



SACOG Board of Directors

Item #17-1-5
Consent

January 12, 2017

Approve Employment Agreement with New Chief Executive Officer

Issue: Employment agreement with the new Chief Executive Officer

Recommendation: The Strategic Planning Committee recommends that the Board approve an employment agreement with James Corless.

Committee Action/Discussion: In September 2016, the Board of Directors selected James Corless as Chief Executive Officer of SACOG effective April 1, 2017. The Board also authorized the Board Chair, Vice-Chair, and Chief Operating Officer to negotiate the final terms and conditions of a contract with Mr. Corless. The Chair, Vice-Chair and Chief Operating Officer negotiated a contract with Mr. Corless, which is coming before the Strategic Planning Committee to recommend final approval to the Board of Directors

Attached is the contract with Mr. Corless.

Approved by:

Kirk E. Trost
Interim Chief Executive Officer

Attachment

Key Staff: Erik Johnson, Manager of Policy & Administration, (916) 340-6247

EMPLOYMENT AGREEMENT

This Agreement is between Sacramento Area Council of Governments (hereinafter referred to as "SACOG") and James Corless (hereinafter referred to as "Corless" or "Employee") and is effective April 3, 2017.

RECITALS

SACOG desires to employ Corless as Chief Executive Officer of SACOG. Corless desires to serve as Chief Executive Officer of SACOG.

The SACOG Board, as appointing power, and Corless, wish to agree in writing to the terms and conditions of Corless, employment as Chief Executive Officer.

TERMS

1. DUTIES

- A. SACOG agrees to employ Corless as Chief Executive Officer of SACOG to perform the functions and duties specified in the Joint Powers Agreement and resolutions of SACOG, and to perform other legally permissible and proper duties and functions as the Board may from time to time assign.
- B. Corless shall perform his duties to the best of his abilities in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by SACOG.
- C. Corless shall not engage in any activity, which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Prior to performing any services under this Agreement and annually thereafter, Corless must complete disclosure forms required by the Fair Political Practices Commission.
- D. All provisions of the Personnel Rules of SACOG, and any applicable policies and procedures pertaining to personnel administration, shall be applicable to Corless to the extent they are not inconsistent with the terms of this Agreement. To the extent of any conflict, this agreement, and not the Personnel Rules, policies or procedures, shall prevail.
- E. Corless understands that he is a management employee and, as such, is exempt from federal and state laws as they may pertain to overtime compensation. Corless shall be allowed to establish an appropriate work schedule and normally, shall work 40 hours per week. Corless understands, however, and agrees that he will give such effort and time to the job as is necessary to satisfactorily complete his assignments.

2. TERM

- A. The term of the Agreement shall be April 3, 2017, and remain in effect the earliest of the following
 - 1) Termination by either party in accordance with the provisions set forth in Paragraph 3; or
 - 2) The death or permanent disability of the Employee.
- B. Employee agrees to remain in the exclusive employment of SACOG during the term of this Agreement.

3. RESIGNATION AND TERMINATION

- A. Employee may resign at any time, and agrees to give SACOG thirty (30) days' advance written notice of the effective date of his resignation.
- B. SACOG may terminate Employee immediately upon written notice.
- C. The parties recognize and affirm that:
 - 1) Employee is an "at will" employee, whose employment may be terminated by SACOG without cause.
 - 2) There is no express or implied promise made to Employee for any form of continued employment.
 - 3) This Agreement is the sole and exclusive basis for an employment relationship between Employee and SACOG.
 - 4) The decision to terminate may be made in closed session, consistent with the Ralph M. Brown Act, and announced in a public meeting. In recognition of Employee's professional status and integrity, Employee and the Board shall attempt to prepare a joint public statement to be made by the Board at the public meeting when termination is confirmed.
 - 5) The Employee may choose to resign his office rather than being terminated if an action by the Board to terminate has been made in closed session. In such an event, the public announcement provided for in paragraph C(4) above will note Employee has resigned, and paragraph 4 (Severance Pay) shall remain applicable.

4. SEVERANCE PAY

If employee is terminated by the Board (pursuant to paragraphs 3.B and 3.C, above) while still willing and able to perform the duties of Chief Executive Officer, SACOG agrees to pay Employee a cash payment determined as follows: the equivalent of one month of salary as severance pay for each year of service, with minimum of the equivalent of four (4) months' salary, and a maximum of six (6)

months' salary. Such payment will release SACOG from any further obligations under this Agreement, and

Employee will execute a release of all claims related to his employment and the termination thereof as consideration for the severance payment. Provided, however, if Employee is terminated because of any criminal offense involving moral turpitude, conflict of interest, or incompatibility of office, SACOG shall have no obligation to continue the employment of Employee, and may terminate employee pursuant to Paragraph 3.C(4) with no obligation to pay the severance set forth in this paragraph.

5. SALARY

- A. SACOG agrees to pay Employee a base salary of \$216,000 per year, payable in monthly installments, at the same time as other employees of SACOG are paid, and subject to customary withholding requirements.
- B. The Board of Directors shall develop a system of performance-based pay that will determine incremental salary adjustments. Each year at the time of the performance review, the Chief Executive Officer and Board of Directors shall develop and agree upon a list of performance standards for the following year.

6. SUPPLEMENTAL BENEFITS

- A. SACOG shall provide to the Chief Executive Officer the same benefits as may be provided to management employees, and as they may be amended from time to time.
- B. In addition to base salary, SACOG agrees to contribute \$350.00 per month to a 401(a) defined contribution plan on Employee's behalf.
- C. In addition to the compensation referred to in paragraphs 5.A. and 5.B. above, SACOG agrees to contribute an amount equivalent to 5% of Employee's then current base salary to a 457 deferred compensation plan on Employee's behalf.
- D. SACOG shall reimburse Corless \$90 per month for actual expenses related to use of a cellphone or other data services related to his job.
- E. All actions taken by SACOG relating to the benefits for all other SACOG employees shall be considered actions granting the same benefits to the Chief Executive Officer.
- F. As used herein, "benefits" include, but are not limited to: holidays, sick leave, cost of living increases, retirement benefits and payments, health insurance, vision insurance, and dental insurance.

G. Employee shall be entitled to thirty-five (35) days of Paid Time Off (PTO) vacation each year, awarded monthly on a pro rata. Employee shall be granted an initial allocation of fifteen (15) days of PTO effective his first day of employment.

H. SACOG shall purchase a term life insurance policy for Employee, payable to a beneficiary of Employee's choosing, in the amount of \$300,000. The entire cost of such life insurance policy shall be borne by SACOG.

7. PERFORMANCE EVALUATION

The SACOG Board shall evaluate Employee's performance at least annually. The Board and Employee will set goals and objectives for the ensuing year.

8. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

The Board, by resolution, shall fix any other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with provisions of this Agreement, or with federal or state law.

9. NOTICES

A. Any notices required by this Agreement shall be in writing and either given in person, or by first class mail, with the postage prepaid and addressed as follows:

TO SACOG: Board of Directors
c/o Chair, Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814

TO EMPLOYEE: James Corless, Chief Executive Officer
Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814

10. ENTIRE AGREEMENT

This Agreement is the final expression of the complete agreement of the parties with respect to the matters specified herein and supersedes all prior oral or written agreements. Except as prescribed herein, this Agreement cannot be modified except by written mutual agreement signed by the parties.

11. ASSIGNMENT

This Agreement is not assignable by either SACOG or Employee. Any such attempt to assign this Agreement by either party shall be void.

12. SEVERABILITY

In the event that any provision of this Agreement is finally held or determined to be illegal or void by a court having jurisdiction over the parties, the remainder of the Agreement shall remain in full force and effect unless the parts found to be void are wholly inseparable from the remaining portion of the Agreement.

13. COUNTERPARTS

This Agreement may be executed simultaneously in three (3) counterparts, which shall be identified by number, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14. PROFESSIONAL DEVELOPMENT

Employee may take time-off from work on a paid basis to attend professional development activities subject to preapproval by the Chair of the Board of Directors.

15. RELOCATION EXPENSES

SACOG will reimburse Corless for actual allowable expenses for relocation. Allowable expenses shall be in accordance with IRS Rules. Corless shall obtain the prior approval of the SACOG Chair for any individual expenditure exceeding \$2,500.

Chief Executive Officer Employment Agreement
Sacramento Area Council of Governments

IN WITNESS WHEREOF, SACOG has caused this Agreement to be signed and executed on its behalf by its Chairperson, and duly attested to by its legal counsel. It has also been executed by the Employee.

SACOG

JAMES CORLESS

By: Susan Rohan, Board Chair

ATTEST:

Lanette Espinoza
Clerk of the Board

APPROVED AS TO FORM:

Charles Sakai
Renne Sloan Holtzman Sakai LLP