ORIGINAL

EMPLOYMENT AGREEMENT

This Agreement ("Agreement") is made by and between JILL KEIMACH ("Keimach"), an individual, and the CITY OF ALAMEDA, CALIFORNIA (the "City"), a California charter city and municipal corporation.

RECITALS

WHEREAS, the City desires to employ the professional services of Keimach as City Manager of Alameda; and,

WHEREAS, Keimach agrees to serve as the City Manager of Alameda in accordance with the City Charter of Alameda; and,

WHEREAS, both the City and Keimach wish to set forth in writing the terms and conditions of Keimach's employment as City Manager for Alameda.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, the City and Keimach agree as follows:

AGREEMENT

INTRODUCTION AND TERM

1. EMPLOYMENT

The City agrees to employ Keimach in accordance with the terms and conditions set forth below, and Keimach accepts the offer of such employment. During the term of this Agreement, the City will pay Keimach the compensation provided for in this Agreement.

2. TERM

This Agreement shall commence on March 7, 2016 and expire on March 7, 2020 subject to earlier termination as set forth in Sections 14, 15 and 16 below.

DUTIES AND PROFESSIONAL RESPONSIBILITIES

3. DUTIES

Keimach shall serve as the City Manager for the City of Alameda and shall be vested with the authority granted to the City Manager in the Alameda City Charter. Keimach shall perform such duties as are necessary for her to exercise the authority vested in the City Manager under the Alameda City Charter. Also, Keimach shall perform such

duties and undertake such activities as may be assigned from time to time by the City Council, and which are consistent with the position of City Manager.

4. HOURS OF WORK

Keimach shall be an exempt employee under Fair Labor Standards Act (FLSA). Keimach is expected to devote necessary time outside normal office hours to the business of the City. Keimach's schedule of work each day and week may vary in response to the requirements of the work to be performed. Keimach is expected to spend sufficient hours at Alameda City Hall to perform her duties.

5. OUTSIDE AND OTHER PROFESSIONAL ACTIVITIES

Keimach agrees to devote all of her professional time and attention to the City's business during the term of this Agreement. The City acknowledges a mutual interest with Keimach in having Keimach, on occasion, undertake limited outside activities, including serving as an officer or a board member of municipal government organizations, or other related activities, provided that such activities do not distract Keimach from the performance of her duties as City Manager for Alameda.

The City shall pay for reasonable travel expenses incurred by Keimach for official travel associated with the pursuit of Alameda's interests including, but not limited to, such other national, regional, state and local government groups or committees upon which Keimach may serve as a member or attend on behalf of the City such as the Leaque of California Cities.

COMPENSATION TO KEIMACH

6. SALARY AND DEFERRED COMPENSATION

Keimach shall receive an annual base compensation of $245,000 beginning March 7, 2016. Salary is to be paid at the same intervals and in the same manner as other City Department Heads. Effective the first full pay period in March 2017, Keimach shall receive an increase in base compensation of 2.5%. Effective the first full pay period in March 2018, Keimach shall receive an increase in base compensation of 2.5%. Effective the first full pay period in March 2019, Keimach shall receive an increase in base compensation of 2.5%.

Additionally, the City shall provide to Keimach, $15,000 annually in a deferred compensation/supplemental retirement plan, which plan shall be as mutually agreed by the City and Keimach. Such amount shall accrue to Keimach on a monthly basis.

During the first year of her employment, and after completion of approximately six months, Keimach and the City Council shall jointly establish objective, verifiable measures of her performance to be completed during the first year and provide

Keimach with an annual performance evaluation. For each subsequent year during the term of this Agreement, the parties shall endeavor to establish prospective objective, verifiable measures of performance for the ensuing year. The City Council agrees to provide Keimach with an annual performance evaluation during the term of this Agreement. Keimach shall not have any right to a further compensation increase in addition to the salary adjustments described in the first paragraph of this Section 6 due to a particular rating on a performance evaluation; rather, any decision to increase salary, provide a lump sum payment based on performance or enhance any other element of compensation during the term of this Agreement, or the timing of any such increase or enhancement, shall be in the discretion of the City Council.

The City Council shall not decrease Keimach's compensation unless and except in the case of an across the board salary or other compensation decrease (including furloughs) applicable to all employees covered by the Executive Management Compensation Plan.

7. DEFERRED COMPENSATION (MONEY PURCHASE PENSION PLAN)

Keimach is eligible to participate in the deferred compensation plan (money purchase pension plan) to the same extent as City Department Heads. Keimach must participate in the plan to receive the annual deferred compensation plan contribution described in Section 6; however, any voluntary contributions from Keimach to such plan are at Keimach's sole discretion.

RETIREMENT, HEALTH AND OTHER BENEFITS

8. RETIREMENT

Keimach will be covered by the City's "miscellaneous" PERS plan during her employment. The City will pay the mandatory employer contributions for this benefit and Keimach will pay the employee contributions in accordance Section 414(h)(2) of the Internal Revenue Code.

The City has contracted with PERS for Variable Rate Cost Sharing of up to the Permanent Cost Share of 1.868% under Government Code Section 20516(a), based on the optional benefits established in the Miscellaneous Plan of the City's contract with PERS for the 2%@55 and One-Year Final Compensation Optional Benefits. Pursuant to this contract, in addition to the 7% employee contribution, Keimach shall contribute an additional 1.868% of her PERSable earnings towards the employer retirement contribution. This 8.868% contribution shall be in accordance with Section 414(h)(2) of the Internal Revenue Code whereby employee contributions shall be tax deferred and not subject to taxation until the time of constructive receipt.

9. VACATION

Keimach shall accrue, and may use, up to 25 days (200 hours) of paid vacation annually. Vacation shall be accrued bi-weekly. Keimach may carry over accrued but unused vacation time from one year to the next; provided, however, she may not accrue a vacation balance higher than 50 days (400 hours). Upon separation from the City, Keimach or, in the case of her death, Keimach's heirs, shall be paid for all unused and accrued vacation time. Accumulated vacation balances shall be paid at Keimach's base salary rate at the effective date of her separation from employment with the City.

In lieu of accrual of vacation leave each pay period in the first year of this Agreement only, the City agrees to advance to Keimach a vacation balance of 25 days in order to accommodate pre-existing family/vacation commitments made by Keimach prior to the execution of this Agreement. After the first year of this Agreement, Keimach will accrue vacation each pay period.

10. OTHER LEAVES

Except as provided in Section 9 above and in the following sentence, Keimach shall receive the same paid holidays and leave time benefits as other City Department Heads. Notwithstanding the amount of administrative leave that may be provided on an annual basis to other City Department Heads, Keimach shall receive a minimum of eight (8) days of administrative leave annually.

11. OTHER FRINGE BENEFITS

Keimach shall be provided medical coverage, disability benefits, and dental coverage at the same levels and under the same conditions that are provided to other City Department Heads. The City shall pay such other mandatory employer costs associated with Keimach's employment including unemployment compensation, workers' compensation and Medicare contributions.

12. AUTO ALLOWANCE

Keimach shall receive $250 each month as an automobile allowance. The allowance is in exchange for Keimach making her personal automobile available for her use for City related business at all times. Keimach will also be entitled to mileage reimbursement at standard rates for trips of over 100 miles taken on City business.

13. MEMBERSHIP DUES

The City shall pay (up to a cap of $2,500) for the professional dues necessary to ensure Keimach's participation in such programs that enhance both Keimach's standing and the City's reputation, including national, regional, state and local associations and organizations.

SEPARATION FROM EMPLOYMENT

14. RESIGNATION/RETIREMENT

Keimach agrees to give the City at least (60) days written notice of the effective date of Keimach's resignation or retirement.

15. TERMINATION

The City, through its City Council, may terminate this Agreement prior to the expiration of the term of this Agreement as set forth in Section 2 above, at its sole and absolute discretion, with or without cause. The term "cause" is defined, for the purposes of this Agreement, as set forth in Section 16 below.

If the City terminates this Agreement without "cause", Keimach will be paid an amount equal to her full salary and benefits for a period of six (6) months from receipt of written notice of termination. In exchange for the payment of severance, Keimach agrees to cooperate with the City in the transition of her duties to a new or interim City Manager.

16. CAUSE

In the event Keimach is terminated for (1) continued abuse of drugs or alcohol which materially affects the performance of her duties; (2) repeated and protracted unexcused absences from the City Manager's office; (3) conviction of a felony; (4) conviction of a misdemeanor involving moral turpitude; (5) acceptance of employment from another source which is inconsistent with full time employment as Alameda's City Manager and in violation of Section 5 of this Agreement; or (6) any material breach of this Agreement, the City shall have no obligation to continue the employment of Keimach or to pay any salary or benefits under Section 15 of this Agreement. Any one or more of the above enumerated items constitutes "cause" for purposes of this Agreement.

MISCELLANEOUS PROVISIONS

17. REIMBURSEMENT

Keimach is entitled to reimbursement for all sums necessarily and reasonably incurred and paid by her in the performance of her duties. Keimach shall submit a claim form to the City for any such claims in the same form and manner as is required by the City's law or by custom and practice among other City Department Heads.

18. BONDS

The City shall pay the full cost of any bonds, fidelity or otherwise, required of Keimach under any applicable state or local law or ordinance relative to her performance of his duties as City Manager.

19. INDEMNIFICATION

City agrees to defend, hold harmless, and indemnify Keimach against any claims, demands, or legal actions, whether specious, frivolous, or otherwise, arising out of an alleged action or omission, direct or indirect, occurring within the scope and during the course of Keimach's employment with the City. Keimach will cooperate in good faith with the City with respect to the defense of such claims, demands or legal actions.

20. LEGAL FEES

In the event of any legal action between Keimach and the City to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

21. SEVERABILITY

In the event that any term of this Agreement is finally held or determined to be illegal or void by a court having jurisdiction over the City and Keimach, the remainder of this Agreement shall remain in full force and effect unless the term or terms held to be illegal or void are wholly inseparable from the remaining portions of the Agreement.

22. PARITY IN CONSTRUING AGREEMENT

Both the City and Keimach have had the opportunity to participate in the drafting of this Agreement. Consequently, terms, conditions, or provisions of this Agreement shall not be construed against one party and in favor of the other based upon who actually drafted the Agreement.

23. INTEGRATION CLAUSE

The City and Keimach acknowledge that this Agreement constitutes the sole and entire agreement of the parties in this matter and that any modifications may be made only in a writing signed by both the City and Keimach. The City and Keimach agree that there are no representations, agreements, arrangements or understandings, whether written or oral, between the parties relating to the subject matter of this Agreement which are not fully set forth in this Agreement.

24. NOTICES

Notice pursuant to this Agreement shall be in writing given by (a) personal delivery with acknowledgement of receipt; or (b) by deposit in custody of the United States Postal Service, postage prepaid, and addressed as follows;

To the City:	Mayor and City Council City of Alameda City Hall 2263 Santa Clara Avenue Alameda, CA 94501
To Keimach:	Jill Keimach 38 Brookside Avenue Berkeley, CA 94705

Signatures on following page

City of Alameda

Date 1/21/16

Jill Keimach

Date 12/29/15

APPROVED AS TO FROM:

Janet C. Kern, City Attorney
City of Alameda