

**CITY OF WEST COVINA
CITY MANAGER EMPLOYMENT AGREEMENT
WITH PAULINA MORALES**

THIS CITY MANAGER EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 7th day of May, 2024 ("Effective Date"), by and between the CITY OF WEST COVINA, a municipal corporation (hereinafter, the "City") and PAULINA MORALES, an individual (hereinafter, "Employee"). City and Employee are hereinafter collectively referred to as the "Parties" and individually as "Party."

RECITALS

WHEREAS, the City Manager is appointed by the City Council on the basis of his or her executive and administrative qualifications with special reference to his or her actual experience in or knowledge of accepted practices of municipal administration; and

WHEREAS, the City is best served by a City Manager who establishes and maintains a strong partnership with the City Council and the community, and such a partnership is best achieved by the City Manager's involvement in a broad spectrum of community activities; and

WHEREAS, Employee has been employed by the City for 20 years and has served in various capacities during her tenure; and

WHEREAS, on May 18, 2023, the City Council appointed Employee as the Acting City Manager; and

WHEREAS, the City now desires to employ the services of Employee in the capacity of City Manager; and

WHEREAS, the City further desires to provide certain benefits, establish certain conditions of employment, and establish working conditions for Employee; and

WHEREAS, Employee desires to accept employment as City Manager, effective May 8, 2024, under the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants, promises, and representations hereinafter set forth, the Parties hereto agree as follows:

1.0. DUTIES

1.1. Appointment. City hereby appoints and employs Employee as City Manager for the City.

1.2. City Manager Duties and Authority. Employee shall perform the functions and duties of City Manager as set forth in the West Covina Municipal Code (hereinafter, "Code") and shall perform such other legally permissible and proper duties and functions as the West Covina City Council (hereinafter, "City Council") may from time to time assign. The City may amend the provisions of the Code relating to the functions and duties of the City Manager, as it deems appropriate, without Employee's approval or an amendment to this Agreement. Employee may only

exercise those powers expressly granted to her as City Manager through the Code or any resolution or minute action of the City Council.

- 1.3. Compliance with Laws. Employee shall perform her duties to the best of her ability in accordance with the highest professional and ethical standards of the profession. Employee shall comply with and carry out the City's rules and regulations and Employee shall obey the laws of the State of California and the United States of America as they apply to the performance of her duties.
- 1.4. Hours Worked. Employee shall devote her time, ability, and attention to matters of the City and to the performance of this Agreement. Employee acknowledges and agrees that her duties may involve expenditures of time in excess of the regularly established workday or in excess of a forty (40) hour workweek and may also include time outside of normal office hours (including attendance at City Council meetings and various community meetings, forums, or workshops). Employee is expected to devote necessary time outside normal hours to business of the City. Employee is also expected to regularly attend City-sponsored and community events and establish and maintain partnerships with the community. To that end, Employee will be allowed flexibility in setting her office hours, provided that Employee shall work as necessary during customary business hours to satisfactorily perform her City Manager duties and shall be available to other City staff during customary business hours. Employee shall be classified as an exempt employee for purposes of the Fair Labor Standards Act and shall not be entitled to any form of compensation for overtime.
- 1.5. No Other Employment. Employee agrees to remain in the exclusive employ of the City during the term of this Agreement. Employee shall not, without the City Council's prior written consent, render services of any kind to others for compensation or engage in any other activity which would materially interfere with the performance of her duties under this Agreement. Notwithstanding the foregoing, Employee may perform incidental and occasional teaching, writing, consulting, or volunteer work, provided that such activities do not materially interfere with the performance of her duties under this Agreement.
- 1.6. Conflicts Prohibited. Employee shall not engage in any activity which is or may become a conflict of interest with her obligations to the City or which might create an incompatibility of office as defined under California law. She shall also timely complete and file financial disclosure statements immediately upon entry into her employment and annually thereafter pursuant to California law.

2.0. TERM

- 2.1. Term. The term of this Agreement shall become effective on May 8, 2024, and will remain in full force and effect through the end of the business day on May 7, 2025 ("Initial Term"), unless otherwise terminated as set forth herein. At the expiration of the Initial Term of this Agreement, this Agreement shall automatically extend on a month-to-month basis until such time as either Party terminates this Agreement as set forth herein.

- 2.2. Prior Termination. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the City Council to terminate the services of Employee as the City Manager at any time.

3.0. COMPENSATION

- 3.1. Salary. Effective May 8, 2024, City agrees to pay Employee for her services rendered hereunder at an annual rate of Two Hundred Forty-Two Thousand Six Hundred Forty Dollars (\$242,640.00), which sum shall be considered the base salary and shall be payable in installments at the same times as the City's other employees are paid, and subject to customary withholdings.
- 3.2. Salary Adjustments. City agrees to consider adjusting said base salary and other benefits of Employee, in the City Council's sole discretion, subject to the performance evaluation process described in Section 9.0 (Performance Evaluation) of this Agreement, which shall be merit based.

4.0. EMPLOYEE BENEFITS

- 4.1. Insurance. During the term of this Agreement, Employee shall be entitled to the same medical, dental, vision, and life insurance benefits, if any, which are provided to all other Department Heads of City. Employee shall be required to pay for medical, dental, vision, and life insurance benefits, if any, in the same manner as all other Department Heads of City. Insurance coverage(s) shall be provided in the same manner as offered to all other Department Heads of the City.
- 4.2. Retirement. Employee shall be covered by the California State Employee Retirement System (CalPERS). Employee's retirement formula will be as set forth in the City's contract with CalPERS. City shall pay the full amount of the CalPERS employer cost. Employee shall pay the full member contribution for Employee's CalPERS retirement plan.
- 4.3. Holidays. Employee shall be eligible for paid leave on City-recognized holidays to the same extent as other City Department Heads.
- 4.4. Vacation. Employee shall accrue and be credited with vacation leave as is provided to all other City Department Heads. Employee shall provide at least five (5) days' advance written notice to the City Council prior to taking any vacation leave. If Employee has reached the maximum allowed unused vacation leave balance, and is unable to take vacation leave due to work urgency, industrial injury, extended medical leave, extraordinary circumstances, or pre-scheduled leave as authorized by the City Council, the City Council will approve a waiver of the maximum allowed unused balance for a period not to exceed six (6) months per fiscal year. Employee shall designate a City Department Head to serve as Acting City Manager during any period Employee takes vacation leave and shall advise the City Council of such designation.
- 4.5. Sick, Administrative and Floating Holiday Leave. Employee shall accrue and be credited with sick leave, administrative leave, and floating holiday leave as is provided to all other City Department Heads. Employee may use such paid leave in the same manner as all other Department Heads, as set forth in the resolution

establishing compensation and benefits for City Department Heads, as it may be amended from time to time. Prior to taking any administrative or floating holiday leave, Employee shall provide at least five (5) days' advance written notice to the City Council of same. If Employee requires sick leave of more than one (1) day, Employee shall advise the City Council as soon as reasonably practicable regarding such sick leave. Employee shall designate a City Department Head to serve as Acting City Manager during any period Employee takes any leave provided for in this Section and shall advise the City Council of such designation.

- 4.6. Cash-Out Program. Employee shall be entitled to participate in the City's annual sick leave or other leave cash-out program, in the same manner as all City Department Heads.
- 4.7. Deferred Compensation. City agrees to provide to Employee the same amount of deferred compensation as is provided to all City Department Heads, with the same frequency as the same is provided to all City Department Heads. Employee may utilize such funds in the same manner as all City Department Heads, as set forth in the resolution establishing compensation and benefits for City Department Heads, as it may be amended from time to time.
- 4.8. Car Allowance. City shall provide Employee with the same automobile allowance as is provided to all other City Department Heads.
- 4.9. Other Benefits. The City shall provide Employee such other benefits as mandated by law.

5.0. BUSINESS EXPENSES AND PROFESSIONAL DEVELOPMENT

- 5.1. Expense Reimbursement. City recognizes that Employee may incur certain expenses of a non-personal, job-related nature that are reasonably necessary to Employee's service as City Manager. City agrees to reimburse Employee for such expenses on a monthly basis, provided that the expenses are incurred and submitted according to the City's regular reimbursement requirements and such other requirements as may be designated by the City Council. The City Council authorizes the Finance Director to reimburse Employee for such expenses upon the presentation of a receipt, voucher, statement, or personal affidavit of duly executed expenses.
- 5.2. Memberships. City agrees to budget and to reimburse or pay for professional dues, memberships, and subscriptions necessary for Employee's participation in such organizations as the Parties may agree to as necessary and appropriate for her continued professional participation, growth, and advancement, and for the good of the City during her employment as City Manager.
- 5.3. Trainings. City agrees to budget and to reimburse or pay the reasonable costs for Employee's attendance and participation in meetings, institutes, training programs, conferences, conventions, and similar gatherings that support leadership development and the advancement of the Parties' mutually agreed upon goals, and which are related to Employee's duties or City's operations and held in the continental United States. For purposes of this paragraph, reasonable expenses are limited to the reasonable and actual costs of registration, coach-class airfare

(where applicable), ground transportation and meals. Reasonable expenses will also include the reasonable and actual cost of lodging for meetings more than sixty (60) miles outside of the City's boundaries.

6.0. AT-WILL RELATIONSHIP

Employee understands and agrees that the City Manager is appointed by, and serves at the pleasure of, the City Council. Accordingly, Employee agrees that: (1) the City Manager is an "at will" position that may be terminated by the City Council at any time, with or without cause (as defined in Section 7.2 below); (2) there is no express or implied promise made to Employee for any form of continued employment as the City Manager; and (3) this Agreement is the sole and exclusive basis for the City Manager employment relationship between Employee and City. Notwithstanding the foregoing, City and Employee agree that in the event the City Council terminates Employee's employment as the City Manager without cause, Employee will have the reinstatement rights set forth in Section 8.0.

7.0. TERMINATION

- 7.1.** City Termination without Cause. The City Council may terminate this Agreement and Employee's employment as the City Manager without cause in its absolute discretion at any time by providing written notice to Employee.
- 7.2.** City Termination for Cause. The City Council may immediately terminate this Agreement and Employee's employment with the City for cause by providing written notice to Employee of such termination.

For purposes of this Agreement, "cause" is defined as:

- (a) Employee refusing or failing to carry out the duties of the City Manager as set forth in the California Government Code, the Code, or this Agreement;
- (b) Employee's conviction of a felony;
- (c) Employee's conviction of a misdemeanor arising out of Employee's duties under this Agreement and involving a willful or intentional violation of law;
- (d) Employee being charged with, entering a guilty plea or a plea of nolo contendere to, or being convicted of, a crime involving moral turpitude or personal gain;
- (e) Employee's conviction of any crime involving an "abuse of office or position," as that term is defined in California Government Code section 53243.4;
- (f) Employee's repeated failure to carry out a directive or directives of the City Council made by the City Council as a body; and/or
- (g) Any grossly negligent action or inaction by Employee that materially and adversely: (i) impedes or disrupts the operations of City or its organizational units; (ii) is detrimental to employees or public safety; or (iii) violates properly established rules or procedures of City.

- 7.3. Employee Voluntary Resignation. Employee may voluntarily resign from her position as the City Manager at any time during the term of this Agreement by providing the City Council at least sixty (60) days written notice unless the Parties otherwise agree in writing.
- 7.4. Termination Obligations. In the event of the termination of this Agreement, Employee agrees that all property, including, without limitation, all equipment, tangible proprietary information, documents, records, notes, agreements, and computer-generated materials furnished to or prepared by Employee incident to her employment as City Manager, belongs to City and shall be returned promptly to City. Employee's obligations under this subsection shall survive the termination of this Agreement.
- 7.5. No Severance. In the event of the termination of this Agreement by City, with or without cause, or of Employee's voluntary resignation, Employee shall receive no severance.

8.0. REINSTATEMENT AS ASSISTANT CITY MANAGER

- 8.1. Reinstatement. If this Agreement is terminated by the City Council without cause or Employee resigns from her position as City Manager, Employee may, at Employee's choice, return to the position of Assistant City Manager. Upon her reinstatement to the position of Assistant City Manager for any reason, Employee shall solely be responsible for the responsibilities of the position of the Assistant City Manager. If Employee is reinstated to the position of Assistant City Manager, City shall not terminate Employee's employment for a period of six (6) months from the date of reinstatement, unless such termination is for cause.
- 8.2. Compensation Upon Reinstatement. In the event that Employee returns to the position of Assistant City Manager, Employee's compensation and benefits shall return to the compensation and benefits she previously received as Assistant City Manager, subject to any step or other increases she would have otherwise been entitled to had she remained in the position of Assistant City Manager the entire time. Any compensation and benefits Employee may have received solely as a result of her serving as City Manager shall terminate upon her leaving that office.
- 8.3. Period During Which Employee May be Reinstated. Employee acknowledges and agrees that the provisions of this Section 8.0 providing for reinstatement to her former position as Assistant City Manager shall only remain valid for a period of three (3) years from the Effective Date of this Agreement. This Section shall survive the termination of this Agreement.

9.0. PERFORMANCE EVALUATION

- 9.1. Performance Objectives. City, through the City Council, and Employee shall establish mutually agreed upon performance objectives for each year this Agreement remains in effect. Such performance objectives shall be agreed upon by the Parties as necessary for the proper operation of the City in the attainment of the City Council's policy objectives and shall further establish a relative priority among the agreed-upon objectives. The objectives shall be reasonably attainable

within the limitations of the City Council-approved operating and capital improvement budgets, authorized appropriations, and staff levels. Unless otherwise agreed to by the Parties, the initial performance objectives shall be established within three (3) months of the Effective Date of this Agreement.

- 9.2.** Annual Evaluation. City, through the City Council, shall conduct an annual evaluation of Employee's performance on or before the anniversary date of this Agreement during each year that this Agreement remains in effect. Such evaluation shall be shared and discussed with Employee in closed session as permitted by applicable law. Any public report of Employee's evaluation shall be made in accordance with an agreement of the Parties as to format and content. In addition to annual performance evaluations, the City Council may schedule performance evaluations of Employee as it deems appropriate.

10.0. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

- 10.1.** Additional Terms. The City Council may from time to time fix other terms and conditions of employment relating to the performance of Employee provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Code or other applicable law.
- 10.2.** Personnel Rules. The provisions of the Code and any West Covina personnel rules and regulations shall apply to Employee except where the specific provisions conflict with this Agreement, in which event the terms and conditions of this Agreement shall prevail.

11.0. CONFIDENTIAL INFORMATION

Employment with the City creates a relationship of confidence and trust between Employee and the City, with respect to all Confidential Information of the City. "Confidential Information" includes, but is not limited to, trade secrets, knowledge, or data of the City or any of its constituent entities or members that Employee may produce, obtain, or otherwise acquire or have access to during the course of Employee's employment with the City, including but not limited to personnel information, passwords, and computer security systems. Employee agrees that during and after Employee's employment with the City, Employee (i) shall keep all Confidential Information confidential and shall not directly or indirectly use, divulge, publish or otherwise disclose or allow to be disclosed any aspect of Confidential Information without prior written consent of the City Council; and (ii) shall refrain from any action or conduct which might reasonably or foreseeably be expected to compromise the confidentiality or proprietary nature of the Confidential Information. Upon termination of employment as City Manager for any reason, Employee agrees to return promptly to the City all writings and other tangible things in Employee's possession that contain Confidential Information.

12.0. INDEMNIFICATION

- 12.1.** City Indemnification. To the extent required by law, City shall defend and indemnify Employee, using legal counsel of City's choosing, against any civil proceeding brought against Employee, in her official or individual capacity or both, on account of an act or omission in the scope of her employment as City Manager, unless such act or omission was due to actual fraud, corruption, or actual malice. If City determines there is a conflict of interest between the City and Employee and that

independent counsel is required for Employee's defense, City shall select and pay reasonable fees of such independent counsel for Employee's defense. Employee shall cooperate fully in the investigation and defense of any civil action or proceeding.

- 12.2. Exception to Indemnification.** Notwithstanding the foregoing, Employee acknowledges and agrees that City reserves its rights pursuant to California Government Code section 825(a) not to pay any judgment, compromise, or settlement until it is established that the injury arose out of an act or omission occurring within the scope of her employment, and that City's agreement to defend and indemnify her does not constitute an agreement to pay any punitive damages awarded against her. In that regard, Employee acknowledges and agrees that pursuant to California Government Code section 825(b), City may not make a determination whether or not to indemnify an employee for an award of punitive damages until such time as the award is made.

13.0. REIMBURSEMENT TO CITY REQUIRED

Notwithstanding the provisions of this Agreement, the following provisions requiring reimbursement for certain compensation and/or indemnification provided to Employee by the City apply:

- (a) Paid Leave. Pursuant to California Government Code section 53243, in the event that Employee is convicted of a crime involving an abuse of her office or position, as defined by California Government Code section 53243.4, Employee shall fully reimburse the City for any paid leave or salary provided by the City for the time period in which the Employee is under investigation for such crimes.
- (b) Legal Defense. Pursuant to California Government Code section 53243.1, in the event that Employee is convicted of a crime involving an abuse of her office or position, as defined by California Government Code section 53243.4, Employee shall fully reimburse the City for all the costs of her legal criminal defense if a defense has been provided at City's expense.
- (c) Cash Settlement. Pursuant to California Government Code section 53243.2, in the event that Employee is convicted of a crime involving an abuse of her office or position, as defined by California Government Code section 53243.4, Employee shall fully reimburse the City for any cash settlement paid to Employee relating to the termination of this Agreement.

14.0. GENERAL PROVISIONS

- 14.1. Entire Agreement.** This Agreement is the final expression of the complete agreement of the Parties with respect to the matters specified herein and supersedes all prior oral or written understandings. Except as prescribed herein, this Agreement cannot be modified except by written mutual agreement signed by the Parties.
- 14.2. No Assignment.** This Agreement is not assignable by either City or Employee.

- 14.3. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.
- 14.4. Severability. In the event that any provision of this Agreement is finally held or determined to be illegal or void by a court having jurisdiction over the Parties, the remainder of the Agreement shall remain in full force and effect unless the parts found to be void are wholly inseparable from the remaining portions of the Agreement.
- 14.5. Counterparts. This Agreement may be signed in any one or more counterparts, all of which taken together shall be deemed one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by email as a .pdf attachment, or sent by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the Party whose signature appears in the attachment/facsimile and shall be binding upon such Party in the same manner as though an original signed copy had been delivered.
- 14.6. Waiver. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought.
- 14.7. Independent Legal Counsel. Each of the Parties acknowledges that she/it has been represented by independent legal counsel of her/its own choosing, or if not, has been advised to obtain independent legal counsel and has freely and voluntarily waived and relinquished the right to legal counsel. Further, each Party who has not obtained independent legal counsel acknowledges that the failure to have independent legal counsel will not excuse such Party's failure to perform under this Agreement or any agreement referred to in this Agreement.
- 14.8. Governing Law; Venue. This Agreement shall be interpreted and construed according to the laws of the State of California, and venue shall be in the County of Los Angeles.
- 14.9. Notices. All notices shall be personally delivered or mailed to the addresses listed below:

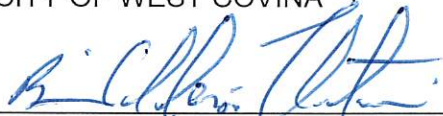
EMPLOYEE: Paulina Morales
At most recent address on file in Employee's personnel file

CITY: Mayor
City of West Covina
1444 West Garvey Ave. South
West Covina, CA 91790

With a copy to: West Covina City Attorney
Jones Mayer
3777 N. Harbor Blvd.
Fullerton, CA 92835

IN WITNESS WHEREOF, the Parties hereto have hereunto affixed their signatures as of the date and year first above written.

CITY OF WEST COVINA



Brian Calderon Tabatabai

EMPLOYEE



Paulina Morales

ATTEST:



Lisa Sherrick, Assistant City Clerk

APPROVED AS TO FORM:



Thomas P. Duarte, City Attorney