

**AMENDED AND RESTATED  
CITY MANAGER EMPLOYMENT AGREEMENT  
BETWEEN  
CITY OF CYPRESS  
AND  
PETER GRANT**

This AMENDED AND RESTATED CITY MANAGER EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into this 28<sup>th</sup> day of September, 2020, by and between the CITY OF CYPRESS, a charter city and municipal corporation (hereinafter the "City"), and PETER GRANT, an individual (hereinafter the "City Manager"). The parties agree that this Agreement amends and restates the Original Agreement, as defined and discussed below.

**RECITALS**

WHEREAS, on June 9, 2014, the City Council of the City (the "City Council" or "Council") entered into the City Manager Employment Agreement Between City of Cypress and Peter Grant pursuant to its authority to employ an individual to serve in the position of City Manager as prescribed by state law and City's City Charter, § 600 and, since entering into such agreement, such agreement was amended on August 24, 2015, November 14, 2016, March 12, 2018, May 13, 2019, and on April 13 2020, ("Original Agreement"); and

WHEREAS, the Original Agreement will expire by its own terms on July 22, 2021; and

WHEREAS, the City Council and City Manager mutually desire to extend City Manager's employment for an additional one (1) year from the date of expiration of the Original Agreement and continue the Original Agreement under the same terms and conditions as provided in the Original Agreement except to increase the City Manager's severance from six (6) months to nine (9); and

WHEREAS, therefore, the City Council and City Manager desire to enter into this Agreement to amend and restate the Original Agreement in order to establish terms and conditions of City Manager's continued provision of City Manager services to the City and its related agencies as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, City and City Manager hereby agree to this amendment and restatement of the Original Agreement as follows:

**AGREEMENT**

**1.0 EMPLOYMENT; DUTIES; RECITALS.**

1.1 Duties. City hereby continues to employ Peter Grant as City Manager to perform the functions and duties specified in City's Charter, City's Municipal Code, and in the Government Code of the State of California, and to perform such other legally permissible and proper duties and functions as the Council shall, from time to time, direct or assign. City Manager acknowledges that the assigned duties shall also include services to the Successor Agency to the

Dissolved Cypress Redevelopment Agency. City Manager further agrees to perform all such functions and duties to the best of his ability and in an efficient, competent, and ethical manner.

1.2 Work/Activities Outside Employment As City Manager. City Manager shall focus his professional time, ability, and attention to City's business during the term of this Agreement. City Manager shall not spend more than ten (10) hours per month in teaching, counseling, or other non-employer connected business activities without prior approval of the Council. City Manager shall not engage, without the express prior written consent of the Council, in any other business duties or pursuits whatsoever or, directly or indirectly, render any services of a business, commercial, or professional nature to any other person or organization, whether for compensation or otherwise, that is or may be competitive with City, that might cause a conflict-of-interest with City, or that otherwise might interfere with the business or operation of City or the satisfactory performance of City Manager's duties.

1.3 ICMA Code of Ethics. The parties desire that City Manager comply with the ICMA Code of Ethics. City and the City Manager agree that neither the Council nor any of its members will give City Manager any order, direction, or request that would require City Manager to violate the ICMA Code of Ethics.

1.4 Recitals. The Recitals set forth above are incorporated herein by this reference.

## **2.0 TERM & TERMINATION.**

2.1 Commencement & Effective Date. City Manager commenced his services as City Manager under the Original Agreement at 8:00 A.M., Pacific daylight savings time, on July 7, 2014. September 28, 2020, shall be deemed the Effective Date of this Agreement ("Effective Date").

2.2 Term. This Agreement shall commence as of the Effective Date specified in Section 2.1 and ending at midnight Pacific daylight savings time on July 22, 2022, subject to Sections 2.3, 2.5, 2.6, and/or 2.7 of this Agreement ("Term"). The term of the Agreement may be extended by mutual agreement of the parties in the manner as provided in Section 9.2 of this Agreement.

2.3 Employment Status. City Manager is an "at-will" employee serving at the pleasure of City, acting through the Council, and subject to summary dismissal without any right of notice or hearing, including any so-called "Skelly" hearing. Except as provided in Section 2.7 below, City may terminate the employment of City Manager at any time, with or without cause, upon compliance with the provisions set forth in Articles 3.0 or 4.0 of this Agreement, and upon the affirmative vote of three (3) members of the Council.

2.4 FLSA Exempt Status. Employee agrees that his position is that of an exempt employee for the purposes of the Fair Labor Standards Act.

2.5 Waiver of Certain Termination Rights. City Manager expressly waives any rights provided under City's personnel system or policies, and any rights provided to City Manager under the Cypress Municipal Code (except as noted Section 2.6 hereinafter) or under State or

Federal law, including Government Code sections 54950 *et seq.* (“Brown Act”), to any form of pre- or post-termination hearing, appeal, or other administrative process pertaining to termination, except those rights City Manager may have under the California or United States constitutions to a name-clearing hearing.

2.6 Termination Limitation. City and City Manager agree that the scope of City’s limitation upon its right to terminate the employment of City Manager shall be modified from that provided in City’s City Charter § 600 to require the following:

“Council may not terminate the employment of City Manager for a period of ninety (90) consecutive days prior to or following any election to fill any seat on Council.”

2.7 Termination for Disability or Inability to Perform. In the event City Manager becomes mentally or physically incapable of performing the functions and duties required by this Agreement with reasonable accommodation, and it reasonably appears such incapacity will last for more than six (6) months, Council may terminate the City Manager. If the Council elects to terminate City Manager due to incapacity, he shall receive severance benefits as provided in Article 3.0 below, so long as he executes and does not revoke a general release of claims.

2.8 Termination by City Manager. If City Manager determines to terminate this Agreement, he shall be required to give a minimum of sixty (60) days’ advance written notice to Council prior to the effective date of his termination, unless a shorter period is acceptable to Council, and City Manager shall not be eligible for severance pay in the event of his voluntary resignation.

### **3.0 SEVERANCE.**

3.1 Severance. City Manager shall have the severance rights provided hereinafter. The severance rights provided in this Article 3.0 shall constitute the sole and only entitlement of City Manager in the event of termination, and City Manager expressly waives any and all other rights except as provided herein. Nothing in this paragraph shall be construed as precluding City Manager’s right to contest the appropriateness of termination for cause in Orange County Superior Court, or any court of competent jurisdiction or otherwise enforce the provisions of this Agreement.

3.2 Termination For Cause. If the Council terminates City Manager for “cause,” as defined in Section 4.1 of this Agreement, City shall not be required to make the severance payment provided herein.

(1) Written Statement Describing Cause: Name-Clearing Hearing. In the event City Manager is terminated for cause, City shall provide City Manager with a written statement describing the cause for termination and shall afford City Manager a name-clearing hearing before the Council at a reasonable time upon reasonable notice. The name-clearing hearing shall not delay or prevent City from terminating City Manager and may therefore take place after the termination has occurred.

(2) No Severance Payment While Under Investigation. In the event City Manager is under investigation for any of the reasons set forth in Section 4.1 hereof, City may withhold part or all of any severance payment afforded City Manager herein until it is determined if charges will be filed, and if charges are filed, until final judgment is rendered; provided, however, that City may not withhold the severance payment (if any), in whole or in part, beyond twelve (12) months of the initiation of an investigation and/or the filing of charges, whichever shall last occur.

3.3 Termination Without Cause. If the Council terminates City Manager for its convenience, and without cause, before the expiration of the Term of employment set forth in this Agreement, City Manager shall be entitled to the following severance payments and benefits:

(1) Termination Without Cause. If the Council terminates City Manager for its convenience, and without cause, City shall provide City Manager with:

(a) nine (9) months' base salary, or, if there are less than nine (9) months remaining in the Term, an amount equal to the monthly salary of City Manager multiplied by the number of months left on the unexpired Term of the contract (in accordance with Government Code § 53260.); and

(b) City-paid "COBRA" benefits (medical, dental and vision), to the extent permitted by law, as of the time of termination for the following period of time: (i) if there are nine (9) or more months remaining in the Term, for nine (9) months, or until City Manager finds other employment, whichever occurs first; (ii) if there are less than nine (9) months remaining in the Term, for the number of months remaining in the Term, or until City Manager finds other employment, whichever occurs first (in accordance with Government Code § 53261.).

(2) New Employment During Severance Period. If City Manager obtains other employment prior to the end of the severance period, the above-described COBRA benefits and insurance coverages (excluding severance pay) shall cease on the commencement date of such other employment benefits and insurance coverage.

(3) Severance Conditioned on General Release. The remittal of any severance payment by City pursuant to this Agreement shall be conditioned upon City Manager's execution of a general release of claims, a copy of which is attached hereto as Exhibit A, and payment shall not occur until after the expiration of the release revocation period. In the event City Manager declines to execute or revokes the general release of claims, no severance payment shall be made.

3.4 Application of Government Code Section 53260. Government Code Section 53260 provides that all contracts of employment with a city must include a provision limiting the maximum cash settlement for the termination of the contract to the monthly salary (excluding benefits) multiplied by the number of months left on the unexpired term, but not more than eighteen (18) months if the unexpired term exceeds 18 months. The severance payments provided herein are expressly limited by this provision (*e.g.*, if termination occurred with six (6) months left in the term, severance would be equal to the monthly base salary multiplied by six (6) rather than nine (9), provided City Manager executes and does not revoke a general release of

claims).

Application of Government Code Section 53243.3. If this Agreement provides for: (1) paid leave for the official pending an investigation; (2) funds for the legal criminal defense of the official, or (3) any cash settlement related to City Manager's termination, such sums shall be fully reimbursed by City Manager to City if the City Manager is convicted of a crime involving abuse of his or her office or position. All provisions of Government Code § 53243.3 shall take precedence over the terms of this Agreement.

3.5 Application of Government Code Section 3511.2. Notwithstanding any other provisions of this Agreement, it shall be prohibited for this Agreement to provide an automatic renewal hereof that provides for an automatic compensation increase in excess of a cost-of-living adjustment or a maximum cash settlement in excess of certain limits. Government Code § 3511.2 is hereby incorporated into the terms of this Agreement as follows:

3.6 "On or after January 1, 2012, any contract executed or renewed between a local agency and a local agency executive shall not provide for the following:

3.7 An automatic renewal of a contract that provides for an automatic increase in the level of compensation that exceeds a cost-of-living adjustment.

3.8 A maximum cash settlement that exceeds the amounts determined pursuant to Article 3.5 (commencing with Section 53260) of Chapter 2 of Part 1 of Division 2 of Title 5" (*i.e.*, a cash settlement that exceeds 18 months of the Salary and benefits).

3.9 No Severance if Termination Initiated By City Manager. City Manager expressly agrees that he shall not be entitled to any severance payment as the result of the termination of this Agreement if such termination is initiated by City Manager.

3.10 Payment. One-half of any severance payment required under this Section shall be paid within ten (10) days following the effective date of a general release of claims, provided City Manager has not revoked the release. The balance of the severance payment shall be paid monthly following ninety (90) days following the date of separation or as otherwise agreed by the parties.

#### **4.0 TERMINATION FOR CAUSE.**

4.1 Definition of Cause. City shall not be obligated to make any severance payment as described in Section 3.0 above if City Manager is terminated for cause. For the purposes of this Agreement "cause" for termination shall include, but not be limited to, the following: (1) loss of mental capacity for more than six (6) consecutive months as determined by a court of competent jurisdiction; (2) persistent, habitual or willful neglect of duty; (3) insubordination (which shall be defined as a repeated failure to carry out a lawful directive or directives of the Council made by the Council as a body, following notice to City Manager of the same); (4) corrupt or willful misconduct in office; (5) willful malfeasance, or conviction of an illegal act (excepting minor traffic or moving violations) amounting to an act of moral turpitude (a conviction following a plea of *nolo contendere* is deemed a conviction); (6) willful destruction or misuse of City property; (7) habitual intoxication while on duty, whether by alcohol, prescription

or non-prescription drugs, and in the case of prescription drugs, where they are being used in a manner not authorized by City Manager's treating physician; (8) inexcusable absence without an authorized leave of absence; (9) willful political activity involving the support of candidates for the Council or Charter amendments; (10) theft or attempted theft; (11) financial mismanagement; (12) material dishonesty; (13) willful violation of Federal, State or City discrimination and harassment laws concerning race, religious creed, color, national origin, ancestry, physical handicap, marital status, sexual orientation, sex or age concerning either members of the general public or City's employee(s) while acting in the course and scope of employment, while on City premises or time, and/or while acting without the prior approval or direction of the Council; (14) willful and unlawful retaliation against any City officer or employee or member of the general public who in good faith reports, discloses, divulges or otherwise brings to the attention of any appropriate authority any facts or information relative to actual or suspected violations of any law occurring on the job or related directly thereto; (15) willful violation of any conflict of interest or incompatibility of office laws; (16) performance of work in contravention of Section 1.2 of this Agreement that conflicts directly with the activities and duties as City Manager, but *not* including educational or professional training programs conducted by City Manager whether for personal financial gain or not; (17) refusal to take or subscribe to any oath or affirmation which is required by law; or (18) engaging in conduct tending to bring embarrassment or disrepute to City.

## **5.0 COMPENSATION.**

5.1 Annual Base Compensation. City agrees to compensate City Manager for his services rendered hereunder at an annual salary of Two Hundred Thirty Five Thousand Nine Hundred Twenty Eight Dollars (\$235,928) as may be adjusted, from time-to time, in accordance with Section 5.3 hereinafter, or as this Agreement may be amended. Such salary shall be payable in installments at the same time as other Department Head employees of City are paid. Such salary shall be adjusted for payroll taxes, workers' compensation, and other payroll-related liability costs.

5.2 Annual Salary Review. City and City Manager agree to conduct an annual salary review concurrently with the annual performance evaluation set forth in Section 6.2 hereinafter. Such annual salary review shall include consideration of those benefits afforded City Manager in this Agreement.

5.3 Effectuating Salary Adjustment. City and City Manager agree that the affirmative vote of three (3) members of Council shall be required to effectuate an increase in the salary paid to City Manager paid pursuant to this Agreement. This provision shall not be interpreted to require a separate affirmative vote of three (3) members of Council to approve the additional benefits specified in Section 7.0 of this Agreement.

5.4 Deferred Compensation. As additional compensation, the City shall annually contribute Eighteen Thousand Dollars (\$18,000) into City's Deferred Compensation Plan on behalf of City Manager. This benefit shall be distributed by equal shares over twenty-six (26) pay periods.

## **6.0 PERFORMANCE EVALUATION.**

6.1 Purpose. The performance review and evaluation process set forth herein is

intended to provide review and feedback to City Manager so as to facilitate a more effective management of City. Nothing herein shall be deemed to alter or change the employment status of City Manager (as set forth in Section 2.3 above), nor shall this Section 6.0 be construed as requiring "cause" to terminate this Agreement, or the services of City Manager thereunder.

6.2 Annual Evaluation. Council shall review and evaluate the performance of City Manager annually between July 14 and August 14 of each calendar year commencing in 2015, or at some other time as City Manager and Council agree. Such review and evaluation shall be conducted concurrently with an annual salary review, and in accordance with the purpose noted above. It shall be the obligation of City Manager to notify Council of the need to conduct the evaluation required by this Section.

6.3 Written Summary. City and City Manager agree to jointly prepare a written summary of each performance evaluation of City Manager, and to include the same in his personnel file within two (2) weeks following conclusion of the review and evaluation process, and shall schedule at least one (1) closed personnel session with City Manager to deliver and discuss the evaluation.

6.4 Goal Setting. Within 180 days of the Effective Date of this Agreement, the Council will participate in a goal setting session with a professional facilitator to provide City Manager with direction for the upcoming year, including, but not limited to, establishing the form for and method of evaluating the performance of City Manager. Thereafter, Council and City Manager agree that, upon mutual assent, they shall conduct a goal setting session annually in connection with the annual evaluation set forth in Section 6.2 above.

6.5 Evaluation. The affirmative written request of a minimum of two (2) City Council members to the City Manager is required for a City Manager evaluation at a specified regularly scheduled City Council meeting should the City Council desire to evaluate the City Manager at a time other than as specified in Section 6.2 of this Agreement. The evaluation process shall thereafter proceed in a manner as decided in the discretion of a majority of the City Council.

## **7.0 ADDITIONAL COMPENSATION AND BENEFITS.**

7.1 Health, Life & Disability Insurance. City shall provide to City Manager the same allowance to purchase medical, dental, vision plans and/or programs, and provide life, long term disability insurance, wellness and the retirees health saving ("RHSP") plans and/or programs as are offered other Department Head employees by resolution of the Council. Adjustments to these benefits provided to other Department Head employees shall also be afforded to City Manager notwithstanding Section 7.7 below.

7.2 Automobile Allowance. City Manager shall be afforded a Four Hundred Dollar (\$400.00) per month vehicle allowance in full compensation for the usage of City Manager's personal vehicle for City-related business. City Manager shall be responsible for paying all liability, property damage and comprehensive insurance coverage on any vehicle he uses in the performance of his duties as City Manager as well as all purchase, operation, maintenance and repair costs for such vehicle(s).

7.3 Technology/Cell Phone Allowance. City Manager shall be afforded a One

Hundred Dollar (\$100.00) per month technology/cell phone allowance by City. City Manager understands that any applicable taxes are his responsibility to pay and not covered by City.

7.4 Paid Time Off or "PTO" Benefits,

(1) Annual PTO. City Manager shall accrue PTO at a rate of twenty-one (21) hours per month up to a maximum of five hundred (500) hours total of accrued PTO.

(2) Redemption of Accrued PTO. City Manager may redeem for cash up to eighty (80) hours of accrued PTO per year for the Term of this Agreement. All PTO, whenever redeemed at a time and manner permitted by this Agreement, shall be redeemed for cash at the hourly rate at which it was earned by City Manager.

(3) Redemption of Accrued PTO At Separation. The maximum of up to five hundred (500) hours total of accrued PTO as provided in Section 7.4(1) of the Agreement shall be paid to the City Manager at the conclusion of the City Manager's employment with the City.

(4) PTO Donation. The City Manager shall be permitted, in his sole discretion, to donate any amount of his accrued PTO to the City's Catastrophic Leave Bank. Upon donation, the PTO shall not be eligible for City Manager's use or redemption for cash.

7.5 Holidays. City Manager shall be entitled to such holidays as are currently afforded Department Head employees, as the same may be modified for all Department Head employees by resolution of the Council from time to time.

7.6 PERS Retirement Benefits. City shall make an annual contribution to City Manager's California Public Employees Retirement System ("CalPERS") account in an amount equal to two percent (2%) of City Manager's PERSable salary in effect at the time of the payment. City Manager shall make an annual contribution to CalPERS account in an amount equal to five percent (5%) of City Manager's PERSable salary in effect at the time of the payment. All CalPERS payments made by City on City Manager's behalf will be reported as being those of the City Manager and credited to his individual account with CalPERS.

7.7 No Additional Benefits. Unless otherwise specified to the contrary in this Agreement, City Manager shall **not** be entitled to such additional benefits, including cost of living adjustments ("COLA") to compensation, if any, as are afforded Department Head employees or as the same may be modified for all Department Head employees by resolution of Council from time to time.

**8.0 PROFESSIONAL DEVELOPMENT & EXPENSE REIMBURSEMENT.**

8.1 Dues, Subscriptions, and Professional Development. City agrees to budget and to pay for the professional dues and subscriptions of City Manager necessary for his participation in national, regional, state and local associations and organizations necessary and desirable for his professional participation, growth and advancement, and for the good of the City. The City hereby agrees to budget and to pay the travel and subsistence expenses of City Manager for professional and official travel, meetings and occasions adequate to the professional



development of City Manager and to adequately pursue necessary official and other functions for the City including, but not limited to, the Annual Conference of the International City Management Association, the State League of Municipalities and such other national, regional, state and local governmental groups and committees thereof which City Manager serves as a member.

8.2 Out-of-Town Meeting & Seminars. City agrees to reimburse City Manager the actual cost for registration, air or ground travel, lodging, and meals and other expenses incurred by City Manager while attending overnight out-of-town meetings or seminars related to his employment with City. To be eligible to receive reimbursement for meals and lodging for out-of-town meetings or seminars City Manager must have budgeted funds available for such.

8.3 Local Meetings & Seminars. City agrees to reimburse City Manager the actual cost of registration, meals, and other expenses necessarily incurred while in attendance at local meetings or seminars related to his employment with City.

8.4 Incidental Expenses. City agrees to reimburse City Manager the actual cost of those incidental expenses necessarily incurred by City Manager while engaged in the business of City upon the presentation of an appropriate receipt therefore.

## **9.0 MISCELLANEOUS/GENERAL PROVISIONS.**

9.1 City agrees that any amendment, alteration, extension, or modification to this Agreement shall be in writing, signed by the parties hereto, approved by the affirmative vote of three (3) members of the City Council with the written consent of City Manager

9.1 9.2 Entire Agreement. This Agreement represents the entire agreement between the parties and supersedes any and all other agreement, either oral or in writing, between the parties with respect to the employment of City Manager 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 of promises not contained in this Agreement shall be valid or binding upon either party.

9.3 Amendment of Agreement. City agrees that any amendment, alteration, extension, or modification to this Agreement shall be in writing, signed by the parties hereto, approved by the affirmative vote of three (3) members of the City Council with the written consent of City Manager.

9.4 Indemnification. For the purpose of indemnification and defense of legal actions, City Manager shall be considered an employee of the City and entitled to the same rights and subject to the same obligations as are provided for all other employees of the City as set forth in Sections 825 through 825.6 and Sections 995 throughout 996.6 of the California Government Code.

9.5 Assignment. Neither this Agreement, nor any right, privilege, nor obligation of City Manager hereunder, shall be assigned or transferred by City Manager without the prior written consent of the City. Any attempt at assignment or transfer in violation of this provision

shall, at the option of the City, be null and void and may be considered a material breach hereof. Notwithstanding this prohibition, this Agreement shall be binding upon, and inure to the benefit of, the heirs at law and executors of the City Manager.

9.6 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 at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

9.7 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.

9.8 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.

9.9 Independent Legal Advice. City and City Manager represent and warrant to each other that each has received, to the extent desired, legal advice from independent and separate legal counsel with respect to the legal effect of this Agreement and, City and City Manager further represent and warrant that each has carefully reviewed this entire Agreement and that each and every term thereof is understood and that the terms of this Agreement are contractual and not a mere recital. This Agreement shall not be construed against the party or its representatives who drafted it, or who drafted any portion thereof.

9.10 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be personally served or shall be sufficiently given when served upon the other party as sent by United States Postal Service, postage prepaid and addressed as follows:

To City:  
Attn: Mayor  
City of Cypress  
5275 Orange Avenue  
Cypress, CA 90630

To City Manager:  
Peter Grant  
Address on file

With a Copy to:  
City Attorney  
c/o Aleshire & Wynder, LLP  
18881 Von Karman Avenue, Suite  
1700  
Irvine, CA 92612

Notices shall be deemed given as of the date of personal service or upon the date of deposit in the course of transmission with the United States Postal Service.

9.11 Bonding. The City shall bear the full cost of any fidelity or other bonds required of the City Manager by the Council or as required under any law or ordinance.

9.12 Conflicts Prohibited. During the term of this Agreement, City Manager shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict in any manner, with the proper discharge of Employee's duties under this Agreement. City Manager shall comply with all requirements of law, including but not limited to, Sections 87100 *et seq.*, Section 1090 and Section 1125 of the Government Code, and all other similar statutory and administrative rules. Whenever any potential conflict arises or may appear to arise, the obligation shall be on City Manager to seek legal advice concerning whether such conflict exists and City Manager's obligations arising therefrom.

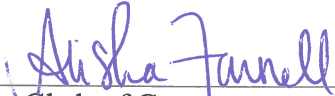
IN WITNESS WHEREOF, the CITY OF CYPRESS has caused this Agreement to be signed and executed on its behalf by its Mayor, and duly attested by its officers thereunto duly authorized, and CITY MANAGER has signed and executed this Agreement, both in duplicate.

CITY OF CYPRESS

  
\_\_\_\_\_  
Mayor of Cypress

Dated: \_\_\_\_\_

ATTEST:

  
\_\_\_\_\_  
City Clerk of Cypress

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of Cypress

CITY MANAGER

  
\_\_\_\_\_  
Peter Grant

9.11 Bonding. The City shall bear the full cost of any fidelity or other bonds required of the City Manager by the Council or as required under any law or ordinance.

9.12 Conflicts Prohibited. During the term of this Agreement, City Manager shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict in any manner, with the proper discharge of Employee's duties under this Agreement. City Manager shall comply with all requirements of law, including but not limited to, Sections 87100 *et seq.*, Section 1090 and Section 1125 of the Government Code, and all other similar statutory and administrative rules. Whenever any potential conflict arises or may appear to arise, the obligation shall be on City Manager to seek legal advice concerning whether such conflict exists and City Manager's obligations arising therefrom.

IN WITNESS WHEREOF, the CITY OF CYPRESS has caused this Agreement to be signed and executed on its behalf by its Mayor, and duly attested by its officers thereunto duly authorized, and CITY MANAGER has signed and executed this Agreement, both in duplicate.

CITY OF CYPRESS

\_\_\_\_\_  
Mayor of Cypress

Dated: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk of Cypress

APPROVED AS TO FORM:



\_\_\_\_\_  
City Attorney of Cypress

CITY MANAGER

  
\_\_\_\_\_  
Peter Grant

**FIRST AMENDMENT TO THE AMENDED AND RESTATED  
CITY MANAGER EMPLOYMENT AGREEMENT  
BETWEEN  
CITY OF CYPRESS AND PETER GRANT**

This FIRST AMENDMENT TO THE AMENDED AND RESTATED CITY MANAGER EMPLOYMENT AGREEMENT BETWEEN THE CITY OF CYPRESS AND PETER GRANT (the “First Amendment”) is made and entered into July 12, 2021, by and between the CITY OF CYPRESS, a charter city and municipal corporation (the “City”) and PETER GRANT, an individual (“City Manager”).

**RECITALS**

WHEREAS, effective September 28, 2020, the City Council of the City (the “City Council”) and City Manager entered into the Amended and Restated City Manager Employment Agreement Between City of Cypress And Peter Grant (the “Agreement”); and

WHEREAS, Section 9.3 of the Agreement allows for amendments of and extensions to the Agreement; and

WHEREAS, the City Manager was not provided a Cost of Living Adjustment (“COLA”) in the 2020 calendar year as part of the City’s initial COVID-19 pandemic response; and

WHEREAS, the parties now desire to amend the Agreement through this First Amendment to: i) extend the term of the Agreement for four years until July 22, 2026; ii) provide a one-time lump sum payment to the City Manager in the amount of \$7,077 in order to encourage his continued retention; iii) adjust the City Manager’s salary to \$255,156 effective July 9, 2021, to \$262,810 effective July 8, 2022, and to \$270,695 effective July 7, 2023; iv) beginning July 1, 2024, provide the City Manager the cost of living adjustments, compensation adjustments, across-the-board salary reductions equivalent to what is provided to executive management employees, and v) beginning July 1, 2021, provide the City Manager with any one-time payments equivalent to what is provided to executive management employees; and

WHEREAS, the City Manager desires to accept these employment terms as such from the City and has provided his written consent to the following terms and conditions in this First Amendment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, City and City Manager hereby agree as follows:

**AGREEMENT**

SECTION 1. The above recitals are incorporated by reference as if set forth in full herein.

SECTION 2. Section 2.2 of the Agreement is hereby amended to read, in its entirety, as follows:

“2.2 Term. The term of this Agreement shall commence as of the Effective Date specified in Section 2.1 and ending at midnight Pacific daylight savings time on July 22, 2026, subject to Sections 2.3, 2.5, 2.6, and/or 2.7. The term of the Agreement may be extended by mutual agreement of the parties in the manner as provided in Section 9.3 of this Agreement.”

SECTION 3. Section 5.1 of the Agreement is hereby amended to read, in its entirety, as follows:

“5.1 Annual Base Compensation. Effective July 9, 2021 (the first day of the first full pay period following July 1, 2021), City agrees to compensate City Manager for his services rendered hereunder at an annual salary of Two Hundred Fifty Five Thousand One Hundred and Fifty Six Dollars (\$255,156.00).

Effective July 8, 2022 (the first day of the first full pay period following July 1, 2022), City agrees to compensate City Manager for his services rendered hereunder at an annual salary of Two Hundred Sixty Two Thousand Eight Hundred and Ten Dollars (\$262,810.00).

Effective July 7, 2023 (the first day of the first full pay period following July 1, 2023), City agrees to compensate City Manager for his services rendered hereunder at an annual salary of Two Hundred Seventy Thousand Six Hundred and Ninety Five Dollars (\$270,695.00).

Effective July 1, 2024, City shall provide City Manager any cost of living adjustments (“COLA”) or compensation increases in an amount equivalent to any across-the-board COLAs or compensation increases the City Council determines, in its discretion, to provide to the City’s executive management employees. Likewise, City Manager’s compensation shall be reduced in an amount equivalent to any across-the-board salary reduction imposed on the City’s executive management employees.

City Manager’s salary may be adjusted, from time-to-time, in accordance with Section 5.3 hereinafter, or as this Agreement may be amended. Such salary shall be payable in installments at the same time as other executive management employees of City are paid. Such salary shall be adjusted for payroll taxes, workers’ compensation, and other payroll-related liability costs.”

SECTION 4. A new Section 5.5 is added to the Agreement, to read as follows:

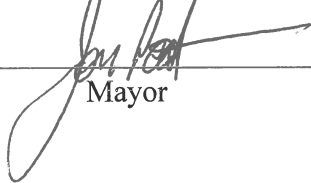
“5.5 One-Time Lump Sum Payments. In the first pay period following the approval of the First Amendment, the City Manager shall be paid a one-time, lump sum payment in the amount of Seven Thousand and Seventy Seven Dollars (\$7,077.00), in order to encourage City Manager’s continued retention under the terms of the Agreement. Such lump sum payment shall not be “compensation earnable” under CalPERS laws and regulations for purposes of calculating his CalPERS service retirement benefits.

Additionally, effective July 1, 2021, City Manager shall receive any one-time lump sum payments in an amount equivalent to any across-the-board one-time lump sum payments the City Council determines, in its discretion, to provide to the City’s executive management employees.”

SECTION 5. Except as expressly amended by this First Amendment, the underlying terms, conditions, and compensation of City Manager by City as and for his employment as City Manager shall be as set forth in the Agreement.

IN WITNESS WHEREOF, the CITY OF CYPRESS has caused this First Amendment to be signed and executed on its behalf by its Mayor, and duly attested by its officers thereunto duly authorized, and CITY MANAGER has signed and executed this First Amendment, both in duplicate.

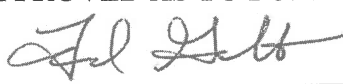
CITY OF CYPRESS

  
\_\_\_\_\_  
Mayor


ATTEST:

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

APPROVED AS TO FORM:

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

CITY MANAGER

  
\_\_\_\_\_  
PETER GRANT  
Dated: 7/14/21

[END OF SIGNATURES]

**SECOND AMENDMENT TO THE AMENDED AND RESTATED  
CITY MANAGER EMPLOYMENT AGREEMENT  
BETWEEN  
CITY OF CYPRESS AND PETER GRANT**

This SECOND AMENDMENT TO THE AMENDED AND RESTATED CITY MANAGER EMPLOYMENT AGREEMENT BETWEEN THE CITY OF CYPRESS AND PETER GRANT (the "Second Amendment") is made and entered into July 11, 2022, by and between the CITY OF CYPRESS, a charter city and municipal corporation (the "City") and PETER GRANT, an individual ("City Manager").

**RECITALS**

WHEREAS, effective September 28, 2020, the City Council of the City (the "City Council") and City Manager entered into the Amended and Restated City Manager Employment Agreement Between City of Cypress And Peter Grant (the "Agreement"); and

WHEREAS, effective July 12, 2021, the City Council and City Manager entered into the First Amendment to the Agreement ("First Amendment"); and

WHEREAS, Section 9.3 of the Agreement allows for amendments of and extensions to the Agreement; and

WHEREAS, the parties now desire to further amend the Agreement through this Second Amendment to: i) extend the term of the Agreement for one additional year from July 22, 2026 until July 31, 2027; ii) provide Cost of Living Adjustments ("COLA") to match (in percentage) any COLA that may be provided to the City's Executive Employees beginning following this Second Amendment; iii) extend the number of days within which the City Manager may not be terminated following any City Council election from 90 days to 150 days; iv) increase severance for termination without cause from 9 months to 12 months; v) add language to be included in the severance and general release agreement upon the City Manager's separation regarding non-disparagement; vi) repay to the City Manager 246.3326 unused hours of Paid Time Off ("PTO") leave donated by the City Manager to the COVID-19 pandemic catastrophic leave bank; vii) convert the City Manager's PTO to vacation and sick leave and provide that the City Manager will accrue vacation leave and sick leave instead of PTO going forward at the rate of 13.3334 hours per month for vacation and 8 hours per month for sick leave; and viii) provide an Automobile Allowance equivalent to that provided the City's executive management employees; and

WHEREAS, the City Manager desires to accept these employment terms as such from the City and has provided his written consent to the following terms and conditions in this Second Amendment.



NOW, THEREFORE, in consideration of the mutual covenants contained herein, City and City Manager hereby agree as follows:

### AGREEMENT

SECTION 1. The above recitals are incorporated by reference as if set forth in full herein.

SECTION 2. Section 2.2 of the Agreement is hereby amended to read, in its entirety, as follows:

“2.2 Term. The term of this Agreement shall commence as of the Effective Date specified in Section 2.1 and ending at midnight Pacific daylight savings time on July 31, 2027, subject to Sections 2.3, 2.5, 2.6, and/or 2.7. The term of the Agreement may be extended by mutual agreement of the parties in the manner as provided in Section 9.3 of this Agreement.”

SECTION 3. Section 2.6 of the Agreement is hereby amended to read, in its entirety, as follows:

“2.6 Termination Limitation. City and City Manager agree that the scope of City’s limitation upon its right to terminate the employment of City Manager shall be modified from that provided in City’s City Charter § 600 to require the following:

“Council may not terminate the employment of City Manager for a period of ninety (90) consecutive days prior to any election to fill any seat on Council or one hundred fifty (150) consecutive days following any election to fill any seat on Council.”

SECTION 4. Subsection 1(a) of Section 3.3 of the Agreement is hereby amended to read, in its entirety, as follows:

“(a) twelve (12) months’ base salary, or, if there are less than twelve (12) months remaining in the Term, an amount equal to the monthly salary of City Manager multiplied by the number of months left on the unexpired Term of the contract (in accordance with Government Code § 53260); and”

SECTION 5. Section 5.1 of the Agreement is hereby amended to read, in its entirety, as follows:

“5.1 Annual Base Compensation. Effective July 9, 2021 (the first day of the first full pay period following July 1, 2021), City agrees to compensate City Manager for his services rendered hereunder at an annual salary of Two Hundred Fifty Five Thousand One Hundred and Fifty Six Dollars (\$255,156.00).

Effective July 8, 2022 (the first day of the first full pay period following July 1, 2022), City agrees to compensate City Manager for his services rendered hereunder at an annual salary of Two Hundred Sixty Two Thousand Eight Hundred and Ten Dollars (\$262,810.00).

Following approval of the Second Amendment, City shall provide City Manager any COLA or compensation increases in an amount equivalent to any across-the-board COLAs or compensation increases the City Council determines, in its discretion, to provide to the City's executive management employees. Likewise, City Manager's compensation shall be reduced in an amount equivalent to any across-the-board salary reduction imposed on the City's executive management employees.

Effective July 7, 2023 (the first day of the first full pay period following July 1, 2023), City agrees to provide City Manager a three percent (3%) salary increase to his then-current salary.

City Manager's salary may be adjusted, from time-to-time, in accordance with Section 5.3 hereinafter, or as this Agreement may be amended. Such salary shall be payable in installments at the same time as other executive management employees of City are paid. Such salary shall be adjusted for payroll taxes, workers' compensation, and other payroll-related liability costs."

SECTION 6. Section 7.2, entitled "Automobile Allowance" shall be amended to read, in its entirety, as follows:

"7.2 Automobile Allowance. City Manager shall be afforded a vehicle allowance in an amount equivalent to that provided to all Executive Management Employees as set forth in the then-current version of the City of Cypress Schedule of Benefits - Executive and Mid-Management Employees which was most recently updated on September 13, 2021 pursuant to City Council Resolution 6859 ("Executive Employee Benefits Resolution"), in full compensation for usage of City Manager's personal vehicle for City-related business. (The current vehicle allowance amount is Four Hundred Dollars (\$400.00) per month.) City Manager shall be responsible for paying all liability, property damage and comprehensive insurance coverage on any vehicle he uses in the performance of his duties as City Manager as well as all purchase, operation, maintenance and repair costs for such vehicle(s)."

SECTION 7. Section 7.4, entitled "Paid Time Off or 'PTO' Benefits" shall be re-titled as "Vacation and Sick Leave" and shall be amended to read in its entirety as follows:

"7.4 Vacation and Sick Leave.

(1) Return of COVID-19 PTO Donation. During 2020 and 2021, City Manager donated a total of 250 hours of his Paid Time Off (“PTO”) Leave then on the books to the City’s pandemic catastrophic leave bank. Currently, 246.3326 of the hours the City Manager donated remain in the City’s pandemic catastrophic leave bank. Effective July 22, 2022, the 246.3326 PTO hours shall be returned to City Manager. City Manager shall elect, no later than July 31, 2022, to either cash out the returned PTO hours or to convert such hours to vacation or sick leave hours. Any cash out of returned PTO hours shall be calculated using City Manager’s then-current rate of compensation.

(2) Conversion of PTO to Vacation and Sick Leave. Effective July 22, 2022, City Manager’s PTO hours on the books as of that date (494 hours) shall be converted to vacation and sick leave hours as follows: 306 hours as vacation leave (62%) and 188 hours as sick leave (38%). Thereafter, City Manager shall no longer accrue PTO but will instead accrue vacation and sick leave as set forth in subsections (3) and (4) below.

(3) Vacation Leave. Effective July 22, 2022, City Manager shall accrue vacation leave at the highest accrual rate provided to all Executive and Mid-Management Employees as set forth in the then-current version of the Executive Employee Benefits Resolution, which is currently 13.3334 hours per month.

City Manager shall not accrue vacation leave in excess of 360 hours.

City Manager shall be eligible for vacation leave cash out annually as provided to the City’s Executive and Mid-Management Employees as set forth in the then-current version of the Executive Employee Benefits Resolution and subject to the terms and conditions set forth therein. Currently, City Manager may elect to cash out up to 80 hours of vacation leave in a calendar year, provided he has taken at least 40 hours of vacation leave in the preceding calendar year.

Upon separation, City Manager shall be paid in a lump sum all accrued vacation leave on the books then remaining.

(4) Sick Leave. Effective July 22, 2022, City Manager shall accrue sick leave at the highest rate provided to the City’s Executive and Mid-Management Employees, which is currently 8 hours per month.

City Manager shall be eligible for sick leave cash out annually and upon separation or retirement as provided to the City’s Executive and Mid-Management Employees as set forth in the then-current version of the Executive Employee Benefits Resolution and subject to the terms and conditions set forth therein. The current sick leave cash out benefits provided pursuant to the Executive Employee Benefits Resolution are summarized as follows:

a. Annual sick leave cash out. If City Manager has a minimum of 240 hours of accrued sick leave on the books as of December 1<sup>st</sup> in a given year, then he may elect prior to

December 15<sup>th</sup> of that year to cash out up to 48 hours of sick leave at 100% of his current rate of compensation, to be paid out during the subsequent December's special payroll. In the event City Manager has between 120 hours and 240 hours of accrued sick leave on the books as of December 1<sup>st</sup> in a given year, then he may elect prior to December 15<sup>th</sup> of that year to cash out up to 48 hours of sick leave at 50% of his current rate of compensation, to be paid out during the subsequent December's special payroll.

b. Cash out upon retirement or separation. Upon separation or retirement, in the event City Manager has a minimum of 480 hours of accrued unused sick leave, then he shall be entitled to receive fifty percent (50%) payment for that accumulated leave. In the event City Manager has between 240 and 480 hours of accrued unused sick leave at the time of separation, then he shall be entitled to receive fifty percent (50%) payment for any hours above 240 hours. No payment of unused sick leave will occur if the City Manager has less than 240 hours.

SECTION 8. A new section 9.13 shall be added to the Agreement, to read in its entirety as follows:

“9.13 Modification to Exhibit “A”, Form Severance Agreement and General Release. In the event that upon City Manager's separation, City and City Manager enter into a Severance Agreement and General Release, the form of which is attached to this Agreement as Exhibit “A”, that Severance Agreement and General Release Agreement shall include the following language pertaining to communications related to City Manager separation:

The Parties agree and commit to a mutual non-disparagement agreement as follows. The City agrees that it will not make any written or verbal statements on behalf of the City that disparages City Manager. The City further agrees that its current elected officials, while serving as an elected official of the City, will not make any disparaging comments about City Manager. City Manager agrees that he will not make any written or verbal public statements, to any person or entity, that are disparaging about the City, including its current elected officials. This section shall not be construed to prohibit the City from complying with the requirements of a request for records under the Public Records Act, California Government Code §6250 *et seq.* The Parties agree to draft a joint press release or statement, the content of which is mutually agreeable to the City and the City Manager. The joint press release or statement shall not contain any text or information that is disparaging to either party. Either party may verbally repeat the substance of the joint press release or statement in response to any inquiry.

SECTION 9. Except as expressly amended by the First Amendment and this Second Amendment, the underlying terms, conditions, and compensation of City Manager by City as and for his employment as City Manager shall be as set forth in the Agreement.

IN WITNESS WHEREOF, the CITY OF CYPRESS has caused this Second Amendment to be signed and executed on its behalf by its Mayor, and duly attested by its officers thereunto duly authorized, and CITY MANAGER has signed and executed this Second Amendment, both in duplicate.

CITY OF CYPRESS



Paulo Morales, Mayor

ATTEST:



Alisha Farnell, City Clerk

APPROVED AS TO FORM:



Fred Galante, City Attorney

CITY MANAGER



PETER GRANT

Dated: 8/1/22

[END OF SIGNATURES]