

A4219

**AMENDMENT No. 3 TO EMPLOYMENT AGREEMENT**

This Amendment No. 3 to Employment Agreement ("Amendment") is made and entered into this 3d day of October, 2007, by and between the City of Palm Springs, California charter city ("City") and David H. Ready ("Manager").

Recitals

A. The City Council has completed its most recent annual performance evaluation of the Manager and based thereon desires to modify certain terms and conditions of the Manager's employment agreement with the City, as amended ("Agreement").

B. Manager is agreeable to modifying certain terms and conditions of the Agreement pursuant to the terms of this Amendment.

In consideration of the promises and covenants contained in this Amendment and other good and valuable considerations, the City and the Manager agree:

Agreement

Section 1. The first sentence of Section 4 of the Agreement (entitled "Salary") is amended to read:

"City agrees to pay Manager for his services rendered pursuant to this Agreement, an annual base salary of \$250,000.00 annually, payable in the same manner and at the same time as other employees of the City are paid."

Except as provided above, the provisions of Section 4 of the Agreement shall remain in full force and effect.

Section 2. Subsection E of Section 5 of the Agreement is amended to read:

E. Upon leaving city service, Manager may elect to remain a member of a city health insurance program (which may be the health insurance program the Manager was enrolled in at the time he leaves city service or another health insurance program as the City in its sole discretion may designate). In the event Manager elects to remain in such program, the Manager shall pay all premiums and shall otherwise be responsible for all costs for such insurance program. Manager's rights to make the election provided in this subsection shall expire 60 days after the Manager leaves city service.

Section 3. Subsection F is added to Section 5 of the Agreement to read:

F. In lieu of and notwithstanding the provisions of Section 4-B of City Council Resolution No. 21962, as may be amended from time to time, the Manager shall be reimbursed upon separation from service as an employee of the City the costs for the single person Blue Cross PPO, as the City may amend from time to time, as follows:

- 1) After 7.5 years of full-time continuous service with the City, 50% of the cost of the health insurance premium;
- 2) After 11.5 years of full-time continuous service with the City, 75% of the cost of the health insurance premium; and
- 3) After 15.5 years of full-time continuous service with the City, 100% of the cost of the health insurance premium.

Manager shall not receive reimbursement for health insurance premiums until the date of his separation from city service or his 50<sup>th</sup> birthday, whatever date occurs last and only so long as Manager maintains continuous membership in a city approved health plan at his own expense.

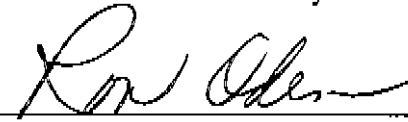
Manager shall not be eligible for or entitled to any of the benefits provided in this Subsection F in the event Manager voluntarily leaves city service prior to his 50th birthday.

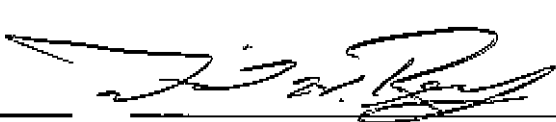
Section 4. The City and the Manager agree that the terms of the Agreement shall remain unchanged and in full force and effect, except as specifically provided in this Amendment.

IN WITNESS WHEREOF, the City and the Manager have executed and entered into this Amendment as of the date first written above.

City of Palm Springs  
A California Charter City


Manager


  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
David H. Ready, Esq., Ph.D.

Attest:

Approved as to Form:

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
City Attorney

APPROVED BY CITY COUNCIL

10.3.07 A4219

000003

AMENDMENT No. 2 TO EMPLOYMENT AGREEMENT

This Amendment No. 2 to Employment Agreement ("Amendment") is made and entered into this 3d day of May, 2006, by and between the City of Palm Springs, a California charter city ("City") and David H. Ready ("Manager").

Recitals

A. The City Council of City has completed its most recent annual performance evaluation of Manager and based thereon desires to modify certain terms and conditions of the underlying employment agreement the City and Manager, dated May 17, 2000, and amended on July 5, 2001. (The employment agreement, as amended, is referred to as "Agreement.")

B. Manager is agreeable to modifying certain terms and conditions of the Agreement pursuant to the terms of this Amendment.

Now Therefore, in consideration of the promises and covenants contained in this Amendment, and other good and valuable considerations, the receipt and sufficiency of which are acknowledged, the parties to this Amendment agree:

Agreement

Section 1. The second sentence of Subsection A of Section 3 of the Agreement (entitled "Termination and Severance Pay") is amended to read:

"The City Council may in its absolute discretion if approved by three (3) members at a meeting held in accordance with the provisions of the Brown Act (Gov. Code Section 54950 *et seq.*) terminate the employment of Manager at any time, with or without cause, provided that upon termination the City shall pay Manager as severance pay a lump sum cash payment equal to twelve (12) months' salary."

Except as provided above, the provisions of Subsection A of Section 3 shall remain in full force and effect.

Section 2. The first sentence of Section 4 of the Agreement (entitled "Salary") is amended to read:

"City agrees to pay Manager for his services rendered pursuant to this Agreement, an annual base salary of \$200,000.00 annually, payable in the same manner and at the same time as other employees of the City are paid. "

Except as provided above, the provisions of Section 4 of the Agreement shall remain in full force and effect.

Section 3. Manager shall not be entitled to the annual adjustment provided in Section 4 of the Agreement until the Anniversary Date in 2007.


Section 4. Subsection E is added to Section 5 of the Agreement to read:

E. Upon leaving city service and unless Manager meets criteria for retiree health insurance as allowed under the current personnel rules, Manager may elect to remain a member of a city health insurance program (which may be the health insurance program the Manager was enrolled in at the time he leaves service or another health insurance program as the City in its sole discretion may designate). In the event Manager elects to remain in such program, the Manager shall pay all premiums and shall otherwise be responsible for all costs for such insurance program. Manager's rights to make the election provided in this subsection shall expire 60 days after the Manager leaves service.

Section 5. The parties agree that, except as specifically provided in this Amendment, the terms of the Agreement shall remain unchanged and in full force and effect.


IN WITNESS WHEREOF, the parties have executed and entered into this Amendment as of the date first written above.

City of Palm Springs  
a California charter City


  
\_\_\_\_\_  
Mayor

APPROVED BY CITY COUNCIL  
MO 1855 5-3-06 A40A

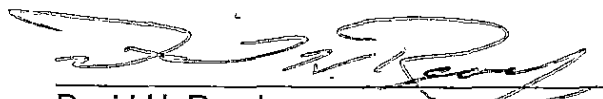
Attest:

  
\_\_\_\_\_  
City Clerk

Approved as to Form: \_\_\_\_\_

  
\_\_\_\_\_  
City Attorney

David H Ready

  
\_\_\_\_\_  
David H. Ready

AMENDMENT NO. 1 TO EMPLOYMENT AGREEMENT

This AMENDMENT NO. 1 TO EMPLOYMENT AGREEMENT ("Amendment") is made and entered into this 5th day of July, 2001 by and between the CITY OF PALM SPRINGS, a California municipal corporation ("CITY") and DAVID H. READY ("MANAGER").

RECITALS

A. The City Council of the CITY has completed its first annual performance evaluation of MANAGER and, based thereon, desires now to modify certain terms and conditions of the underlying employment agreement between MANAGER and CITY dated May 17, 2000, the effective date of which is June 12, 2000 when MANAGER's employment at the CITY began ("Agreement").

B. MANAGER is agreeable to modifying certain terms and conditions of the Agreement pursuant to the terms hereof.

NOW THEREFORE, in consideration for the promises and covenants contained herein, the above recitals, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

Section 1. Section 4 of the Agreement entitled "SALARY" shall be amended in its entirety to read as follows:

**SECTION 4. SALARY.**

CITY agrees to pay MANAGER for his services rendered pursuant hereto, an annual base salary of \$135,000.00 annually or \$11,250.00 per month commencing on the Anniversary Date, and payable in the same manner and at the same time as other employees of the CITY are paid. Such base salary shall be adjusted annually by the following: (i) 5% increase as applied to the salary paid to MANAGER for the year immediately preceding the increase, which increase shall be effective as of the month and day corresponding to the Anniversary Date, plus (ii) a cost-of-living adjustment in the amount and payable on such date as provided in the Memorandum of Understanding and as paid to CITY's Management employees under the CITY's Management Compensation Program.

Section 2. Section 5 of the Agreement, entitled "MANAGEMENT BENEFIT PACKAGE", shall be amended to add a new Subsection 5.E., immediately following Subsection 5.D. to read as follows, with all other provisions of Section 5 remaining unchanged and in full force and effect:

**SECTION 5. MANAGEMENT BENEFIT PACKAGE**

.....  
E. CITY shall reimburse MANAGER the actual costs paid by MANAGER for tuition for a Ph.D. degree up to a maximum of \$5,000, provided and paid only at such time as MANAGER successfully completes his Ph.D. dissertation.

Section 3. Section 6 of the Agreement, entitled "HOURS OF WORK, LEAVES, HOLIDAYS, VACATIONS AND SICK LEAVE", shall be amended to add a new Subsection 6.E., immediately following Subsection 6.D. to read as follows, with all other provisions of Section 6 remaining unchanged and in full force and effect:

**SECTION 6. HOURS OF WORK, LEAVES, HOLIDAYS, VACATIONS AND SICK LEAVE**

.....  
E. MANAGER shall be entitled to take 3 administrative leave days per year to attend continuing legal education courses.

Section 4. Due Execution. The person(s) executing this Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

Section 5. Full Force and Effect. The parties agree that, except as specifically provided in this Amendment, the terms of the Agreement shall remain unchanged and in full force and effect

(Signatures on following page)

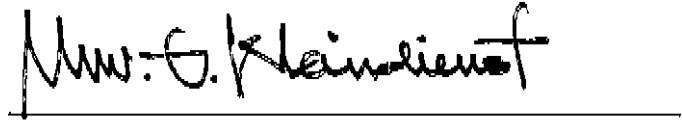
IN WITNESS WHEREOF, the parties have executed and entered into this Amendment as of the date first written above.

“CITY”

CITY OF PALM SPRINGS, a California municipal corporation

ATTEST:

By   
City Clerk

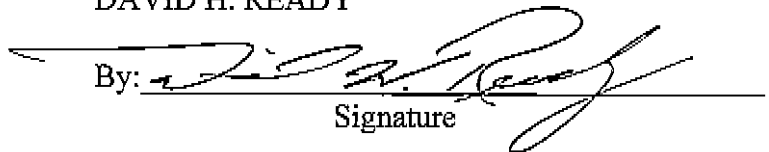
  
Mayor

APPROVED AS TO FORM:

  
City Attorney

“MANAGER”

DAVID H. READY

By:   
Signature

End of Signatures

APPROVED BY THE CITY COUNCIL  
MD 6881 7-5-01  
A4219

15A3

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## M E M O R A N D U M

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DATE: July 20, 2001  
TO: David H. Ready – City Manager  
FROM: Office of the City Clerk  
RE: Amendment #1, A4219  
CC: File

Attached please find one copy of Amendment #1 to your Employment Agreement with the City of Palm Springs, approved by the City Council on July 5, 2001, Minute Order 6881.

I have retained one copy for our files and forwarded a copy to Finance.

  
Barbara White

cc: Finance



**EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT (herein "Agreement") is made and entered into this 17<sup>th</sup> day of May, 2000, by and between the CITY OF PALM SPRINGS, CALIFORNIA, a municipal corporation (hereinafter "CITY"), and DAVID H. READY, (hereinafter "MANAGER"), both of whom understand as follows:

**WITNESSETH**

WHEREAS, the City Council of the city of Palm Springs (hereinafter called the "COUNCIL") desires to retain the services of David H. Ready as City Manager, as that office is created in Chapter 2.08 of Title 2 of the Palm Springs Municipal Code and Section 403 of the Palm Springs City Charter, as the same may be amended from time to time, and any successor provisions thereto, and to retain his services as Executive Director of the PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY (hereinafter "AGENCY"), the PALM SPRINGS HOUSING AUTHORITY (hereinafter "AUTHORITY") and other agencies of the City; and

WHEREAS, it is the desire of the CITY to provide certain benefits, establish certain conditions of employment, and to set working conditions of employment and it is the desire of MANAGER to secure employment as City Manager of said CITY; and

WHEREAS, it is the desire of the CITY to (1) secure and retain the services of the MANAGER and to provide inducement for him to remain in such employment, (2) to make possible full work productivity by assuring MANAGER's morale and peace of mind with respect to future security, and (3) to provide a just means for terminating MANAGER's services.

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

**SECTION 1. DUTIES**

A. CITY hereby agrees to employ David H. Ready as City Manager of the City of Palm Springs to perform the functions and duties specified in Chapter 2.08 of Title 2 of the Palm Springs Municipal Code and Section 403 of the Palm Springs City Charter, as the same may be amended from time to time, and any successor provisions thereto, and to perform other legally permissible and proper duties and functions consistent with the office of City Manager, as the COUNCIL shall from time to time assign, including, but not limited to the duties of AGENCY's and AUTHORITY's Executive Director.

B. The parties understand that MANAGER shall devote a portion of his professional efforts provided for herein in the capacity of Executive Director for AGENCY and AUTHORITY, and other agencies in the CITY. In accordance with current procedures, MANAGER shall account for his time expended on behalf of said agencies per the customary practice now utilized by CITY's employees so that CITY may be reimbursed by said agencies for the provision of MANAGER's services.

## **SECTION 2. TERM**

A. MANAGER shall commence his services hereunder on June 12, 2000 (hereinafter "Anniversary Date").

## **SECTION 3. TERMINATION AND SEVERANCE PAY**

A. MANAGER is an "at-will" employee serving at the pleasure of the COUNCIL and subject to dismissal without any right of notice or hearing, including any Skelly hearing. The CITY may in its absolute discretion if approved by three (3) members of COUNCIL at a meeting held in accordance with the Brown Act (Gov. Code § 54950 *et seq.*) terminate the employment of MANAGER at any time, with or without cause, provided that upon termination the CITY shall pay MANAGER as severance pay a lump sum cash payment equal to six (6) months' salary. The severance payment shall be computed from the last day and shall be payable on the last day of service. MANAGER shall not be entitled to any other benefits or payment after the last day of service except for (1) said severance payment, (2) the coverage provided in sub-section B below, and (3) benefits or payments accrued prior to the last day of service. The last day of service shall be as determined by the COUNCIL.

B. For a period of one (1) year following termination, or for a lesser period until MANAGER obtains employment where such benefits are provided, CITY shall continue to pay for MANAGER'S medical benefits as provided in Section 5.

C. Notwithstanding any other provision of this Section 3, CITY shall not be obligated to make any severance payment as described herein (in either subsection A or B above) if MANAGER is terminated for cause, including but not limited to corrupt or willful misconduct in office, malfeasance, misfeasance or nonfeasance constituting grounds for removal from office or conviction of an illegal act involving moral turpitude. In the event MANAGER is under investigation for any of the foregoing reasons, the CITY may withhold part or all of such severance pay until it is determined if charges will be filed, and if charges are filed, until final judgment is rendered.

D. MANAGER may resign his position with CITY at any time, but in such event shall give the CITY a minimum of thirty (30) days' notice in advance.

E. The severance rights provided in this Section shall be in lieu of any other notice, hearing or severance rights MANAGER may have under any other code or regulation of the CITY and MANAGER expressly waives all such rights, including the notice and hearing procedure of Ordinance 116, except as provided herein.

## **SECTION 4. SALARY**

A. CITY agrees to pay MANAGER for his services rendered pursuant hereto, an annual base salary of \$135,000.00 annually or \$11,250.00 per month commencing on the Anniversary Date, and payable in the same manner and at the same time as other employees of the CITY are paid. It is understood that MANAGER will not receive those salary cost-of-living adjustments which may be granted by the COUNCIL under the terms of a Memorandum of Understanding or other action of CITY toward its employees.

## **SECTION 5. MANAGEMENT BENEFIT PACKAGE**

A. Except as otherwise provided herein, MANAGER shall be granted the same package of benefits (including any increase therein) as provided to CITY's Management employees and those benefits outlined in the CITY's Management Compensation Program. All such benefits, and the benefits described hereunder shall be deemed "fringe benefits" herein. This includes the CITY's continued participation and contributions of CITY and MANAGER's obligations to the Public Employees Retirement System, group health, dental, and related insurance programs (family coverage) in accordance with the PERS contract with the CITY.

B. CITY shall, in lieu of any other life insurance, provide MANAGER with a term life insurance policy in the amount of \$100,000.00.

C. CITY shall contribute \$7,500 annually to the ICMA Retirement Fund, or other deferred compensation provider offered by the CITY, as designated by the City Manager.

D. CITY agrees to provide, at CITY expense, to MANAGER, once annually, a comprehensive physical examination by a physician of MANAGER's choice at a cost not to exceed Five Hundred Dollars (\$500.00) if not covered by the medical plan.

## **SECTION 6. HOURS OF WORK, LEAVES, HOLIDAYS, VACATIONS AND SICK LEAVE**

A. MANAGER shall accrue and vest vacation time at the rate of twelve (12) hours per month, in accordance with City rules and regulations governing that benefit for other Management employees.

B. MANAGER shall accumulate and use sick leave time in the same manner as provided in City rules and regulations governing that benefit for other Management employees.

C. MANAGER shall be entitled to receive the same holidays as other employees, unless his services are specifically required by the COUNCIL or by the CITY's business.

D. It is understood that MANAGER will take no vacation or leave days without notification and approval of the Mayor, who may bring this matter before the entire COUNCIL if he or she deems that vacation or leave would not be appropriate at the time requested.

## **SECTION 7. AUTOMOBILE ALLOWANCE**

A. CITY agrees to provide MANAGER with an automobile allowance of Four Hundred Fifty Dollars (\$450.00) per month. COUNCIL agrees to review the cost and expenses incurred by MANAGER related to automobile usage on behalf of CITY on an annual basis, and to increase the automobile allowance provided hereunder, if the allowance provided hereunder does not cover all such costs and expenses borne by MANAGER. In lieu of the foregoing, CITY may, with the consent of MANAGER, provide an automobile for MANAGER for unlimited use by MANAGER for transportation to and from his place of residence to work in Palm Springs, for CITY business and related travel, and all other purposes, whether business or

otherwise. In such case, CITY shall provide for all insurance and maintenance of said vehicle, and for gasoline used in the performance of CITY business and related travel only.

#### **SECTION 8. OTHER ASSOCIATIONS; MEMBERSHIPS AND SUBSCRIPTIONS**

A. MANAGER agrees to actively participate in such state, regional and local organizations as necessary for the representation of CITY and for effective performance of his duties, including the Coachella Valley Association of Governments and other regional and subregional organizations.

B. CITY agrees to budget and pay professional dues and subscriptions on behalf of MANAGER which are reasonably necessary for MANAGER's continued participation in national, regional, state or local associations and organizations necessary and desirable for MANAGER's continued professional participation, growth and advancement or for the good of CITY and AGENCY including the International City Management Association, League of California Cities and the Contract Cities Association. Furthermore, CITY shall budget and pay for the professional due and subscriptions to such additional organizations as approved by the CITY COUNCIL.

C. CITY agrees to budget and pay the travel and subsistence expenses of MANAGER for official travel, meetings, and occasions reasonably adequate to continue the professional development of MANAGER as City Manager and to reasonably pursue necessary official functions for CITY, AGENCY, and/or AUTHORITY, including, but not limited to the annual conference of the International City Management Association, the League of California Cities, the Contract Cities Association and other such national, regional, state and local government groups and committees of which MANAGER serves a member, as approved by the CITY COUNCIL.

#### **SECTION 9. RESIDENCE AND RELOCATION EXPENSES**

A. MANAGER during the term of his employment shall reside in the City of Palm Springs.

B. CITY agrees to reimburse MANAGER for the costs and expenses of packing and moving MANAGER, MANAGER's family and MANAGER's personal property from MANAGER's current residence to MANAGER's new residence. Costs and expenses eligible for reimbursement shall include unpacking, storage and insurance costs attendant to such relocation. MANAGER shall obtain estimates from three reputable and responsible moving companies prior to incurring any moving expenses, and shall contract with the company which provides the lowest total bid price. In addition, CITY shall pay MANAGER reasonable and actual transportation and lodging expense for up to two trips to Palm Springs to find housing. The total reimbursement payable under this Section shall not exceed Ten Thousand Dollars (\$10,000.00).

#### **SECTION 10. PERFORMANCE EVALUATION**

A. At least once annually, COUNCIL and MANAGER shall mutually define such goals and performance objectives which they determine necessary for the proper operation

of CITY and AGENCY in the attainment of Council's policy objectives. Further, COUNCIL and MANAGER shall establish a relative priority among those various goals and objectives to be reduced to writing with a mutual expectation of MANAGER's achievement of those goals and objectives within a mutually agreed upon time frame. The evaluations shall be conducted and completed generally about July each year.

B. COUNCIL shall review and evaluate the performance of MANAGER at least once annually. The annual review and evaluation shall be in accordance with criteria developed jointly by COUNCIL and MANAGER. Such criteria may be added to or deleted as COUNCIL may from time to time determine in consultation with MANAGER.

**SECTION 11. INDEMNIFICATION**

CITY shall defend, hold harmless and indemnify MANAGER against any tort, professional liability claim or demand or other legal action, arising out of an alleged act or omission occurring in the performance of MANAGER's duties in accordance with the provisions of California Government Code § 825. CITY may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered therefrom. This covenant shall survive the termination of this Agreement.

**SECTION 12. BONDING**

CITY shall bear the full cost of any fidelity or other bonds required of MANAGER under any law or ordinance.

**SECTION 13. OTHER TERMS AND CONDITIONS OF EMPLOYMENT**

A. COUNCIL, in consultation with MANAGER, shall fix any such other terms and conditions of employment as it may determine from time to time, relating to the performance of MANAGER, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Palm Springs Municipal Code, any Charter provision, ordinance or resolution of the CITY, or other applicable law.

B. Working conditions, rules and regulations applicable to Management employees of CITY, as such rules not exist or hereinafter may be amended, shall also apply to MANAGER, except where such working conditions are contained within this Agreement or are inconsistent with the terms contained herein.

**SECTION 14. GENERAL PROVISIONS**

A. The text herein shall constitute the entire agreement between the parties.

B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of MANAGER.

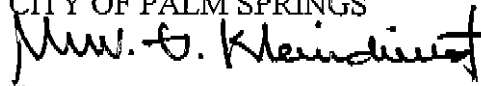
C. This Agreement shall become effective upon execution.

D. If any provision or any portion thereof contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable and shall not be affected and shall remain in full force and effect.

E. In the event of any legal action between the parties hereto to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable legal fees and costs as fixed by the Court.

IN WITNESS WHEREOF, CITY has caused this Agreement to be signed and duly executed on its behalf by its Mayor, and duly attested by its City Clerk, and MANAGER has signed and executed this Agreement, in duplicate, the day and year first above written.

CITY OF PALM SPRINGS



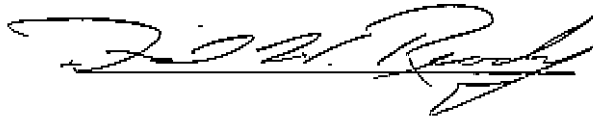
WILLIAM G. KLEINDIENST  
MAYOR

ATTEST:



TRISHA SANDERS  
CITY CLERK

MANAGER



APPROVED AS TO FORM:



DAVID J. ALESHIRE  
CITY ATTORNEY

*Council*  
APPROVED BY THE CITY MANAGER  
ON 5-17-2000 by *MOTION*

SPOUSAL CONSENT

The undersigned is the spouse of NONE and hereby consents to \_\_\_\_\_'s execution of the above Agreement and agrees to be bound by the terms of said agreement.

\_\_\_\_\_