

RESOLUTION NO 24.070

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, APPROVING, AND AUTHORIZING THE MAYOR TO EXECUTE THE FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT BETWEEN THE CITY OF LAGUNA BEACH AND CITY MANAGER DAVE KIFF

WHEREAS, on April 9, 2024, the City of Laguna Beach (“City”) City Council adopted Resolution 24.023, appointing Dave Kiff as the City Manager of the City of Laguna Beach and authorizing that certain Employment Agreement, dated April 9, 2024 (“Agreement”), whereby Mr. Kiff agreed to serve as the City Manager of the City; and

WHEREAS, the City Council, through its labor negotiator, has negotiated with Mr. Kiff for an amendment to the Agreement to, in particular, amend the terms of the housing assistance to provide Mr. Kiff an offer for a loan to purchase a home within the City’s geographical boundaries while serving as City Manager, and to further provide clarification on the amount of the City’s contribution to a 457(b) deferred compensation plan in future years; and

WHEREAS, a First Amendment to the Employment Agreement (“First Amendment”) has been prepared to reflect the above-referenced desired changes to the Agreement; and

WHEREAS, the City Council does now desire to approve the First Amendment.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and incorporated herein by this reference.

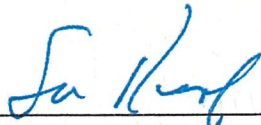
SECTION 2. The City Council hereby approves the First Amendment to the Employment Agreement by and between the City and Mr. Kiff, attached hereto and incorporated herein as “Exhibit A.” The Mayor is hereby authorized and directed to execute the First Amendment for and on behalf

of the City.

SECTION 3. This Resolution shall and does take immediate effect from and after its passage and adoption.

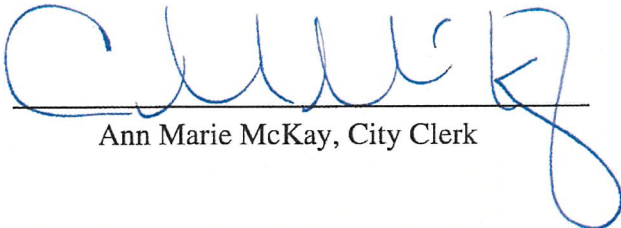
SECTION 4. The City Clerk shall attest as to the adoption and execution of this Resolution and cause the same to be maintained in the permanent records of the City.

ADOPTED this 13th day of August, 2024.



Sue Kempf, Mayor

ATTEST:



Ann Marie McKay, City Clerk

I, Ann Marie McKay, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No 24.070 was duly adopted at a Regular Meeting of the City Council of said City held on August 13, 2024, by the following vote:

AYES: COUNCILMEMBER(S): Orgill, Weiss, Whalen, Rounaghi, Kempf

NOES: COUNCILMEMBER(S): None

ABSTAIN: COUNCILMEMBER(S): None

ABSENT: COUNCILMEMBER(S): None



Ann Marie McKay, City Clerk

**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN
THE CITY OF LAGUNA BEACH AND DAVE KIFF**

THIS FIRST AMENDMENT to the EMPLOYMENT AGREEMENT dated April 9, 2024 by and between the CITY OF LAGUNA BEACH, a general law city and municipal corporation (“**City**”), and DAVE KIFF, an individual (“**Kiff**,” and collectively with the City, the “**Parties**”) is made and entered into as of the 13th day of August, 2024 (“**First Amendment**”).

RECITALS

A. The City employs Kiff as the City Manager pursuant to the terms of that certain Employment Agreement, dated April 9, 2024, between the Parties (“**Agreement**”); and

B. The City Council, through its labor negotiator, has negotiated with Kiff for an amendment to the Agreement, as set forth in full below.

C. The Parties now desire to amend certain benefits of the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and in the Agreement amended hereby, the Parties agree as follows:

1. Section 6 of the Agreement is hereby deleted in its entirety and amended to read as follows:

6. **Housing Assistance**. The City agrees to provide certain housing assistance to Kiff in the form of a loan to aid in purchasing a residential unit within the City’s boundaries to be solely used for the purposes of Kiff’s primary residence while serving as City Manager (“**Unit**”), if Kiff so elects. Upon Kiff’s election, the City and Kiff will enter into a promissory note, deed of trust, and other related and/or necessary documents (“**Loan Documents**”), in a form acceptable to the City and Kiff; provided, however, that the final terms of the loan for a specific Unit, and any amendments thereto, shall be in writing and approved by the City Council at a regular meeting. The Loan Documents shall provide the terms of the loan for the Unit, which shall include but not be limited to, that (i) the maximum principal of the loan shall not exceed One Million, Five Hundred and Thirty Thousand Dollars (\$1,530,000); (ii) a downpayment of at least Three

Hundred Thousand Dollars (\$300,000); (iii) interest shall accrue at the Local Agency Investment Fund (“LAIIF”) Quarterly Apportionment Rate, as published by the California State Treasurer, plus one-half percent (0.50%) per annum, with the LAIF Quarterly Apportionment Rate being variable and re-adjusting quarterly; (iv) payments shall be made in monthly installments for, at a minimum, all accrued interest; (v) the loan shall mature and all outstanding amounts (principal, interest, and other charges) are due upon the earlier of: (i) the first anniversary of the date Kiff is no longer employed as the City Manager of the City (the “**Anniversary Date**”); provided that in the event the Unit is listed for sale with a licensed real estate broker prior to the Anniversary Date, the date which is the earlier of the date of sale of the Unit, or six (6) months following the Anniversary Date; or (ii) an outside date of sale, which shall be 15 years from the date of the Loan Documents; and (vi) the loan shall be secured by the Loan Documents, with a deed of trust recorded against the property, in first priority. For the avoidance of doubt, the City and Kiff acknowledge that the purpose of this City-provided housing assistance is to aid Kiff in living within the City’s boundaries while he serves as City Manager.

2. Section 10.b of the Agreement is hereby deleted in its entirety and amended to read as follows:

10. **Retirement, Insurance, and Other Benefits.**

...

b. Deferred Compensation. Through the first Anniversary Date of the Agreement, the City shall fund a 457(b) deferred compensation plan on Kiff’s behalf, payable in equal installments concurrent with employee pay periods, in the amount of \$30,500 per year, which is the maximum amount permitted by the Internal Revenue Service (“**IRS**”) in 2024 (including catch-up contributions), as such maximum contribution may be adjusted by the IRS in any taxable year, provided that such adjustment shall not be applied to the deferred compensation contribution in excess of 4% over the prior taxable year; provided further, however, that the City’s

deferred compensation contribution shall be prorated for any partial years of service, including but not limited to prorated contributions for 2024 commensurate with Kiff's commencement of service as City Manager. After the First Anniversary date, the amount of the 457(b) deferred compensation contribution amount shall be subject to review by the City Council, following completion of a performance evaluation as set forth in Section 15 of this Agreement; provided, however, that the deferred compensation plan contributions shall not be set below an amount equivalent to two percent (2%) of Kiff's base salary, as set forth in Section 5(a) (and as may be increased in either Sections 5(b) or (c)), per year). The amount of contribution to a 457(b) plan in future years shall be approved by the City Council in writing at a regular meeting, following a completed performance evaluation. The City shall pay reasonable fees to create a 457(b) plan for Kiff. Kiff and the City shall each pay the relevant FICA taxes on such contribution in each taxable year. Notwithstanding the foregoing, Kiff may request the City contribute the amount set forth in this paragraph to a 401(a) defined contribution plan in lieu of a 457(b) plan.

3. This First Amendment, together with all other provisions of the Agreement that are unaffected by the First Amendment, constitute the entire agreement between the Parties.

4. This Amendment is effective as of August 13, 2024.

{Remainder of page intentionally left blank; signatures to follow}

IN WITNESS WHEREOF, the City and Kiff have executed this First Amendment as of the day and year first above written.

KIFF



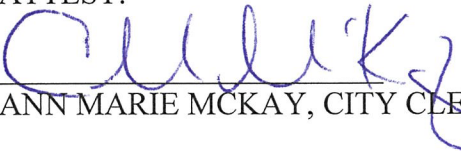
DAVE KIFF

CITY OF LAGUNA BEACH

By: 

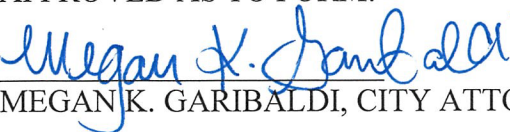
SUE KEMPF, MAYOR

ATTEST:



ANN MARIE MCKAY, CITY CLERK

APPROVED AS TO FORM:



MEGAN K. GARIBALDI, CITY ATTORNEY