



AGENDA REPORT

Meeting Date: October 6, 2015
Item Number: F-1
To: Honorable Mayor & City Council
From: Laurence S. Wiener, City Attorney
Subject: **EMPLOYMENT AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND MAHDI ALUZRI**
Attachment: 1. Agreement

INTRODUCTION

This Agreement will employ Mahdi Aluzri as City Manager.

DISCUSSION

Following a national search and interviews of several top candidates, the City Council has identified Mahdi Aluzri as its selection to serve as the new City Manager of Beverly Hills. As everyone is aware, Mr. Aluzri has a long history with the City of Beverly Hills and in local government. He began working with the City in 1987 and most recently served as Interim City Manager following the retirement of Jeff Kolin. Immediately preceding that, Mr. Aluzri served as Assistant City Manager since 2009. The appointment of Mr. Aluzri as City Manager will continue his current City employment without interruption.

The attached employment agreement is for a term of five years from October 6, 2015 to Friday, October 30, 2020. The base salary for Mr. Aluzri will be \$302,400. Unlike prior City Managers, he will pay his own CalPERS member contributions. The salary rate will be retroactive to February 1, 2015, when Mr. Aluzri was appointed to the City Manager position on an interim basis with any adjustment to compensation to be determined at a later date. The agreement also includes deferred compensation in an amount equal to three percent of base salary. Mr. Aluzri will receive retirement and medical benefits similar to other executive employees.

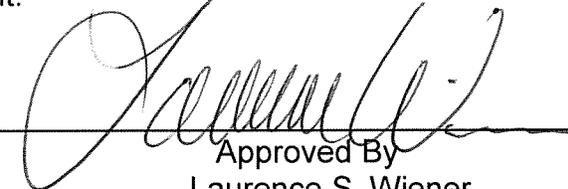
The City Council will review Mr. Aluzri's performance annually in June of each year. At that time, the City Council may, but is not required to, consider any cost

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of living increase in salary, performance pay, or any other change in compensation.

FISCAL IMPACT

The City Manager's compensation is included in the budget and the total compensation provided to Mr. Aluzri will be less than that provided to his predecessor. Therefore, there will be no material budget impact associated with approving this Agreement.


Approved By
Laurence S. Wiener

Attachment 1

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement"), made as of October 6, 2015, is entered into by and between the City of Beverly Hills, a California municipal corporation, ("Employer" or "City") and Mahdi Aluzri, ("Employee"), an individual.

Section 1: Term

Unless sooner terminated, as provided in this Agreement, this Agreement shall remain in full force and effect from October 6, 2015, to and including October 30, 2020. Employee is currently employed by City and this Agreement continues his employment without interruption.

At the time of the third annual performance review pursuant to Section 12, the parties will discuss whether to extend the term of this Agreement.

Section 2: Duties and Authority

Employer agrees to employ Employee as City Manager, and, at discretion of Employer, as Executive Director of any authority or agency created or staffed by Employer, to exercise the powers and authority and to perform the functions and duties specified in the Beverly Hills Municipal Code and all relevant resolutions, rules, regulations, procedures, applicable job description(s) and state codes, as they currently or may in the future exist. Employee shall exercise such power and authority and perform such other functions and duties, not inconsistent with this Agreement, as Employer, by its City Council, may legally assign.

Section 3: Compensation

A. Employer agrees to pay Employee an annual base salary of \$302,400.00 (Three Hundred Two Thousand Four Hundred and No/100 dollars), subject to legally permissible or required withholding, prorated and paid on Employer's normal paydays. The salary rate will be retroactive to February 1, 2015, the date on which Employee was appointed Interim City Manager without a change in salary, at that time leaving the actual salary for future consideration.

B. Beginning in June of 2016, Employer, by its City Council, will conduct an annual salary review in conjunction with the annual performance review as set forth in Section 12. The City Council may, but is not required to, consider or approve cost of living increases, bonuses, incentives, merit increases, performance pay or other compensation enhancements in conjunction with the annual salary review. Employee will request and schedule such reviews, as appropriate, pursuant to City Council agenda procedures or as otherwise directed by City Council. Performance pay, if any, shall be in an amount as determined by the City Council, up to and including 10% of the

annual base salary, based on the level of completion of goals identified by the City Council.

Section 4: Health, Disability and Life Insurance Benefits

A. Employer shall provide a medical health insurance program to Employee and his dependents. The City's present medical insurance plan is the PERS medical insurance plan, as provided under the Public Employees' Medical and Hospital Care Act (PEMHCA).

The City shall contribute the PERS statutory minimum toward the cost of providing medical insurance on behalf of each participant in this program. A participant is defined as 1) Employee and dependents, 2) an enrolled retiree and dependents, and 3) a surviving annuitant.

In addition, in order to enhance the City's Flexible Benefits (Cafeteria) Plan the City shall provide a monthly benefit contribution (in addition to the PERS statutory minimum contribution to medical insurance for all participants) to use to pay for Employee's selected I.R.S. qualified benefits as detailed in this Section. The monthly benefit, including the PERS Statutory minimum, is \$1,966.72 for the purchase of the eligible medical, dental and optical insurance benefits through December 31, 2015, and \$2,100.00 thereafter.

If after selection of the various I.R.S. qualified benefits as detailed in this section, Employee has benefit contribution left over, Employee shall receive, in a taxable cash payment added to his or her bi-weekly payroll, that amount as determined by the difference between the employee's selected benefits and the monthly benefit amount, subject to a maximum limit of \$600. If Employee "spends" more than what is allocated by the City in the Flexible Benefits (Cafeteria) Plan monthly allotment, the difference shall be deducted from Employee's pay on a bi-monthly basis. Terms will be as specified in the applicable plan document(s) and any conflict will be resolved in favor of the plan document.

B. The various I.R.S. qualified benefits offered by the City are as follows:

1. Medical Insurance

The City shall provide a medical insurance program to Employee. The cost of the coverage may vary, and is also contingent upon the number of dependents claimed.

In the event Employee is on leave without pay as a result of an illness or injury and has exhausted 50% of vacation leave and all sick leave credit, the City shall pay Employee's applicable cafeteria plan contribution amount for one month for each full year of Employee's City service or major portion thereof.

The City shall pay the applicable cafeteria plan contribution amount for Employee and dependents, if any, during the continuous periods of Employee's unpaid absence if caused by an injury while on duty or job related illness. The payment shall be at the rate of one month's applicable cafeteria plan contribution for each full year of Employee's City service or major portion thereof.

2. Dental Insurance

The City shall provide a choice of one or more dental insurance plans to Employee. The cost of the coverage may vary and is also contingent upon the number of dependents enrolled and the level of plan services.

3. Optical Insurance

The City shall provide one or more optical insurance plans to Employee. The cost of the coverage may vary, contingent upon the number of dependents and/or spouse or domestic partner enrolled.

C. Employee shall be entitled to a three hundred thousand dollar (\$300,000) term life insurance policy under the City's life insurance program. The full premium for such policy shall be paid for by the City under the life insurance program of its choosing. Employee shall have the option to purchase additional life insurance at the City's unit cost, if available. Employee shall name the beneficiary of the life insurance policy.

D. The City shall contract for a long-term disability insurance plan for Employee. Employee shall be required to participate in the long-term disability insurance plan at his own expense.

E. Employer may provide to Employee extended disability base pay and benefits (less legally required deductions) continuance in the event that Employee sustains an injury or illness causing long term disability. This continuance shall be up to 90 days, as approved by City Council, at its sole discretion. After this period, the City's Extended Disability Base Pay and Benefits Continuance shall stop. To qualify for this pay and benefits continuance, Employee must notify Human Resources in writing immediately upon becoming aware that an injury or illness may result in a long term disability. Human Resources, in consultation with the Risk Management Division, will contact the Employee's physicians and medical treatment centers as may be appropriate to determine the severity and scope of injury/illness and probable length of absence of Employee. Employee must also make himself available for examination by a City appointed physician (at City expense). Employee must file for disability insurance within the prescribed insurance required time-lines and provide the City with a written statement from a physician, detailing Employee's injury or illness and recommending disability leave.

No Extended Disability Base Pay and Benefits Continuance shall be granted for Employee if he does not follow the procedures as set forth in this paragraph E, or does not qualify for disability insurance.

Employee shall not receive a monetary amount greater than he would normally receive if he had been working under normal conditions. Any disability indemnity received by Employee from the State of California for the purpose of insuring a weekly or monthly income as the result of the same work incurred injury for which Employee is receiving extended disability base pay and benefits continuance from the City shall be paid to the City.

F. Retirement Health

1. Retirement Medical Benefit

Employer shall provide a retiree health insurance benefit as follows:

- a. Employee must complete a minimum of 5 years of full time employment with the City of Beverly Hills, which shall be measured from the time that Employee began employment in 2009 as Assistant City Manager; and
- b. Receive a service retirement from the City of Beverly Hills; and
- c. Remain continuously retired from the City of Beverly Hills without reinstatement to active status with PERS. To remain eligible for this benefit, Employee cannot work for another PERS contracting agency and make contributions to PERS to enhance his retirement and cannot be eligible for further PERS benefits.

If Employee meets these conditions, the City shall continue to pay the difference between the minimum required under Government Code Section 22892 (b)(2) or its successor and the actual cost of medical insurance up to the two-party rate of the PERSCare plan under PERS for Employee and for the spouse or surviving spouse subject to the conditions below:

i) A spouse includes any marriage, domestic partnership or civil union partner eligible for coverage under the applicable plan documents, such as a spouse, husband, wife or registered domestic partner.

ii) Employee must elect City premium contributions above the statutory minimum for a surviving spouse upon the spouse first being eligible for coverage under the City's plan, at a cost of \$10.00 per month while Employee is employed and paid by payroll deduction based on a reduction in the City's contribution toward coverage above the statutory minimum. If Employee does not timely elect and pay the \$10 monthly charge, then Employee may not later elect surviving spouse premium contributions. Employee payments are not refundable, even if Employee leaves City service without retiree medical coverage, gets divorced, terminates a domestic partnership or is otherwise unable to take advantage of surviving spouse premium contributions.

2. Retirement Dental Benefit

Upon retirement, Employee can continue in the City's dental plans, at his own expense to the extent and subject to the terms and conditions of the then-applicable plan document. The City reserves the right to modify or discontinue retiree dental based on availability, market conditions and other factors.

3. Retirement Optical Benefit

Upon retirement, Employee can continue in the City's optical plan, at his own expense to the extent and subject to the terms and conditions of the then-applicable plan document. The City reserves the right to modify or discontinue retiree optical based on availability, market conditions and other factors.

Section 5: Vacation, Sick and Other Leave

A. Employee shall continue to accrue vacation time at the rate of 160 hours annually, prorated and credited each pay period.

B. Employee will continue to receive up to 120 hours of administrative leave each calendar year. At the end of each calendar year, upon Employee's request, Employee will receive cash payment for up to 80 hours of administrative leave granted to Employee but not taken as time off during the calendar year. Any administrative leave that Employee has neither used nor converted to cash payment will rollover to the next calendar year. On the first working day of each calendar year, the City will credit Employee with additional administrative leave as necessary to restore Employee's administrative leave balance for that calendar year to a maximum of 120 hours.

C. Vacation and other paid leaves susceptible to advance scheduling shall be scheduled with the City Council in advance. When a holiday falls within Employee's vacation leave, the leave time shall be extended or credited by the amount of the holiday time. Employee shall accumulate accrued vacation up to a maximum of 240 hours. The current year accrual shall not be included in the accumulation. At the end of each calendar year, upon Employee's request, Employee, if Employee has 240 hours or more, can receive cash payment for up to 80 vacation hours earned but not taken during the calendar year. If Employee is above the limit at the end of the calendar year (following cash payment, if any), Employee will receive no additional vacation accumulation until his accumulation is below the limit.

D. Employee shall continue to accrue sick leave at the rate of 8 hours for each month of employment at the equivalent of 3.63 hours per biweekly pay period.

E. All leave balances accrued by Employee during his employment as Assistant City Manager and Interim City Manager will carry over to his continued employment as City Manager.

1. Job Connected Disability

Except as provided herein, Employee shall be entitled to use accumulated sick leave during any period for which he is entitled to receive temporary disability indemnity under Division 4 (Section 3201, et seq.) of the Labor Code of the State. If Employee is entitled to receive such temporary disability indemnity, Employee may elect (for a period not to exceed twelve (12) months after he first makes such election) to use as much of his accumulated sick leave or accumulated vacation, so when added to his disability indemnity, will result in a payment to him of not more than full base pay or wage.

2. Sick Leave Incentive

Employee, if he accrues 72 hours or more of sick leave in any payroll year, may convert up to 24 hours of sick leave to cash during the month of January of the following year. The limit of payment shall be 24 hours per year.

E. Employee may use 40 hours of bereavement leave, per calendar year, in the event of the death of a family member, herein defined as a spouse, registered domestic partner, parent, brother, sister, child, grandparent, or in-law of Employee. In the event Employee needs additional time off for this leave, he may use up to 40 hours of sick leave per calendar year.

F. If Employee is required to serve as a witness pursuant to a lawful subpoena in any judicial or quasi judicial proceeding or is required to serve as a juror, Employee shall be allowed time off without loss of pay to perform such duties. However, Employee shall not be allowed time off without loss of pay if Employee is a party to the matter for reasons other than actions within the scope of Employee's current or past public employment. All fees to which Employee is entitled by law for such service shall be paid (less transportation allowance, if any) to the City.

G. Employee shall be entitled to the following paid holidays if Employee worked the regularly assigned work period the day before and the day after the holiday or was absent on authorized paid leave during said period:

New Year's Day	January 1
Martin Luther King Day	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Fourth Friday in November
Christmas Day	December 25

If the following holidays (January 1, July 4, November 11, and December 25) fall on a Saturday, the preceding Friday shall be considered the holiday; if the holiday falls on Sunday, the following Monday shall be considered the holiday.

H. Employee shall be entitled to two additional paid holidays each calendar year. Said holidays may be taken at Employee's discretion. Said holidays are not accruable and shall not be paid for if not taken.

Section 6: Reserved

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Section 7: Retirement and Reimbursement Plans

A. Employee shall be enrolled in Employer's retirement plan with the California Public Employees' Retirement System ("PERS"), subject to the applicable benefit formula, terms and conditions provided in the contract between Employer and PERS and also subject to applicable law and regulations.

B. Employee will pay the 8% (miscellaneous) member contributions applicable as a "classic" member under the City's plan.

C. Employee may participate in Employer's deferred compensation plan according to the terms and conditions of the applicable plan documents.

1. Any Employer contributions made on behalf of executive or any other employees, under a compensation plan or otherwise, shall not be applicable to Employee.

2. Employer shall contribute an amount equal to three percent (3%) of the Employee's annual base salary on behalf of the Employee to the Employer's deferred compensation plan, prorated and credited each pay period.

3. Employee may convert accumulated sick leave to base pay. The extra pay may only be used to fund "catch up" contributions to deferred compensation. The following restrictions apply to this sick leave conversion program.

a. Employee must have a minimum of 7 years of service with the City of Beverly Hills; and

b. Employee's sick leave accumulation cannot be reduced below 240 hours; and

c. The conversion is limited to the time period allowed by the IRS for "catch-up" provisions in 457, 401(k) and other plans as adopted by the City and the conversion can be used only for funding these deferred compensation "catch-ups"; and

d. A conversion of no more than \$9,500 per calendar year is allowed;
and

e. The conversion will be at the then existing sick leave payoff percentage.

D. Employee may participate in Employer's medical reimbursement, childcare reimbursement, retiree health savings and any similar plan based exclusively on Employee contributions and according to the terms and conditions of the applicable plan documents.

Section 8: General Business Expenses

A. Subject to the limitation and adjustments as provided in Paragraph E below, Employer agrees to budget and to pay for professional dues and subscriptions of Employee necessary for continuation and participation in national, regional, state, and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer. Employer recognizes that certain dues are assessed as a percent of salary. At the request of Employee, Employer may, in its sole discretion, consider an increase in the budget for the professional dues and subscriptions under this paragraph in conjunction with any increase in compensation used as a base to calculate dues.

B. Subject to the limitation and adjustments as provided in Paragraph E below, Employer agrees to budget and to reimburse or pay for reasonable costs for attendance and participation in meetings, institutes, training programs, conferences, conventions and similar gatherings related to Employee's duties or Employer's operations and held in the continental United States. For purposes of this paragraph, reasonable expenses are limited to the reasonable and actual cost of registration, airfare (where applicable), ground transportation and meals. Reasonable expenses will also include the reasonable and actual cost of lodging for meetings outside of Los Angeles and Orange Counties. All expenses must otherwise be incurred and submitted according to Employer's normal expense reimbursement procedures, with documentation meeting Employer's normal requirements and within time limits established by Employer.

C. The expenses to be budgeted and paid in Section 8, Paragraphs A and B, above, are exclusive of reasonable expenses related to events or participation in organizations required by the City Council or attendance at events or meetings on behalf of the City as requested by a City Council member. Employer will separately budget and pay for membership and participation in community, civic or other organizations or events in which Employer requires Employee to participate. To the extent applicable and to the extent permissible under California law, Employer shall pay the reasonable cost of membership and participation by Employee's spouse.

D. Employer recognizes that Employee may incur certain expenses of a non-personal but job related nature. Employer agrees to reimburse or to pay such business expenses, which are incurred and submitted according to Employer's normal expense

reimbursement procedures or such other procedure as may be designated by the City Council. To be eligible for reimbursement, all expenses must be supported by documentation meeting Employer's normal requirements and must be submitted within time limits established by Employer.

E. The combined total limit of applicable reimbursement under Section 8, Paragraphs A and B, is \$4,000 per fiscal year. Commencing with the 2021/2022 fiscal year, the dollar amounts specified for this Section 8, Paragraphs A and B, above, shall be prospectively adjusted each fiscal year by a factor measured by the increase, if any, in the Consumer Price Index for All Urban Consumers (CPI-U), Los Angeles-Riverside-Orange County statistical area, average, all items, 1982-84=100, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for January of each year and measuring the change, if any, for the preceding 12 months. If the 1982 base of the specified consumer price index is changed, the 1982 base shall be converted to the new base in accordance with tables issued by the Bureau. If the specified consumer price index is discontinued, the 1982 base cannot be so converted or the specified consumer price index otherwise cannot be used, the City may select an alternate index, in its discretion.

Section 9: At-Will Employment Relationship

A. Consistent with Beverly Hills Municipal Code Section 2-5-206 and California Government Code Section 36506, Employee is appointed by and serves at the pleasure of the City Council. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employer to terminate this Agreement and the employment of Employee at any time, with or without cause. Employer shall pay Employee for all services through the effective date of termination and Employee shall have no right to any additional compensation or payment, except as provided in Section 10, Severance, below.

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign from his employment with Employer, subject only to Employee providing sixty (60) calendar days prior written notice to Employer.

Section 10: Severance

A. If Employer terminates this Agreement (thereby terminating Employee's employment) without cause, Employer shall pay Employee severance as follows:

1. If termination is effective on or before October 30, 2017, Employer shall pay Employee a lump sum severance benefit equal to twelve (12) months of his then applicable base salary.

2. If termination is effective following the period specified in Sub-Paragraph 1, above, and on or before October 30, 2019, Employer shall pay Employee a lump sum severance benefit equal to nine (9) months of his then applicable base salary.

3. If termination is effective following the period specified in Sub-Paragraphs 1 and 2, above, and before October 30, 2020, Employer shall pay Employee a lump sum severance benefit equal to six (6) months of his then applicable base salary, subject to Sub-Paragraph F of this Section.

B. If Employer terminates this Agreement (thereby terminating Employee's employment) with cause, Employee shall not be entitled to any severance. As used in this Agreement, cause shall mean any of the following:

1. Conviction of a felony;
2. Conviction of a misdemeanor arising out of Employee's duties under this Agreement and involving a willful or intentional violation of law;
3. Continued willful abandonment of duties following a ten day written notice to cure from the City Council;
4. A pattern of repeated, willful and intentional failure to carry out materially significant and legally constituted policy decisions of the City Council made by the City Council as a body; and
5. Any other action or inaction by Employee that materially and substantially impedes or disrupts the performance of Employer or its organizational units, is detrimental to employee safety or public safety, violates properly established rules or procedures, adversely affects the reputation of City, its officers or employees, or has a substantial and adverse effect on Employer's interests.

C. Except as otherwise mutually agreed, any dispute as to whether severance is excused under Section 10, Paragraph B, shall be referred to arbitration before a single neutral arbitrator selected from a list of seven (7) arbitrators requested from the California State Mediation and Conciliation Service. Employer will strike the first name and the parties will alternate striking names until one person is left who shall be designated as the arbitrator. Each party shall initially pay one half the cost of the arbitration. The prevailing party in the arbitration shall be entitled to reasonable attorney fees and that party's costs of arbitration.

D. If Employee terminates this Agreement (thereby terminating Employee's employment), Employee shall not be entitled to any severance.

E. At termination, for whatever reason, Employee will be compensated for all accrued but unused vacation leave. The rate of pay off shall be based on the rate of pay at the time of termination.

At termination, Employee shall be eligible for sick leave pay upon termination of employment with the City. The rate of sick leave pay off shall be calculated as follows:

- For the first 7 years since becoming employed by the City in 2009 - 4% of accrued, unused sick leave per full year of service.

- For each year thereafter - 6% of accrued, unused sick leave per full year of service to a maximum of 100%.
- Sick leave pay off shall be calculated at the rate of base pay received by Employee at the time of termination.

At termination, Employee shall receive a pro-rated amount of administrative leave unused during the calendar year of departure at the rate of 10 hours per month up to a maximum of 80 hours.

F. Any other term of this Agreement notwithstanding, the maximum severance that Employee may receive under this Agreement shall not exceed the limitations provided in Government Code Sections 53260 – 53264 or other applicable law. Further, in the event Employee is convicted of a crime involving an abuse of office or position, Employee shall reimburse City for any paid leave or cash settlement (including severance), as provided by Government Code Sections 53243 – 53243.4.

Section 11: Reserved

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Section 12: Annual Performance Evaluation

The City Council shall conduct a performance evaluation to begin during June, 2016 and annually each June thereafter. At the request of Employer or Employee, such evaluation shall be professionally facilitated by a facilitator approved by the City Council. Employee will request and schedule the evaluation, as appropriate under City Council agenda procedures, or as otherwise directed by City Council.

Section 13: Employee's Obligations and Hours of Work

Employee shall devote his full energies, interest, abilities and productive time to the performance of this Agreement and utilize his best efforts to promote Employer's interests. Employee's duties may involve expenditures of time in excess of the regularly established workday or in excess of a forty (40) hour workweek and may also include time outside normal office hours (including attendance at City Council meetings). Employee's base salary includes compensation for all hours worked and Employee shall be classified as an exempt employee for purposes of overtime and wage and hour law. In recognition of the significant time Employee will need to devote outside normal office hours to business activities of Employer and the exempt, salaried nature of the employment, Employee is permitted to exercise a flexible work schedule. However, consistent with this flexibility and Employee's participation in activities out of the office, Employee will generally be expected to keep office hours at City Hall, Monday through Friday during normal business hours.

Section 14: Outside Activities

Employee shall not engage in any employment, activity, consulting service or enterprise, for compensation or otherwise, which is actually or potentially in conflict with or inimical to, or which materially interferes with, his duties and responsibilities to Employer. Further, Employee shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the City of Beverly Hills (except for stock ownership in any company whose capital stock is publicly held and regularly traded) without prior approval of the City Council. For and during the term of this Agreement, Employee further agrees, except for a personal residence or residential property acquired or held for future use as Employee's personal residence, not to invest in any other real estate property improvements within the City without the prior consent of the City Council.

Employee shall not engage in consulting, expert witness testimony, speaking, or other business for which compensation of more than fifty dollars (\$50) is paid in any one year without express prior consent of the City Council, which may be withheld in the sole discretion of the City Council. Free admission, and refreshments and similar non-cash nominal benefits provided to Employee during an event at which Employee gives a speech, participates in a panel or seminar, or provides a similar service, and actual intrastate transportation and any necessary lodging and subsistence provided directly in connection with the speech, panel, seminar, or service, including but not limited to meals and beverages on the day of the activity, shall not be considered compensation for the purposes of this Section 14. Employee will take personal leave (i.e. vacation time or administrative leave) for all compensated outside activities that occur during normal business hours.

Section 15: Reserved

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Section 16: Reserved

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Section 17: Indemnification

Employer will defend and indemnify Employee, using legal counsel of Employer's choosing, against legal liability for acts or omissions by Employee occurring in the course and scope of employment under this Agreement, in accord with California Government Code Sections 825, 995, and 995.2 – 995.8 and other applicable provisions of California law. In the event independent counsel is required for Employee, Employer may select and will pay the reasonable fees of such independent counsel. However, in the event City provides funds for legal criminal defense pursuant to this section and terms of the Government Code, Employee shall reimburse the City for such legal criminal defense funds if Employee is convicted of a crime involving an abuse of office or position, as provided by Government Code Sections 53243 – 53243.4.

Section 18: Bonding

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

Section 19: Other Terms and Conditions of Employment

Employer may fix other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement or applicable law.

Section 20: Notices

Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- (1) EMPLOYER: City of Beverly Hills
c/o City Clerk
455 N. Rexford Drive
Beverly Hills, California 90210

With a courtesy copy to:
City Attorney
City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, California 90210

- (2) EMPLOYEE: Mahdi Aluzri
at the home address then shown in Employer's files

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 21: General Provisions

A. **Integration:** This Agreement sets forth the final, complete and exclusive agreement between Employer and Employee relating to the employment of Employee by Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. Without limitation to the foregoing, the employment agreement between Employer and Employee, designated Agreement Number 569-10, for employment as Assistant City Manager is terminated as of the date of this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement. The foregoing notwithstanding, Employee acknowledges that, except as expressly provided in this Agreement, his

employment is subject to Employer's generally applicable rules and policies pertaining to employment matters, such as those addressing equal employment opportunity, sexual harassment and violence in the workplace, as they currently or may in the future exist.

B. **Binding Effect:** This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

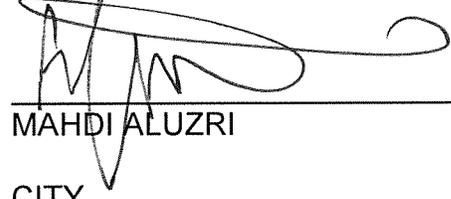
C. **Choice of Law:** This Agreement shall be interpreted and construed pursuant to and in accordance with the local laws of the State of California and all applicable City Codes, Ordinances and Resolutions.

D. **Severability:** If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

E. **Employee's Independent Review:** Employee acknowledges that he has had the opportunity and has conducted an independent review of the financial and legal effects of this Agreement. Employee acknowledges that he has made an independent judgment upon the financial and legal effects of this Agreement and has not relied upon any representation of Employer, its officers, agents or employees other than those expressly set forth in this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date and year first written above.

EMPLOYEE



MAHDI ALUZRI

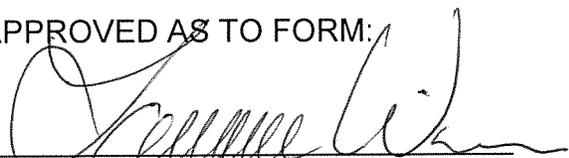
CITY

CITY OF BEVERLY HILLS
A California Municipal Corporation

by: _____
Julian A. Gold, M.D.
Mayor of the City of
Beverly Hills, California

ATTEST:

_____(Seal)
BYRON POPE
City Clerk

APPROVED AS TO FORM:


LAURENCE S. WIENER
City Attorney