

SECOND EMPLOYMENT AGREEMENT  
BETWEEN THE CITY OF MORGAN HILL  
AND CHRISTINA TURNER

This Second Employment Agreement between the City of Morgan Hill ("CITY") and Christina Turner ("TURNER") is hereby executed by and between the parties this — day of August, 2020, with an effective date of July 1, 2020 (the "Effective Date").

**RECITALS**

The following recitals are a substantive portion of this Agreement:

- A. TURNER has been employed by CITY since March 7, 2016;
- B. On or about October 1, 2017, TURNER previously entered into an Employment Agreement with the City of Morgan Hill to serve as City Manager;
- C. TURNER also serves as the Executive Director of the Successor Agency to the Morgan Hill Redevelopment Agency;
- D. CITY and TURNER wish to enter into a Second Employment Agreement to memorialize changed terms; and
- E. At a duly noticed public meeting, the City Council approved this Agreement on August 5, 2020.

**AGREEMENT**

In consideration of the mutual promises set forth herein and for good and valuable consideration hereby acknowledged, the parties agree as follows:

- 1. Parties: The parties to this agreement ("Agreement") are CITY and TURNER (collectively "the Parties").
- 2. Purpose: The purpose of this Agreement is to provide the terms for the employment of TURNER as City Manager of CITY, as currently provided by Title 2, Chapter 2.08 of the Municipal Code of CITY.
- 3. Duties: CITY hereby agrees to employ TURNER to perform the functions and duties of City Manager for the CITY and as Executive Director of the Successor Agency to the Redevelopment Agency of CITY as specified in the Municipal Code of CITY, the Job Description (which is incorporated herein by this reference), applicable state statutes pertaining to Successor Agencies, any and all other applicable CITY ordinances, resolutions or policies, and to perform such other legally permissible and proper duties and functions as the CITY shall from time to time assign. TURNER agrees that, to the best of her ability and experience, she will at all times loyally and conscientiously perform all

of the duties and obligations required of her either expressly or impliedly by the terms of this Agreement.

4. Agreement Provisions:

- 4.1 **Term:** This Agreement shall commence on the Effective Date and terminate on June 30, 2021 (the "Termination Date") unless either: (1) the term is modified hereafter by written agreement of the Parties, or (2) the Agreement renews automatically in accordance with the provisions of Section 4.3 herein. TURNER agrees to remain in the exclusive employ of the CITY during the term of the Agreement and neither to accept other employment nor become employed by another employer until the Termination Date, unless the term is modified as provided herein.
- 4.2 **Exclusivity:** The term "exclusive employ of the CITY" as used in section 4.1 above shall not be construed to preclude occasional teaching, writing, or military service performed by TURNER as long as it does not conflict with her primary responsibilities as City Manager and Executive Director as described in this Agreement. Also, CITY and TURNER recognize the value of participation in League of California Cities and International City Managers' Association activities, and that speaking requests and teaching are valuable resources to the CITY. CITY may permit non-conflicting services to other entities upon prior approval of the City Council.
- 4.3 **Automatic Renewal:** At the conclusion of the term of this Agreement, it shall automatically renew each year, effective every July 1, unless terminated by the delivery of an Election of Non-Renewal by either party by no later than December 30 of the then current term. Notice of an Election of Non-Renewal shall be conveyed by written notice to the other party.

5. Separation from Employment:

- 5.1 **Employment At-Will:** The City Council may, subject to provisions set out below, terminate the services of TURNER at any time, it being expressly understood and agreed between the parties that TURNER serves as an at-will employee of the City Council. CITY must provide TURNER with thirty (30) days written notice prior to separation from employment. For any period following an election of the Mayor or a member of the City Council, CITY may not give notice of separation from employment to TURNER until sixty (60) days after such election. The intent of the time period is to allow the new City Council to have adequate time to review the City Manager's performance.

5.2 **Severance Payment:**

- 5.2.1 In the event of TURNER' s separation from employment in accordance with Section 5.1 while TURNER is still willing and able to perform the

duties of City Manager, where such termination is without cause, TURNER shall be entitled to receive compensation, consisting of a lump-sum payment of six (6) months of base salary and benefits ("Severance Payment");

5.2.2 The Severance Payment shall include all benefits payable to or on behalf of TURNER with the exception of vacation not yet accrued as of the date of separation. Both salary and benefits shall be computed at the rates in effect as of the date of separation from employment;

5.2.3 TURNER's acceptance of the Severance Payment shall release CITY from any further-obligation under this Agreement, and also from any actual or alleged liability to TURNER that may be asserted in any claim of any nature by TURNER against CITY based upon or arising from her employment or her termination. Contemporaneously with the delivery of the Severance Payment and in consideration therefore, TURNER agrees to execute and deliver to CITY a release releasing CITY of all claims that TURNER may have against CITY. In return for such Severance Payment, TURNER further agrees to be available for consultation and assistance to the incoming acting, interim or permanent City Manager for a period of at least sixty (60) days.

5.2.4 TURNER shall **not** be entitled to the Severance Payment in the following events:

5.2.4.1 The Agreement expires and CITY elects not to renew this Agreement pursuant to Section 4.3, above;

5.2.4.2 TURNER is terminated because of her conviction of a felony or misdemeanor involving moral turpitude, or is convicted of any illegal act involving personal gain to herself; or

5.2.4.3 TURNER becomes incapable of discharging her responsibilities as described in this Agreement due to a permanent disability pursuant to Section 7 herein.

5.3 Termination By TURNER: TURNER may resign at any time from her position with CITY provided that she gives CITY sixty (60) days advance written notice. Should TURNER not provide CITY with sixty (60) days written notice, she shall not be entitled to cash-out of any benefit other than as required by law.

6. Abuse of Office: If TURNER is convicted of a crime involving an abuse of her office or position, she shall fully reimburse the CITY for the following items of costs to the CITY:

6.1 Leave salary paid to TURNER by CITY pending an investigation of the crime of which she is convicted;

- 6.2 Any funds paid by CITY for the legal defense of TURNER;
  - 6.3 Any cash settlement paid to TURNER by CITY related to the termination of this Agreement;
  - 6.4 Any payments by CITY to TURNER that were not agreed upon in this Agreement; and
  - 6.5 For the purpose of this section the term "abuse of her office or position" means either:
    - a. an abuse of public authority including but not limited to waste, fraud, and violation of law under color of authority, or
    - b. a crime against public justice including but not limited to a crime described in Title 7 of Part 1 of the California Penal Code.
7. Disability: If, during the course of this Agreement, TURNER becomes permanently disabled or is otherwise unable to perform the full range of the essential functions of her position because of sickness, accident, injury, mental incapacity, or other health reason for a period of four (4) successive weeks beyond exhaustion of all accrued sick leave, CITY shall have the option to terminate this Agreement pursuant to Section 5.1.
8. Performance Evaluation:
- 8.1 Annually, the City Council, in consultation with TURNER, shall define goals and performance objectives for the City Manager which they determine to be necessary for the proper operation of CITY; and
  - 8.2 The City Council shall review and evaluate the performance of TURNER at least annually and shall meet with TURNER to discuss the evaluation between October 1 and November 30 of each year. The review shall be in accordance with a process developed jointly by CITY and TURNER, which may be modified by mutual agreement. This evaluation shall be private and confidential, and the results shall be summarized and discussed in closed session, to the extent permitted by law, or through some other mutually acceptable format. The parties agree that the primary purpose of the evaluation is to facilitate open and frank discussion, define roles and expectations, identify performance strengths and weaknesses, and provide an opportunity for TURNER to take affirmative action to address weaknesses and areas needing improvement. TURNER shall be provided with a summary written statement of the findings of City Council, and she shall be provided with an opportunity to discuss her performance evaluation with City Council.
9. Compensation:
- 9.1 Effective July 1, 2020 CITY agrees to pay TURNER, for her services rendered

pursuant hereto, an annual salary of Two Hundred Forty Six Thousand Three Hundred Seventy One dollars and 88 cents. (\$246,371.88) ("Base Salary") payable at the same time and in the same manner as other employees of the CITY are paid. Beginning July 1, 2021, and annually thereafter and except as otherwise provided in this Agreement, TURNER shall receive an annual cost of living adjustment ("COLA") in her base salary equal to the percentage increase in the San Francisco Oakland/San Jose Urban Wage Earner Index, Base Rate Index for the twelve month period ending on June 30. The City Council, in its sole discretion and at a duly noticed public meeting, may grant additional merit increases to TURNER during the term of this Agreement;

9.2 CITY agrees to provide TURNER a Five Hundred dollar (\$500) per month vehicle allowance;

9.3 TURNER shall be entitled to the same benefits provided to CITY employees in the range of the "A" group of the CITY's Management Salary Resolution, as it is amended from time to time by City Council action; and

9.4 TURNER shall make periodic payments to CalPERS in an amount commensurate with CITY employees in the range of the "A" group of the CITY's Management Salary Resolution.

10. Hours of Work, Administrative Leave: It is recognized that TURNER must devote a great deal of time outside of normal working hours to the business of CITY. To that end, TURNER is granted total annual administrative leave of one hundred twenty (120) hours per fiscal year, with no maximum accumulation. The removal of the maximum accumulation cap for vacation and administrative leave is retroactive for fiscal year 2019 – 2020. Administrative leave may be taken by TURNER at her discretion. The accrued amount up to the maximum of two hundred forty (240) hours of vacation and/or administrative leave may be cashed out at TURNER's option annually.

11. Deferred Compensation: TURNER shall be entitled to receive deferred compensation equal to the current 457(b) retirement plans elective deferral limit, not including any catch-up contributions, such amounts to be credited to her account as deferred compensation.

12. Professional Development: The CITY agrees to budget for and to pay membership fees/dues, conference/meeting registrations, and the travel and subsistence expenses of TURNER for professional development and official travel, meetings and occasions adequate to continue her professional development and to adequately pursue necessary official and other functions of CITY, including but not limited to the annual Conference of the League of California Cities ("LCC"), the LCC Spring City Manager's Department meeting, and annual ICMA Conference. Travel and conference expenses shall be reimbursed for reasonable expenses only and in accordance with the CITY's policies governing travel and conference expense reimbursement. The CITY further agrees to reimburse TURNER for tuition, fees, books, software and related educational expenses for professional development.

13. Housing Loan:

13.1 CITY agrees to loan TURNER a maximum of One Million-Three Hundred Thousand Dollars (\$1,300,000) to purchase a residence and property

("Property") in Morgan Hill. Loan proceeds shall be used to purchase Property within City limits which will be TURNER'S primary residence. The loan shall be evidenced by a Promissory Note made by TURNER payable to the CITY and secured by a First Deed of Trust on the Property. The principal amount of the loan shall bear interest at the 10 Year Treasury Rate as of July 1, 2020 of .69% plus one quarter percent (.25%) for a total of .94%, amortized over a thirty (30) year period. TURNER shall pay principal and interest for fifty percent (50%) of the loan amount and interest only for the remaining fifty percent (50%) of the loan amount. Principal and interest shall be amortized and payable in equal bi-weekly installments through an automatic payroll deduction with the entire balance due in 30 years. The loan may be prepaid earlier without penalty. Payoff of the Promissory Note shall occur within 12 months of voluntary or involuntary separation from employment with the CITY. TURNER agrees to a recourse loan. TURNER shall be responsible to pay all applicable taxes, insurance, and homeowner fees and shall be responsible at her expense to maintain the property in good and habitable conditions at all times. In the event that the Internal Revenue Service determines that additional taxes are due based upon the interest rate TURNER shall be solely responsible for those taxes.

14. Non-Liability of Officials and Employees: No official or employee of CITY shall be personally liable for any default or liability under this Agreement.
15. Bonding: CITY shall bear the full cost of any fidelity or other bonds required of TURNER under any law or ordinance.
16. Other Terms and Conditions of Employment:
  - 16.1 The City Council, in conjunction with TURNER, shall fix any other terms and conditions of employment, as it may determine from time to time, relating to the performance of TURNER, provided such terms and conditions are not inconsistent or in conflict with the provisions of this Agreement or applicable laws; and
  - 16.2 In addition to the benefits enumerated specifically for the benefit of TURNER in this Agreement, all provisions of the CITY's Municipal Code, and regulations and rules of the CITY relating to vacation and sick leave, retirement and pension system contributions, holidays and other fringe benefits and working conditions as they may now exist or may be amended, shall also apply to TURNER as they now do to other CITY employees, except as provided in this Agreement. Absent any change to vacation benefits, TURNER will continue to accrue vacation at a rate of one hundred sixty (160) hours per year based on years of service with no maximum accumulation limit.
17. No Reduction in Benefits: CITY shall not at any time during the term of this Agreement reduce the salary, compensation or financial benefits to TURNER.
18. Notice: Notices pursuant to this Agreement shall be given by deposit in the custody of

the U.S. Postal Service. Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial proceedings. Notices shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the U.S. Postal Service to the addresses set forth below or as subsequently communicated by one party to the other in writing.

18.1 Notice to TURNER shall be sent to: Christina Turner, c/o City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037; and

18.2 Notice to CITY shall be sent to: Mayor, City of Morgan Hill, 17575 Peak Avenue, Morgan Hill, CA 95037.

19. General Provisions:

19.1 The Agreement shall be binding and inure to the benefit of the heirs at law and executors of TURNER;

19.2 If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid, or enforceable, the remainder shall be deemed severable, shall not be deemed ineffective, and shall remain in full force and effect;

19.3 The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement;

19.4 This Agreement constitutes the entire agreement between the parties and supersedes any previous Agreements oral or written. This Agreement may be modified or provisions waived only by subsequent mutual written agreement executed by CITY and TURNER;

19.5 This Agreement shall be interpreted under the laws of the State of California; and

19.6 This Agreement shall be interpreted as though prepared by both parties.

IN WITNESS WHEREOF the Parties hereby agree to the foregoing by executing below:

ATTEST:

DocuSigned by:  
Michelle Bigelow  
Michelle Bigelow, Deputy City Clerk  
Date: 8/20/2020

THE CITY OF MORGAN HILL

DocuSigned by:  
Rich Constantine  
Rich Constantine, Mayor  
Date: 8/20/2020

Approved as to Form:

DocuSigned by:  
Donald A. Larkin  
Donald A. Larkin  
City Attorney  
Date: 8/20/2020

DocuSigned by:  
Christina Turner  
CHRISTINA TURNER  
Title: City Manager  
Date: 8/20/2020