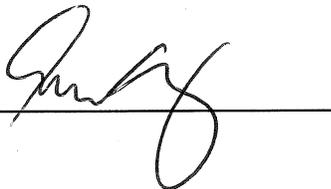
2. **SALARY.** During the Term, Manager shall continue to receive his current annual salary of \$254,820.80. Except as may otherwise be provided, Manager's salary, and other compensation provided for in this Agreement, shall be paid in increments in the same manner as for other City employees. The provisions in Paragraph 3.1 and 3.2 of the July 1, 2011 through June 30, 2013 Agreement ("Management Adjustments and Merit Increases") may be resumed at the discretion of the City Council.

All other provisions of the July 1, 2011 through June 30, 2013 Agreement will remain in effect during the term of the contract extension.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written at the beginning of this Agreement.

CITY:
City of Irvine

By: _____
Mayor



MANAGER:

By: _____
Sean Joyce



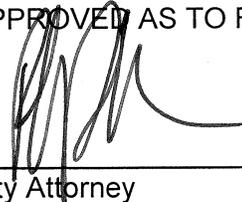
ATTEST:

City Clerk



APPROVED AS TO FORM:

City Attorney



**AGREEMENT FOR EMPLOYMENT
OF CITY MANAGER**

THIS AGREEMENT ("Agreement") is entered into on April 12, 2011 by the City of Irvine, a municipal corporation organized and existing under the laws of the State of California ("City"), and Sean Joyce ("Manager").

WHEREAS, the City Council of the City of Irvine ("City Council") has evaluated Manager's knowledge, experience, administrative skills and abilities during tenure as City Manager and has decided to continue his appointment to the position of City Manager; and

WHEREAS, the City and Manager have entered into this Agreement in recognition of the benefits accruing to each party; and

WHEREAS, this Agreement will ensure the retention of Manager's services as City Manager and the performance of the duties of the office in a manner which serves the best interests of City, subject always to the direction of the City Council; and

WHEREAS, this Agreement shall further provide for an equitable manner of termination of Manager's employment with City in certain circumstances;

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth below, the parties agree as follows:

1. **EMPLOYMENT AS CITY MANAGER.** In consideration of the agreements of City set forth in this Agreement, Manager agrees to accept the position of City Manager and to serve as City Manager of the City of Irvine, performing the duties and responsibilities as set out in Article V of the Charter of the City and Title, 1, Division 3 of the Irvine Municipal Code, and in accordance with applicable provisions of State law.

2. **TERM.** Manager's term as City Manager shall commence on July 1, 2011 and end on June 30, 2013 ("Term"). The City Council reserves the sole discretion to extend the Term as below provided. Not later than three months prior to the expiration of the Term, the City Council shall provide notice to Manager in writing as to whether or not the City Council intends to extend the Term for a period of at least one additional year on terms and conditions at least as favorable as those set forth in this Agreement. If for any reason the City Council declines to so extend the Term, in addition to all other amounts then accrued or earned hereunder, upon expiration of the Term, Manager shall be entitled to the amount of six months of then-current salary as provided in this Agreement, and all other benefits as provided in Paragraph 4 of this Agreement (collectively "Severance").

3. **SALARY.** During the Term, Manager shall continue to receive his current annual salary of \$250,307.20. Except as may otherwise be provided, Manager's salary, and other compensation provided for in this Agreement, shall be paid in increments in the same manner as for other City employees. During the term of this Agreement, the provisions in Subparagraphs 3.1 and 3.2 below shall be suspended and no adjustments or merit increases to Manager's salary shall be granted. Manager's salary shall be adjusted as follows:

3.1 **MANAGEMENT ADJUSTMENTS.** Manager shall receive the same percentage salary adjustments as the City may from time to time confer upon the class of employees designated by the City as "Management," including any such adjustments as the City may confer at or before commencement of the Term.

3.2 **MERIT INCREASES.** The City Council may from time to time grant merit increases to Manager's salary provided above, as follows: If after each evaluation of the Manager's performance, as described in Paragraph 5 of this Agreement, the City Council concludes that Manager's performance warrants an adjustment for merit, the City Council may grant a merit adjustment in an amount determined by the City Council, to be effective on a date determined by the City Council. Such merit adjustments may be granted on one or more occasions during a year and may be in the form of lump sum payments, adjustments to annual salary or any other form determined by the City Council, but shall be in addition to any adjustments made in accordance with Subparagraph 3.1.

4. **BENEFITS.** During the Term, Manager shall be entitled to receive the same benefits provided to the City's Management employees as set forth in the current Management Employee Compensation Resolution and any successor resolutions, agreements, or the like (each a "Current Resolution"). In addition to, or in lieu of, the benefits provided under the Current Resolution, to the extent more advantageous to Manager, Manager shall receive all benefits provided in Subparagraphs 4.1 through 4.4 below.

4.1 **LIFE INSURANCE.** In lieu of any City Management employees' life insurance benefit, the City shall contribute the full annual premium cost for Five Hundred Thousand Dollars (\$500,000) of group life insurance for Manager with beneficiary to be designated by Manager, under a program selected and administered by the City.

4.2 **VACATION.** Manager shall receive vacation benefits and vacation pay options, in the maximum amount and to the maximum extent as provided for any employee in the class designated as Management under the Current Resolution, and shall be paid for any unused accrued vacation upon termination of employment for whatever reason.

4.3 **PHYSICAL EXAMINATION.** It is in the City's best interest that Manager maintains good health and the physical ability to fulfill the duties as City Manager. Toward this end, the City shall pay the full cost of one complete annual physical examination for Manager, conducted by the physician of Manager's choice. The cost to the City shall be offset by any payment made by Manager's health insurance carrier toward the cost of the examination.

4.4 **AUTOMOBILE.** The City shall provide Manager full-time use of a vehicle owned or leased by the City, with all costs of operation paid for by the City, including maintenance, repair and insurance. All costs associated with an automobile (whether acquired or leased) shall be included in Manager's annual budget which is approved by the City Council. Manager may use the vehicle for all business and personal purposes as Manager may choose, but in no event shall persons not employed by the City

be permitted habitual use of such vehicle. Manager is authorized to replace the vehicle once during every three years of the Term.

Any benefits Manager earned or accrued as City Manager prior to entering into this Agreement, including vacation, shall not be affected by this Agreement.

5. **PERFORMANCE EVALUATION BY CITY COUNCIL.** The Mayor and the City Council are responsible for setting performance goals on an annual basis in consultation with the City Manager. Either the City Council or City Manager may request to use a “facilitator” to support the process. The facilitator will be selected by the City Manager and approved by the City Council. All fees and expenses for a facilitator shall be paid by the City. The City and Manager acknowledge that periodic performance evaluations are an important means by which the City Council and the City Manager may ensure effective communications regarding expectations and performance. Toward this end, the City Council shall review and discuss Manager’s performance in or around June of 2012.

6. **TERMINATION OF EMPLOYMENT.** Notwithstanding anything in this Agreement suggestive to the contrary, the Term of this Agreement may be terminated as follows:

6.1 **VOLUNTARY RESIGNATION.** Manager may voluntarily resign by delivering a letter of resignation to the City Council not less than 30 days prior to the effective date of resignation. Promptly after the effective date of resignation, the City shall pay to Manager all salary and benefits amounts both accrued and owing under this Agreement and other applicable laws, rules, programs, and policies of the City, State and Federal government.

6.2 **TERMINATION BY COUNCIL.** Notwithstanding the Term provided in Paragraph 2 of this Agreement, the City Council may remove and terminate Manager in accordance with the following:

(a) **With Cause.** At any time the City Council may remove and terminate Manager for cause, which for purposes of this Agreement shall be defined as follows: (1) loss of mental capacity for more than six consecutive months as determined by a court of competent jurisdiction; (2) habitual or willful neglect of duty; (3) willful destruction or misuse of City property; (4) habitual intoxication on duty, whether by alcohol or non-prescription drugs; (5) inexcusable absence without leave; (6) willful political activity involving the support of candidates for City Council or Charter amendments; (7) willful violation of the Federal, State or City discrimination laws concerning race, religious creed, color, national origin, ancestry, physical handicap, marital status, sex or age concerning either members of the general public or City employee(s) while acting in the course and scope of employment, and while acting without the prior approval or direction of the City Council; (8) willful and unlawful retaliation against any other City officer or employee or member of the general public who in good faith reports, discloses, divulges, or otherwise brings to the attention of any appropriate authority any facts or information relative to actual or suspected violations of any law occurring on the job or directly related thereto; (9) willful violation of any conflict of interest or incompatibility of office laws;

(10) performance of material outside business interests that conflict directly with the activities and duties as City Manager, but not including educational or professional training programs conducted by Manager whether for personal financial gain or not; (11) refusal to take or subscribe any oath or affirmation which is required by law; (12) conviction of a felony or conviction of a misdemeanor involving moral turpitude (a conviction following a plea of *nolo contendere* is deemed a conviction); and (13) failure to maintain primary residence in the City unless the Council approves Manager's residence outside the City; each a "Cause." In the event the termination is for Cause, the City shall provide Manager with a written statement describing the Cause and shall offer Manager a name-clearing hearing before the City Council at reasonable time upon reasonable notice.

(b) Without Cause. At any time during the Term of this Agreement, the City Council may remove and terminate Manager without cause upon notice delivered in writing. However, in case of removal or termination without cause, Manager shall be entitled to all benefits of Subparagraph 6.3, below.

6.3 COMPENSATION IN CASE OF TERMINATION WITHOUT CAUSE. In the event Manager is terminated by the City Council as provided at Subparagraph 6.2(b), Manager shall be entitled to the greater of (a) Severance as defined in Paragraph 2 of this Agreement, or (b) the amount of salary as provided in Paragraph 3 of this Agreement, and all other benefits as provided in Paragraph 4 of this Agreement for the balance of the Term. Such amounts shall be paid in full to Manager by the City within fifteen (15) working days after the effective date of Manager's termination, or may be paid in other increments as determined by Manager.

7. PROFESSIONAL DEVELOPMENT. The City acknowledges its interest in the continuing professional development of Manager and agrees to allow and pay all expenses associated with attendance at annual conferences of the International City Management Association, League of California Cities, and California City Managers Association. Further, the City agrees to pay the membership dues for Manager in the International City Management Association and City Manager's Department of the League of California Cities. With the prior consent of the Council, the City agrees to allow Manager to attend and participate in such other professional associations and conferences as may be mutually agreeable to both parties. The City acknowledges the right of Manager to engage in other professional activities as long as they do not interfere or conflict with Manager's duties as City Manager. Such professional activities may include teaching, writing, consulting and others.

8. MISCELLANEOUS.

8.1 INDEMNIFICATION. The City shall defend, hold harmless and indemnify Manager against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of any alleged act or omission occurring in the performance of Manager's duties to the City. In its sole discretion, the City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered therefrom.

8.2 **OTHER RIGHTS OF PARTIES.** Unless expressly set forth in this Agreement, nothing in this Agreement shall abrogate any rights, responsibilities, benefits or privileges to which either party would otherwise be entitled.

8.3 **AMENDMENT OF AGREEMENT.** This Agreement may be amended in writing by mutual agreement of the parties.

8.4 **STATE LAW.** The rights and obligations of the parties to this Agreement shall be governed by the laws of the State of California.

8.5 **RECITALS.** The recitals set forth above are incorporated by reference into this Agreement.

8.6 **FAILURE TO ACT OR DELAY OF ACTION.** No failure to exercise and no delay in exercising any right, remedy or power set forth in this Agreement shall operate as a waiver to the exercise of that right, remedy or power in the future.

8.7 **ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by either party to this Agreement.

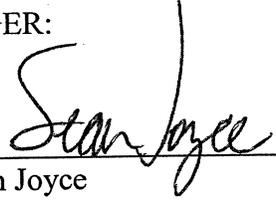
8.8 **SEVERABILITY.** Should any paragraph, subparagraph, sentence, clause, phrase or word included in this Agreement be found invalid by a court of competent jurisdiction, the balance of this Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year written at the beginning of this Agreement.

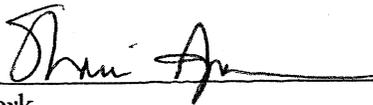
CITY:
City of Irvine

By: 
Mayor

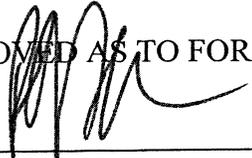
MANAGER:

By: 
Sean Joyce

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney