

**AMENDED CONTRACT OF EMPLOYMENT WITH J. CHRISTINE DIETRICK
CITY ATTORNEY**

THIS CONTRACT is amended this 6th day of December, 2011 by and between the CITY OF SAN LUIS OBISPO, State of California (hereinafter referred to as "CITY"), and J. CHRISTINE DIETRICK, a contract employee (hereinafter referred to as "CHRISTINE DIETRICK");

WITNESSETH:

WHEREAS, Charter Section 703 provides that the SAN LUIS OBISPO CITY COUNCIL (hereinafter referred to as "COUNCIL") is responsible for the appointment and removal of the CITY ATTORNEY, and

WHEREAS, the COUNCIL, on behalf of the CITY acknowledges and accepts the responsibility for supervision of the CITY ATTORNEY; and

WHEREAS, the COUNCIL is desirous of appointing a CITY ATTORNEY and wishes to set the terms and conditions of said employment; and

WHEREAS, CHRISTINE DIETRICK desires to accept the position of CITY ATTORNEY consistent with certain terms and conditions of said employment, as set forth in this CONTRACT.

NOW, THEREFORE, the parties do mutually agree as follows:

Section 1. Effective Date.

A. The appointment of CHRISTINE DIETRICK is effective January 1, 2010.

B. Nothing in this Contract shall prevent, limit or otherwise interfere with the right of the COUNCIL to terminate the services of CHRISTINE DIETRICK at any time, subject only to San Luis Obispo CITY Charter Section 709 and the provisions set forth in Section 12 of this Contract.

C. Nothing in this Contract shall prevent, limit or otherwise interfere with the right of CHRISTINE DIETRICK to resign at any time from her position with the CITY, subject only to the provision set forth in Section 13 of this Contract.

Section 2. Duties and Salary.

A. CITY agrees to employ CHRISTINE DIETRICK as full-time CITY ATTORNEY of the City to perform the functions and duties specified in the Charter and Municipal Code and to perform such other legally permissible and proper duties and functions as the COUNCIL may from time to time assign.

B. COUNCIL agrees to pay CHRISTINE DIETRICK, for her services rendered pursuant hereto, a starting annual base salary of \$155,000 payable in installments at the same time as the other management employees of the CITY are paid. In addition, COUNCIL agrees to increase said base salary by the cost-of-living adjustment approved by the COUNCIL for all CITY management employees under the Management Compensation Resolution (Resolution No. 10036 (2008 Series) and any successors.

C. Notwithstanding Section 2(B), CHRISTINE DIETRICK agrees that she will not receive any across the board salary increases (e.g. "cost of living" increases) from January 1, 2012 through December 31, 2013 pursuant to the Reduction in Management Compensation Resolution (Resolution No. 10315 (2011 Series))

Section 3. Benefits.

In addition to the salary set forth in Section 2 of this CONTRACT, CHRISTINE DIETRICK shall be entitled to a car allowance of \$250 per month, a City contribution of 3.5% of salary to a 401(a) supplemental retirement plan and the same benefits as those offered by the CITY to the CITY ATTORNEY, in accordance with the Reduction in Management Compensation Resolution, Resolution No.10315 (2011Series).

Section 4. Performance Evaluation.

A. By April 30, 2010, COUNCIL and CHRISTINE DIETRICK shall establish mutually agreeable written goals, performance objectives, and priorities for the performance period ending March 30, 2011. Further, Council shall conduct an "interim" evaluation by October 29, 2010. An annual formal Council evaluation will be conducted in March of 2011 in accordance with the City's Appointed Official Evaluation Process. Consistent with the schedule outlined above, based on the Appointed Officials Evaluation Process, and subject to performance as assessed by the COUNCIL, the CITY ATTORNEY compensation shall be reviewed by COUNCIL in April 2011 consistent with the Management Pay-for-Performance System in place at that time.

B. Each calendar year thereafter, COUNCIL shall review and evaluate the performance and compensation of CHRISTINE DIETRICK in accordance

with the adopted Appointed Officials Evaluation Process and adopted Management Pay-for-Performance System, or any successor systems.

Section 5. Outside Activities, Conduct and Behavior.

A. CHRISTINE DIETRICK shall not engage in teaching, consulting or other non-CITY connected business without the prior approval of COUNCIL.

B. CHRISTINE DIETRICK shall comply with all local and state requirements regarding conflicts-of-interest.

Section 6. Dues and Subscriptions.

COUNCIL agrees to budget for and to pay for professional dues and subscriptions of CHRISTINE DIETRICK necessary for her continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for her continued professional participation, growth, and advancement, and for the good of the CITY.

Section 7. Professional Development.

A. COUNCIL hereby agrees to budget for and to pay for travel and subsistence expenses of CHRISTINE DIETRICK for professional and official travel, meetings, and occasions adequate to continue the professional development of CHRISTINE DIETRICK and to adequately pursue necessary official functions for the CITY, including but not limited to the League of California Cities Annual Conference, League of California Cities City Attorneys Department Conference, and such other national, regional, state, and local governmental organizations, groups and/or committees.

B. COUNCIL also agrees to budget for and to pay for travel and subsistence expenses of CHRISTINE DIETRICK for short courses, institutes, and seminars that are necessary for her professional development and for the good of the CITY.

C. Other professional development may be agreed upon from time to time between the COUNCIL and CHRISTINE DIETRICK.

Section 8. General Expenses.

COUNCIL recognizes that certain expenses of a non-personal and job-affiliated nature are incurred by the CITY ATTORNEY, and hereby agrees to authorize the Finance Director to reimburse or to pay said general and reasonable expenses, consistent with CITY policies, upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

Section 9. Indemnification.

In addition to that required under state and local law, CITY shall defend, save harmless, and indemnify CHRISTINE DIETRICK against any claims, demands, causes of actions, losses, damages, expenses (including but not limited to attorney's fees as may be authorized against public entities or officers consistent with state law) or liability of any kind whether stated in or arising from tort, professional liability or any other legal action or equitable theory, whether groundless or otherwise arising out of an alleged act or omission occurring in the performance of CHRISTINE DIETRICK'S duties as CITY ATTORNEY to the fullest extent permitted by law. CITY may compromise and settle any such claim or suit, and shall pay the amount of any settlement or judgment rendered thereon.

Section 10. Other Terms and Conditions of Employment.

The COUNCIL, in consultation with CHRISTINE DIETRICK, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of CHRISTINE DIETRICK, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this CONTRACT, the CITY Charter or any other law.

Section 11. No Reduction of Pay and/or Benefits.

COUNCIL shall not at any time during the term of this CONTRACT, reduce the salary, compensation or other financial benefits of CHRISTINE DIETRICK, except to the degree of such a reduction across-the-board for all employees of the CITY or CHRISTINE DIETRICK provides written consent to the reduction. Notwithstanding the above, CHRISTINE DIETRICK expressly agrees to the reduction of compensation, salary, and financial benefits as set forth in the Reduction in Management Compensation Resolution (Resolution No. 10315 (2011 Series))

Section 12. Termination and Severance Pay.

A. In the event CHRISTINE DIETRICK'S employment is terminated by the COUNCIL, or she resigns at the request of a majority of the COUNCIL during such time that she is otherwise willing and able to perform the duties of CITY ATTORNEY, the COUNCIL agrees to pay her a lump sum cash payment equal to nine (9) months compensation (salary and all appointed officials fringe benefits). Additionally, CITY shall extend to CHRISTINE DIETRICK the right to continue and purchase at her expense health insurance pursuant to the terms and condition of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) or any successor legal requirement. CHRISTINE DIETRICK is the CITY ATTORNEY for the purposes of the benefits under the California Joint

Powers Insurance Authority of which the CITY is a member. Any associated severance benefit as a result of termination shall be in accordance with the terms and conditions of the California Joint Powers Insurance Authority's Memorandum of Liability Coverage in effect at the time of termination.

B. In the event that CHRISTINE DIETRICK is terminated for "good cause" the COUNCIL shall have no obligation to pay the lump sum severance payment mentioned above. For the purpose of this CONTRACT, "good cause" shall mean any of the following:

- (1) Malfeasance, dishonesty for personal gain, willful violation of law, corrupt misconduct, or conviction of any felony.
- (2) Conviction of a misdemeanor arising directly out of CHRISTINE DIETRICK's duties pursuant to this Agreement.
- (3) Willful abandonment of duties outlined in this Agreement.

"Good cause" shall not mean a mere loss of support or confidence by a majority of the COUNCIL.

C. Any termination of employment shall be done consistent with limitations established in the City Charter Section 709. Additionally, the CITY shall provide a minimum of 30 days prior written notice to CHRISTINE DIETRICK of the intent to terminate this Agreement.

Section 13. Resignation.

In the event CHRISTINE DIETRICK voluntarily resigns her position with the CITY, she shall give the COUNCIL at least two (2) months advance written notice.

Section 14. General Provisions.

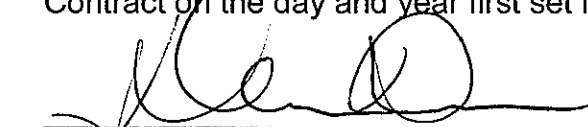
A. The text herein shall constitute the entire CONTRACT between the parties.

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

C. It is the intent of the COUNCIL that this CONTRACT and the appointment of CHRISTINE DIETRICK as CITY ATTORNEY are in accordance with the requirements and provisions of the Charter. Wherever possible, the provisions of this CONTRACT shall be construed in a manner consistent with the Charter. If any provision of this CONTRACT conflicts with the Charter, the Charter shall control.

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

IN WITNESS WHEREOF, CITY and EMPLOYEE have executed this Contract on the day and year first set forth above.



J. CHRISTINE DIETRICK


12/28/2011
DATE



JAN MARX, MAYOR

12-21-11
DATE


ATTEST:



ELAINA CANO
CITY CLERK

1/3/12
DATE

APPROVED AS TO FORM:



RICHARD C. BOLANOS
PARTNER, LIEBERT CASSIDY WHITMORE