

**EMPLOYMENT AGREEMENT  
CITY MANAGER – CITY OF LAGUNA NIGUEL**

This Employment Agreement is made and entered into as of this 21st day of November 2017, by and between the City of Laguna Niguel, a municipal corporation (the "City"), and Kristine Ridge ("Ridge")(individual "Party, and collectively the "Parties")(the "Agreement").

**RECITALS**

- A. The City of Laguna Niguel was incorporated on December 1, 1989.
- B. The City requires the services of a City Manager and the City Council has engaged in a recruitment process to select a City Manager.
- C. Ridge has the necessary education, experience, skills and expertise to serve as the City's City Manager.
- D. The City Council desires to employ Ridge as the City Manager and has entered into negotiations with her for the purpose of entering into an employment agreement.
- E. Ridge desires to accept the employment as City Manager.
- F. This Agreement is entered into pursuant to the authority of and subject to the provisions of Government Code Section 53260 *et seq.*

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

**1.0 Employment**

City hereby appoints Ridge as the City Manager and employs her in that position and Ridge hereby accepts that appointment and employment. City shall, during the term of employment, pay to Ridge the compensation and provide to Ridge the benefits set forth in this Agreement.

**2.0 Duties**

2.1 Ridge shall serve as City Manager and perform those duties and have those responsibilities that are commonly assigned to a City Manager of a city in California. The duties and responsibilities of the City Manager shall include the duties and responsibilities that are set forth in the Laguna Niguel Municipal Code, including, but not

limited to, Section 2-4-1 *et seq.*, and such other duties and responsibilities as the City Council may from time to time reasonably assign to the City Manager.

2.2 Ridge will devote all necessary time and effort to fulfill the obligations of the City Manager's position. The City acknowledges that Ridge is reasonably expected to be available but does not have regularly set hours of work. Ridge's work schedule will vary in accordance to the work required to be performed.

### 3.0 **Term of Employment**

#### 3.1 **Term**

This Agreement shall become effective as of January 3, 2018. Under this Agreement, Ridge's term of employment as City Manager shall continue until terminated either by the City or Ridge as provided for in this Agreement.

#### 3.2 **At-Will Employment**

Consistent with Government Code Section 36506, Laguna Niguel Municipal Code Section 2-4-1, and Laguna Niguel City Council Resolution No. 2004-790, the Parties expressly agree that the position of City Manager is an "at-will" employee, and that the City Manager serves at the will and pleasure of the Council. Nothing in this Agreement, any statute, ordinance, regulation or rule shall prevent, limit, or otherwise interfere with the right of the City Council to terminate, without cause or reason, the employment of Ridge.

The City Council may, in its absolute discretion, terminate the employment of Ridge as City Manager and terminate Ridge's employment with the City without cause or reason at any time and without providing prior notice to Ridge. The City Council is not required to provide a notice of causes or reasons for the termination and is not required to provide any type of hearing regarding the termination, including any type of "Skelly" hearing. If Ridge is terminated, Ridge shall have no right of appeal or grievance procedure.

#### 3.3 **Procedures for Termination Without Cause**

To terminate Ridge's employment, the City, acting through the City Council, shall give Ridge a written notice of the termination. The termination must be approved by three (3) members of the City Council at a regular meeting held in accordance with the Ralph M. Brown Act (California Government Code Section 54950 *et seq.*). If Ridge's employment is terminated pursuant to this subparagraph, the City shall pay severance compensation as provided for in paragraph 5.0 of this Agreement. The City shall not be obligated to pay any other compensation damages for such termination.

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### **3.4 Resignation**

Ridge may resign from her employment as City Manager at any time upon giving thirty (30) days written notice to the City Council, however, that notice shall not be required in the event Ridge resigns pursuant to a request for resignation by the City Council.

### **3.5 Change in City Council Membership**

Notwithstanding the other termination provisions of this Agreement, City agrees not to initiate termination of City Manager's employment within ninety (90) days following any change in membership of the City Council.

### **3.6 Automatic Termination**

This Agreement, and Ridge's employment, shall automatically terminate, and Ridge shall not be entitled to any severance compensation upon the happening of any of the following events:

- 3.6.1 Upon mutual agreement in writing by both Parties to terminate this Agreement.
- 3.6.2 Upon resignation given to the City by Ridge, except if the resignation is in response to a request for resignation from the City Council.
- 3.6.3 Upon retirement from full time public service with the City, pursuant to applicable PERS laws, rules and regulations. If Ridge retires, Ridge will provide three (3) months advance notice. Ridge's actual retirement date will be mutually established.
- 3.6.4 Upon death of Ridge.
- 3.6.5 When Ridge has been unable to perform substantially all of the essential terms of her position, with or without reasonable accommodation, due to illness or other disability for a period of three (3) months.

### **4.0 Acts Entitling Ridge to Severance Compensation**

Ridge shall be entitled to severance compensation in the amounts set forth in Paragraph 5.0 upon the occurrence of any one of the following events:

- 4.1 The City terminates Ridge without cause.

4.2 The City reduces Ridge's salary or other benefits in a greater percentage than applicable across-the-board reductions made by the City for other Executive and Management employees in the City and Ridge elects to give sixty (60) days written notice of her resignation to the City Council. The written notification of resignation must be given within sixty (60) days of the reduction in Ridge's salary or other benefits.

4.3 The City Council requests the resignation of Ridge, and Ridge resigns pursuant to that request.

4.4 The city manager form of government is abandoned by action of the City Council, vote of the people, state legislation, or by any other means.

4.5 The position of City Manager is eliminated by action of the City Council, vote of the people, state legislation, or by any other means.

#### 5.0 **Severance Compensation**

5.1 As required by Government Code Section 53260, the following provision is included in this Agreement. Regardless of the term of this Agreement, if it is terminated, the maximum cash settlement that Ridge may receive shall be an amount equal to her monthly salary multiplied by six (6).

5.2 The payment of severance compensation pursuant to this paragraph shall, at the option of Ridge, be in a lump sum, or shall be payable in six (6) equal monthly installments.

5.3 Ridge and her dependents shall also receive continuing health insurance plan coverage for six (6) months from the effective date of the termination. Pursuant to Government Code Section 53261, the continuing eligibility of Ridge and her dependents for health insurance plan coverage shall terminate should Ridge obtain other employment.

5.4 Should Ridge die before receiving all of the severance compensation provided for under this Agreement, the lump sum payment or the monthly installments elected by Ridge, and any benefits under Paragraph 5.3, shall be paid and provided to Ridge's heirs, administrators, representatives or executors as provided by law. If at the time of Ridge's death she has not elected a method of payment, payment of severance compensation shall be by equal monthly installments.

5.5 Compliance with Government Code Section 53243 *et seq.* (Assembly Bill No. 1344).

- 5.5.1 In the event City determines to place Ridge on paid leave pending an investigation, Ridge shall fully reimburse such pay to the City if she is subsequently convicted of a crime involving the abuse of her office or position.
- 5.5.2 In the event the City determines to fund all or part of a legal criminal defense for Ridge, she shall fully reimburse such funds to the City if she is subsequently convicted of a crime involving an abuse of her office or position.
- 5.5.3 Regardless of the term of this Agreement, if this Agreement is terminated, any cash settlement related to the termination that Ridge may receive from the City shall be fully reimbursed to the City if Ridge is convicted of a crime involving an abuse of her office or position. (Government Code Section 53243.2.)
- 5.5.4 For purposes of this section, "abuse of office or position" shall be as defined in Government Code Section 53243.4.

## 6.0 **Salary**

6.1 City agrees to pay Ridge an annual base salary of \$258,000 payable in equal installments at the same time and in the same manner that other City employees are paid. This salary shall be effective as of January 3, 2018.

6.2 The annual base salary shall be reviewed each fiscal year during the term of employment in approximately July of the year to determine whether Ridge shall receive an increase in the annual base salary that year. The City Council may grant, in its sole discretion, an increase in the annual base salary.

6.3 The annual base salary may be increased or reduced at the same time and in the same amounts as any across-the-board salary adjustments are imposed upon other Executive and Management employees in the City.

## 7.0 **Other Benefits**

### 7.1 **Car Allowance**

City agrees to provide Ridge with a monthly car allowance of \$625.00 per month.

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## **7.2 Performance Bonus**

Each fiscal year, commencing with the fiscal year that starts on July 1, 2018, the City Council may grant to Ridge a performance bonus. Whether or not to grant a bonus and the amount of any such bonus shall be in the sole discretion of the City Council. The decision by the City Council regarding the performance bonus shall be made for each fiscal year at the time the City Council is providing the performance evaluation of Ridge required by Paragraph 9.0 of this Agreement.

It is the understanding and intent of the Parties that performance bonuses are not reportable compensation to the State Public Employees Retirement System ("PERS"), and are not to be included in the calculation of Ridge's PERS retirement allowance.

Performance bonuses are not added to the annual base salary.

## **7.3 Retirement**

Ridge shall be a member of the City's retirement plan adopted and existing pursuant to contract with the State of California Public Employees Retirement System ("PERS"). City shall pay the full amount of the required employer's contribution for the benefit of Ridge and Ridge shall pay the full amount of the employee's required contribution.

## **7.4 ICMA-RC Retirement**

City shall pay, on behalf of Ridge, \$18,000 per year to the ICMA RC 457 Deferred Compensation Plan during the term of this Agreement. Payment shall be made in equal amounts each pay period. The City shall take all steps necessary to provide for Ridge's participation in said Plan.

## **7.5 Health and Dental Benefits**

City shall provide Ridge and her dependents with medical, health and dental insurance coverage in the same manner and with the same coverage as City provides to its Executive and Management employees.

## **7.6 Life Insurance**

City shall provide Ridge with life insurance coverage by a term life insurance policy that is in the amount of \$250,000, and City shall pay the full amount of the premiums for said life insurance coverage.

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### **7.7 Vacation**

Ridge shall accrue vacation days at the rate of twenty (20) days per year. Unused vacation leave accrued from one fiscal year may be carried over to the following fiscal year; provided however, the vacation leave accrual shall not exceed three hundred and sixty (360) hours.

As of the effective date of this Agreement, Ridge shall have five (5) days of accrued vacation.

### **7.8 Executive Leave**

Ridge shall be entitled to ten (10) days of executive leave each fiscal year, or portion thereof, during her term of employment. Any executive leave unused during a fiscal year shall expire at the end of that year and shall not be carried over into succeeding fiscal years. Upon separation, Ridge shall not be entitled to any payment for unused executive leave.

### **7.9 Sick Leave**

Ridge shall receive twelve (12) days per year excused absences at full pay for sick leave purposes. She shall be entitled to use sick leave and be entitled to payment for unused sick leave, as provided by the City Council for Executive and Management employees.

As of the effective date of this Agreement Ridge shall have five (5) days of accrued sick leave.

Upon separation Ridge shall not be entitled to payment for any unused sick leave.

### **7.10 Disability Insurance**

The City shall provide Ridge with whatever short term disability or long term disability insurance programs or similar programs as it provides to other City Executive and Management employees.

7.11 Subject to adopted City policies, the City shall pay for or provide Ridge reimbursement for all actual and necessary business expenses.

### **7.12 General City Benefits**

Ridge shall be entitled to receive all benefits as they now exist or may hereinafter be provided to other Executive and Management employees of the City, except when such other benefits are inconsistent with or contrary to provisions of this Agreement.

## **8.0 Professional Development**

In addition to those benefits covered under paragraph 7.0 of this Agreement, City desires to encourage Ridge's continuing professional development and agrees to budget and pay for those professional dues and subscriptions, and travel and subsistence expenses for such conferences, seminars, courses, institutes, and meetings that Ridge deems desirable for her professional development and for the good of the City.

## **9.0 Performance Evaluation**

The City shall review and evaluate the performance of Ridge at least once annually at a time mutually agreed to between the City Council and Ridge. Said review and evaluation shall be conducted in accordance with procedures and forms and with respect to specific criteria to be developed jointly by Ridge and the City Council. Said review and 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 closed format. The parties agree that the primary purposes of such evaluation are to facilitate open and frank discussion, define roles and expectations, identify performance strengths and weaknesses, and to provide an opportunity for Ridge to take affirmative action to address weaknesses and areas needing improvement.

## **10.0 Exclusive Employment**

Ridge shall devote all of her time, energy and efforts to the City, and shall accept no outside employment, but the foregoing shall not limit Ridge in teaching, writing, lecturing, or consulting, but only to the extent that such activities do not interfere with her duties as set forth in this Agreement.

## **11.0 Termination for Cause**

Notwithstanding any provision of this Agreement to the contrary, City may terminate Ridge's employment for cause at any time and without prior notice, and if Ridge is terminated for cause, she shall not be entitled to payment of severance compensation or any other compensation or damages. "Cause" shall include the following reasons:

11.1 Ridge violates Paragraph 3.4 (Resignation Without Providing the Required Notice) or Paragraph 10.0 (Exclusive Employment) of this Agreement.

11.2 Conviction of a crime, whether misdemeanor or a felony, involving moral turpitude. For purposes of this paragraph, a plea of nolo contendere shall also be considered a conviction.



11.3 Ridge is determined by a court of competent jurisdiction or the State of California Fair Political Practices Commission to have knowingly and unlawfully participated in a governmental decision in which she had a conflict of interest as defined in Government Code Section 87100 *et seq.* or Government Code Section 1090 *et seq.*

11.4 Failure to follow a lawful directive of the City Council after written notice of said failure is provided to City Manager approved by three (3) or more affirmative votes of its five (5) members.

11.5 Continued abuse of drugs or alcohol that materially affects the performance of the City Manager's duties.

11.6 Repeated and protracted unexcused absences from the City Manager's office and duties.

#### 12.0 **Indemnification**

City agrees to defend, hold harmless, and indemnify Ridge against any claims, demands or legal actions, whether groundless or otherwise, arising out of an alleged act or omission occurring within the scope and during the course of Ridge's employment with the City, subject to Ridge cooperating in good faith with the City with respect to defense of such claims, demands, or legal actions in accordance with the provisions of California Government Code Sections 825 and 825.6. City may compromise and settle any such claim, demand, or action and pay the amount of any settlement or judgment rendered therefrom. This covenant shall survive the termination of this Agreement.

#### 13.0 **Notices**

Any notice to be given hereunder by either Party to the other in writing may be effected either by personal delivery or by mail. Mailed notices shall be addressed to the address of the Parties to be notified which appears below, but each Party may change its address by written notice given in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated and received as of five (5) calendar days following the date of mailing.

CITY: City of Laguna Niguel  
Attn: Mayor  
30111 Crown Valley Parkway  
Laguna Niguel, California 92677

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EMPLOYEE: Kristine Ridge  
30111 Crown Valley Parkway  
Laguna Niguel, California 92677

**14.0 Entire Agreement**

This Agreement represents the entire agreement between the Parties and supersedes any and all agreements, either oral or in writing, between the Parties with respect to the employment of Ridge by City and contains all of the covenants and agreements between the Parties with respect to that employment. Each Party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by either Party, or anyone acting on behalf of either Party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding on either Party.

**15.0 Modifications**

Any modifications to this Agreement shall be effective only if in writing and signed by both the Parties.

**16.0 Effect of Waiver**

The failure of either Party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other Party shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

**17.0 Partial Invalidity**

If any provision in 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 without being impaired or invalidated in any way.

**18.0 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of California in full force and effect as of the date of execution.

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19.0 **Attorneys' Fees**

In the event of any legal action between the Parties to enforce the provisions of this Agreement, the prevailing party shall be entitled to attorney's fees and costs.

20.0 **Representations**

City and Ridge each represent and warrant to the other that each has received legal advice from independent and separate legal counsel with respect to this Agreement, or has knowingly declined to obtain such legal advice, and further represent and warrant to each other that each has carefully reviewed this Agreement and each and every term hereof. This Agreement shall not be construed against the party or its representatives who draft it or any portion hereof.

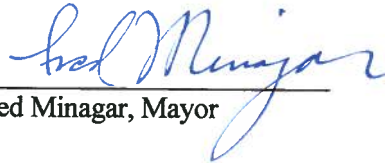
21.0 **Counterparts**

This Agreement may be executed on separate copies, any one of which need not contain signatures of more than one Party but all of which taken together shall constitute one and the same Agreement.


*[Signatures on following Page]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first herein written above.


CITY OF LAGUNA NIGUEL

By:   
Fred Minagar, Mayor

ATTEST:

  
Eileen Gomez,  
City Clerk

APPROVED AS TO FORM BY THE  
CITY ATTORNEY FOR THE  
CITY OF LAGUNA NIGUEL

  
Terry E. Dixon, Esq. 11/9/18  
City Attorney

By:   
Kristine Ridge