EMPLOYMENT AGREEMENT
Gillian Haen / City of Chico

THIS AT-WILL CITY MANAGER EMPLOYMENT AGREEMENT ("Agreement") is made by and entered into on July 7, 2026, between the City of Chico of the State of California, a municipal corporation ("City") and Gillian, Haen ("Haen"), an individual, employment effective date on August 10, 2026. The City and Haen may be referred to herein individually as "Party" or collectively as "Parties".

WHEREAS, pursuant to Articles II and VII of the Charter of the City of Chico ("Charter"), Government Code sections 34851-34859, the City Council of the City of Chico ("City Council") is empowered to appoint a city manager to direct the executive affairs of the City and to implement the Council's policy determinations; and

WHEREAS, Article VII of the Charter (commencing with section 700), and Chapter 2.12 of the Chico Municipal Code (commencing with section 2.12.010), set forth the qualifications, duties, and powers of the city manager; and

WHEREAS, after a comprehensive search with the assistance of an executive search firm, the City Council desires to hire Haen as an at-will employee for a period of time to serve in the position of City Manager ("CM") for the City, which position requires specialized skills and expert professional or technical services, and Haen desires to perform and assume responsibility for the provision of such services to the City as CM; and

WHEREAS, the City Council wishes to establish the terms and conditions of Haen's services to the City through this Agreement; and

WHEREAS, the Council desires to have Haen participate in CalPERS cost sharing, and pay three percent (3%) of the Employer's cost, in addition to Haen's contribution for CalPERS; and

WHEREAS, the Council desires to have Haen pay the Employee's portion of PICA-Medicare, equivalent to one and forty-five hundredth percent (1.45%); and

WHEREAS, to establish a cost neutral agreement to the City, Haen will be provided with a City-paid deferred compensation contribution; and

WHEREAS, Assembly Bill 1344 of the California Legislature 2011-12 Regular Session was signed into law on October 9, 2011, and made effective January 1, 2012 as a means to provide greater transparency in local government and institute certain limitations on local government executive compensation (Government Code sections 3511.1, 3511.2, 53243-53243.4); and

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

AGREEMENT

1. Duties and Authority

   a. The City hereby employs Haen, to hold the office and perform the functions and duties of CM, as specified in Article VII of the Charter, and such other legally permissible and proper duties and functions as the Council may assign.

   b. The parties affirm that (1) Haen is an at-will employee of the City whose employment as CM may be terminated by the City at any time without cause; (2) there is no express or implied promise to Haen in this Agreement for continued employment by the City as CM; and (3) this Agreement is the sole and exclusive basis for the relationship between Haen and the City as to the office of CM.

   c. Haen shall not engage in any activity which is or may become a conflict of interest, enter a contract prohibited by law, or which may create an incompatibility of office as defined under California law.

   d. Haen agrees to remain in the exclusive employ of the City during the term of this Agreement, however, the Agreement shall not be construed to preclude incident and occasional teaching or writing performed by Haen on Haen's time off.

2. Salary and Benefits

   a. The City shall pay Haen an annual base salary of $285,000, payable in bi-weekly installments at the same time and same manner as other City employees are paid and subject to customary withholding of sums required by federal and state income tax payments.

   b. During Haen's tenure as CM, Haen shall be entitled to the employment benefits set forth in Exhibit "A" BENEFITS hereto. As used herein, "benefits" include, but are not limited to, vacation, sick leave, paid holidays, administrative leave, deferred compensation, retirement benefits and payments, health insurance, dental insurance, and life insurance.

   c. Pursuant to an annual evaluation by the Council of Haen's performance, the Council may increase Haen's annual base salary or benefits or both.

   d. Exhibit "A" BENEFITS is incorporated into and expressly made a material part of this Agreement by this reference.

   e. Haen will receive a relocation benefit associated with her moving expenses. City shall provide Haen with a one-time relocation allowance in the amount of Fifteen Thousand Dollars ($15,000.00).

3. Professional Development

City agrees to budget and pay for professional dues and subscriptions for Haen's participation in associations and organizations necessary and desirable for her continued professional growth and for the good of the City and for travel and subsistence expenses for attendance at professional and official functions, institutes, conferences, and seminars for Haen's professional development and for the good for the City. At a minimum this shall include but is not limited to: California League of Cities and International City Management Association (ICMA), and other professional development opportunities that the City Council and Haen mutually agree upon.

The amount to be funded by City for these purposes shall be proposed by Haen for inclusion in the annual budget each year during the budget preparation and review process. The amount to be included in the adopted budget each year shall be determined by the Council based on a review of the proposal and shall be subject to availability of funds for these purposes.

4. Performance Evaluation

a. Upon execution of this Agreement, the Council and Haen shall confer on goals, expectations, and objectives for Employee to be used as basis for an initial performance evaluation during June of 2027. The Council and Haen shall also develop criteria and a format for an annual performance evaluation.

b. In August of each year thereafter, the Council shall conduct an evaluation of Haen's performance using the process and criteria mutually agreed upon between Haen and Council and shall define and prioritize goals, expectations and performance objectives for Haen for the next twelve months.

5. Term: Termination

The term of this Agreement shall commence on August 10, 2026, and shall automatically terminate on August 9, 2029, unless terminated prior to this date by either Party, or extended by mutual written consent of the Parties, as follows:

a. (1) Pursuant to Article VII, Section 700 of the City Charter, affirmative vote of at least four (4) members of the council to terminate Haen's employment without cause; or

(2) Haen resigns in writing following a vote by a majority of the Council to accept Haen's resignation in lieu of termination;

b. Subject to federal and state law, the City may terminate this Agreement and Haen's employment under it if Haen becomes permanently disabled or suffers a serious health condition such that she is unable to perform her duties.

c. Haen may resign in writing at any time and agrees to provide written notice to the Council 180 days in advance of the effective date of resignation. Such a resignation terminates this Agreement without any action by Council.

d. Notwithstanding any other provision contained in this Agreement, the City may terminate this Agreement at any time for cause. For purposes of this Agreement, “cause” shall be deemed to include:

1. Any material act of dishonesty committed against the City by Haen;
2. The conviction of a misdemeanor or a felony;
3. The violation of any fiduciary duty or duty of loyalty owed to the City;
4. The violation of Federal laws, State laws, County and City ordinances and policies;
5. Egregious misconduct involving moral turpitude to such an extent that, in the reasonable judgment of City Council, such misconduct substantially impairs Haen’s ability to effectively perform her duties under this agreement; and
6. The continued failure of Haen to substantially perform her material duties and responsibilities under this Agreement (other than as a result of incapacity due to disability as defined in this Agreement) after written demand for substantial performance of such duties and responsibilities is delivered to Haen that identifies the manner in which the City Council believes that Haen has not substantially performed her duties.

6. <u>Severance Pay</u>

a. If Haen's employment is terminated under any circumstances desired in subsection 5.a., above, City shall pay Haen severance pay, but subject to, as follows: 1) nine (9) months’ salary, determined by reference to Haen's salary in effect on the date of termination; and 2) the value of all accrued but unused administrative, sick, vacation, and other leave for which Haen would be entitled to be paid upon termination of this Agreement as set forth in Exhibit A hereto. The aggregate amount paid for such leaves shall be calculated by dividing Haen's then current salary by two thousand eighty (2080) and multiplying the result by the sum of all leave hours eligible for compensation under this subsection. This cash payment may be paid in a lump sum upon date of termination. Such payment will release City from any further obligations under this agreement.

b. In the event this Agreement is terminated for cause, Haen shall not receive the severance provided for in this section.

c. Haen shall be required to reimburse City for any payment made under subsection a. above if, after receiving such payment, she is convicted of a crime involving abuse of office or position as the City Manager. For purposes of this section, the term "abuse of position" shall have the meaning set forth in California Government Code section 53243.4, as more fully set forth below.

d. If Haen's employment is terminated with pursuant to subsection 5.b, 5.c. or 5.d, above, City is not obligated to pay severance of any kind, except for the value of accrued but unused leave to which Haen is entitled.

7. Bonding

Pursuant to section 903 of the Charter, the city shall provide and bear the full cost of any fidelity or other bonds required of Employee under any law or ordinance.

8. Defense and Indemnification

a. The City shall provide a defense to Haen as to any claim, action, suit or proceeding against Haen for any tort, professional liability claim, or other cause or demand of a civil nature, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Haen's duties under this Agreement or resulting from the exercise of discretion by Haen in connection with the performance of Haen's duties and responsibilities under this Agreement, unless the act, omission, or exercise of discretion involved intentional, willful or wanton misconduct by Haen. Haen may request, and the City shall not unreasonably refuse to provide, independent legal counsel at the City's expense to defend Haen in any such action, suit or proceeding. If the City agrees to Haen's request the choice of such legal counsel shall be made by Haen. The defense provided by the City for Haen shall continue until a conclusion of the claim, action, suit, or proceeding, including any appeals brought by any party.

b. The City shall indemnify Haen against any and all losses, damages (except punitive damages), judgements, interest, settlement, fines, court costs, and other reasonable costs and expenses of civil legal proceedings, including attorney's fees awarded against Haen, and any other liabilities incurred by, imposed upon, or suffered by Haen in connection with or resulting from any claim, action, suit, or proceeding in which Haen is entitled to a defense by the City pursuant to subsection a, above. Any settlement of any such claim, action, suit or proceeding may only be made with prior approval of the City for indemnification, as provided in this section, to be available to Haen.

c. The City shall have no obligations of any kind to Haen under this Agreement as to any criminal matter in which Haen is a defendant Consistent with state law, this does not preclude Haen from defense and indemnification for civil claims made against her within the scope of her duties as City Manager.

9. Notices

Any notices given pursuant to this Agreement shall be given in writing, by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

a. If to City: Mayor, City of Chico
411 Main Street
PO Box 3420
Chico, CA 95927

Copy to: Ryan Jones
City Attorney
PO Box 3420
411 Main Street
Chico, CA 95928
ryan.jones@chicoca.gov

b. If to Haen: Gillian Haen
Address in Human Resources Department File

Alternatively, notice required pursuant to this agreement may be given, if to Haen, by personal service on Haen, or, if to the City, by personal service on the Mayor, Vice Mayor, City Clerk, or City Attorney.

10. Other Terms and Conditions of Employment

The City, upon agreement with Haen, may establish other terms and conditions of employment, as may be determined from time to time, and relating to Haen's engagement as CM, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Charter or any other law.

11. Entire Agreement

This Agreement sets forth and establishes the entire understanding between the City and Haen relating to the employment of Haen as CM by the City. Any prior representations by either party to the other, and any prior discussions between the parties are merged into and rendered null and void by the Agreement. During the life of this Agreement, any provision of this Agreement may be amended by the parties by mutual written agreement. Such amendments shall be incorporated into and made part of this Agreement.

12. Assignment

This Agreement is not assignable by Haen or by the City.

13. Severability

The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. If any provisions of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the judicial expungement or modification of the invalid provisions. executed by both parties after the judicial expungement or modification of the invalid provisions.

14. Opportunity to Consult

Haen agrees and represents that prior to entering into this Agreement, she has had the opportunity to consult an attorney and other advisors of his choice concerning all terms and conditions of this Agreement.

The City makes no representation on the impact, if any, this Agreement shall or may have on Haen's PERS and Sacramento County Employee Retirement System ("SCERS") retirement benefits, status, duties, and/or obligations. Haen acknowledges that by entering this Agreement, she has not relied upon any representations from the City (of which there are and have been none) in assessing the PERS-related and SCERS-related impacts of her employment. Therefore, Haen releases the City from all PERS-related and SCERS-related claims or liabilities that may arise in connection with her employment pursuant to this Agreement.

15. Counterparts

This Agreement may be executed in counterparts each of which shall be deemed an original, but all of which shall constitute one and the same document.

Kasey Reynolds (Jul 29, 2026 13:54:22 PDT)
Kasey Reynolds, Mayor
City of Chico

Gillian Haen (Jul 29, 2026 11:58:03 PDT)
Gillian Haen

APPROVED AS TO FORM:

Ryan Jones (Jul 29, 2026 11:38:22 PDT)
Ryan R. Jones
City Attorney*

**Pursuant to The Charter of the City of Chico, Section 906 (D)

ATTEST:

Debbie Presson
Debbie Presson (Jul 29, 2026 16:52:28 PDT)
Deborah R. Presson
City Clerk

EXHIBIT A-BENEFITS

Holidays – Haen shall be entitled to observe all legal holidays recognized by the City on the days that they are observed by the City.

Automobile Allowance – Haen shall be provided with an automobile allowance of $400 per month in exchange for making a personal vehicle available for use in conducting and attending City-related business and/or functions during, before and after normal work hours.

Service Credit – Upon Commencement of this Agreement, Haen shall immediately be credited with sixteen (16) years of service for the purposes of vacation leave accruals.

Workers Compensation – City agrees to provide workers' compensation insurance in accordance with all applicable provisions of State law. It is recognized that, as a long-standing City practice, City has provided its miscellaneous employees the same workers' compensation benefits as provided to safety employees under California Labor Code section 4850. City agrees to continue to provide such benefits to Haen provided that such Labor Code section remains applicable to City's safety employee.

FICA - Medicare Contribution – The Federal Insurance Contributions Act (FICA) mandates that employees hired after April 1, 1986, be covered by and make payroll contributions for the Medicare portion of the Act at a rate of 1.45% of their salary. The City is also required to contribute 1.45% of salary for such coverage.

Applicable Law -
The following California Government Code sections are incorporated by this reference into this Agreement:

§ 53243. On or after January 1, 2012, any contract executed or renewed between a local agency and an officer or employee of a local agency that provides paid leave salary offered by the local agency to the officer or employee pending an investigation shall require that any salary provided for that purpose be fully reimbursed if the officer or employee is convicted of a crime involving an abuse of his or her office or position.

§ 53243.1. On or after January 1, 2012, any contract executed or renewed between a local agency and an officer or employee of a local agency that provides funds for the legal criminal defense of an officer or employee shall require that any funds provided for that purpose be fully reimbursed to the local agency if the officer or employee is convicted of a crime involving an abuse of his or her office or position.

§ 53243.2. On or after January 1, 2012, any contract of employment between an employee and a local agency employer shall include a provision which provides that, regardless of the term of the contract, if the contract is terminated, any cash settlement related to the termination that an employee may receive from the local agency shall be fully reimbursed to the local agency if the employee is convicted of a crime involving an abuse of his or her office or position.

§ 53243.3. On or after January 1, 2012, if a local agency provides, in the absence of a contractual obligation, for any of the payments described in this article, then the employee or officer receiving any payments provided for those purposes shall fully reimburse the local agency that provided those payments if the employee or officer is convicted of a crime involving the abuse of his or her office or position.

§ 53243.4. For purposes of this article, "abuse of office or position" means either of the following:

(a) An abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority.
(b) A crime against public justice, including, but not limited to, a crime described in Title 7 (commencing with Section 92) of Part 1 of the Penal Code.

§ 53244. (a) A local public officer, as defined in subdivision (b), who is convicted by a state or federal trial court of any felony under state or federal law for conduct arising out of, or in the performance of, his or her official duties shall forfeit any contract right or other common' law, constitutional, or statutory claim against a local public agency employer to retirement or pension rights or benefits, however those benefits may be characterized, including lost compensation, other than the accrued rights and benefits to which he or she may be entitled under any public retirement system. in which he or she is a member. The forfeiture provided by this section shall be in addition to, and independent of, any forfeiture of public retirement system rights and benefits pursuant to Section 7522.70,7522.72, or 7522.74.

(c) For the purposes of this section, "local public officer" means a person, either elected or appointed, who exercised discretionary, executive authority in his or her employment.

(d) This section shall apply to any claim filed prior to the effective date of the act enacting this section, and still pending on that date, and any claim commenced after that date.

(e) Upon conviction, a local public officer as described in subdivision (a), and the prosecuting agency shall each notify the public employer who employed the local public officer at the time of the commission of the felony within 60 days of the felony conviction. The operation of this section is not dependent upon the performance of the notification required by this subdivision.

§ 3511.1. The following definitions apply:

(a) "Compensation" means annual salary, stipend, or bonus, paid by a local agency employer to a local agency executive.

(b) "Cost-of-living" means the California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the Department of Industrial Relations.

(c) "Local agency" means a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission, or agency thereof, or other local public agency.

(1) “Local agency executive” means any person employed by a local agency who is not subject to the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500)), Chapter 5 (commencing with Section 45100) of Part 25 of Division 3 of Title 2 of the Education Code, or Chapter4 (commencing with Section 88000) of Part 51 of Division 7 of Title 3 of the Education Code, and who meets either of the following requirements: The person is the chief executive officer of the local agency.

(2) The person is the head of a department of a local agency.

§ 3511.2. 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:

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

(b) 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.

Leaves

Sick Leave - Haen shall be credited with 40 hours of sick leave upon commencement of this Agreement. Thereafter, she shall accrue, without limitation, the amount of eight (8) hours per month Sick leave may be used for actual personal sickness of or injury to Haen or Haen's family member, and for medical, dental and vision care appointments. "Family member" includes a spouse, children, parent, and any other relationship recognized by law (e.g.: step, in-law, etc.). Time off work because of approved job-related illness shall not be charged against accumulated sick leave.

Upon termination of service, no compensation for accrued sick leave shall be made except that: 1) dependent on the length of service with City, as set forth in Attachment 1 hereto, at retirement or termination in good standing, Haen may convert up to 60% of accrued sick leave to cash, in an amount not to exceed $5,000 (see Attachment 1 for schedule); and 2) upon a service retirement, accumulated sick leave shall be credited to Haen's retirement account in accordance with the provisions of the retirement plan referenced herein, expect that in the event of any election to convert such sick leave to cash, the retirement sick leave credit shall be reduced commensurately.

Haen shall be permitted to transfer up to a maximum of 96 hours per calendar year of her accrued sick leave to any other permanent city employee who is ill or injured and has exhausted his or her accrued sick leave for use by such employee s personal (not family) sick leave. This transfer of sick leave, if not used, shall be subject to re-crediting to Haen at her request.

Birth or adoption of a child — In the event of the birth of the Haen’s child or adoption of a child by Haen, Haen shall be entitled to a leave of absence with pay for a period of three (3) consecutive work weeks or one-hundred twenty (120) hours. Such leave must commence within one year of birth or adoption, the equivalent timeframe to FMLA/CFRA (Family Medical Leave Act/California Family Rights Act) protected periods. Haen shall be eligible for a single leave period for the event of a birth or adoption, without regard to the number of children involved. The birth or adoption of multiple children at one time shall not create eligibility for more than one birth or adoption leave period. Haen shall notify the City Council as soon as possible after such births or adoption date as to which days Haen will be on birth or adoption leave.

Bereavement leave - If any member of Haen's immediate family dies, Haen shall be entitled to a period of five (5) work days of leave with pay in accordance with AP&P 13-24.

Vacation - Upon commencement of this Agreement, Haen shall immediately be credited with an additional one hundred (100) hours of vacation. The rate of accrual and maximum accrual rates for vacation are set forth on Attachment 1 hereto. In the event Haen's employment with the City is terminated, City shall pay Haen the cash value of any accrued vacation leave, subject to federal and state withholding requirements.

Floating Holiday - Haen shall be entitled to two (2) days of floating holiday leave per calendar year. Floating holiday leave which is not used during a calendar year shall not carry over to the next year and any floating holiday leave not taken by December 31 of any year shall be removed, without compensation.

Management Leave - Haen shall be entitled to ninety-six (96) hours of management leave per calendar year. Management leave which is not used during a calendar year shall not carry over to the next year and shall be removed without compensation. Management leave does not come with a cash-out option.

Insurances

Life Insurance - City agrees to provide Haen with term life insurance in the amount of one thousand dollars ($1,000) per each one thousand dollars ($1,000) in salary, and Haen' s spouse and minor children with term life insurance in the amount of one thousand five hundred dollars ($1,500).

Long-term disability insurance - City agrees to pay its long-term disability insurance carrier sixty percent (60%) of the monthly premium cost of the long-term disability insurance plan for Haen with a minimum contribution of one percent (1%) of Haen's salary. Haen agrees to pay the remaining 40% of such monthly premium. If the total rate for the plan is less than the one percent (1%) minimum contribution set forth above, the City's contribution shall be the actual premium amount and Haen shall not be required to contribute.

City shall structure the way the premium is paid so that the long-term disability insurance premium is considered a post-tax Haen-paid contribution so that benefits which might be received by Haen would be treated as such for tax purposes.

Vision insurance - City agrees to provide Haen with vision insurance which provides vision care benefits to Haen only. Haen may purchase vision insurance coverage for Haen's spouse and dependent children at Haen's sole cost and expense through a bi-weekly payroll deduction of the additional premium amount.

Medical and Dental Insurance - City agrees to provide a maximum contribution toward medical and dental insurance as set forth in Attachment 2.

Retirement Plan

Deferred Compensation. The City has established a Deferred Compensation Plain in accordance with Internal Revenue Code (IRC) 457 ("IRC 457 plan"). Effective from the first pay period in August, 2026 considered in calculating the maximum IRC 457 plan limit and annually, City agrees to contribute twelve thousand six hundred eighty-two dollars and fifty cents ($12,682.50) to Employees IRC 457 plan.

CalPERS. City will provide Haen with the retirement benefits set forth in that certain "Contract Between the Board of Administration, Public Employees' Retirement System and the City Council of the City of Chico", which is in effect as of the date of this contract, and as subsequently amended, and City shall pay the required City contribution rate as established by that contract.

Employee Contribution for Employees Hired On or After January 1, 2013 or PEPRA Members.

Employees hired on or after January 1, 2013, or those PEPRA Members, as defined by CalPERS, shall receive the 2% at age 62 retirement formula. Department Heads or Deputy Directors shall contribute the Employee contribution amount established by CalPERS for the 2% at 62 Pension Formula. The required employee contribution as of the date of this agreement was seven- and one-half percent (7.5%). City shall not pay any portion of the required employee contribution.

City Contribution. City agrees to pay the benefit contribution rate as established by that certain "Contract Between the Board of Administration, Public Employees' Retirement System and City Council of City of Chico" which was in effect on July 1, 2002, and to abide by all terms and conditions as established by such Contract so long as the contract exists between City and CalPERS.

Employee Cost Sharing of Additional Benefits. Effective October 15, 2017, each Department Head shall pay, through payroll deduction, an additional three percent (3%) of PERSable compensation towards the City's costs, in addition to the amounts specified above, toward the normal costs of pension benefits as permitted by Government Code section 20516 and shall extend beyond this agreement. If the contract amendment between the City and CalPERS is not completed as described above, the cost sharing, as described in this section, shall be implemented outside of a CalPERS contract amendment as authorized by Government Code Section 20516(f), and shall extend beyond this agreement.

Consistency with PEPRA. It is the intent of the parties that the terms set forth herein be consistent with the provisions of PEPRA, as it may be amended from time to time and, in the event of any inconsistency, that the provisions set forth in PEPRA shall prevail.

Special Compensation. All specialty pays and special compensation will be reported to CalPERS in accordance with State Law.

ATTACHMENT 1

VACATION ACCRUAL

Haen shall accrue vacation leave in accordance with the following schedule:

Length of Service	Bi-weekly accrual rate	Annual accrual rate	Maximum accrual balance
7th through 96th mo.	4.62	120.12	320
97th through 108th mo.	4.93	128.18	320
109th through 120th mo.	5.23	135.98	340
121st through 132nd mo.	5.54	144.04	360
133rd through 144th mo.	5.85	152.10	380
145th through 156th mo.	6.16	160.16	400
157th through 168th mo.	6.47	168.22	420
169th through 180th mo.	6.78	176.28	440
181st through 192nd mo.	7.09	184.34	460
193rd through 204th mo.	7.39	192.14	480
205th mo. and forward	7.69	199.94	500

SICK LEAVE CONVERSION UPON TERMINATION

Haen may convert accrued sick leave to cash in accordance with the following schedule:

Years of City Service 0-5 years	Maximum Conversion % 0	Maximum $ Amount 0
5-10 years	15%	$1,500
10-15 years	30%	$3,000
Over 15 years	60%	$5,000

ATTACHMENT 2

MEDICAL AND DENTAL INSURANCE CARRIERS AND CONTRIBUTIONS

City shall provide Haen with medical and dental insurance through the carrier or carriers with which City contracts to supply such insurance benefits for City employees.

City Contributions - The City and Haen shall each contribute to the City's cost of the health insurance premiums as set forth below.

Effective January 1, 2026

MEDICAL					
City Contribution					
	EPO	**PPO 90/10**	**PPO 80/20**	**HDHP**	**HSA**
Single	797.29	797.29	591.81	598.00	78.14
Double	1720.64	1718.89	1254.33	1276.00	125.02
Family	2204.53	2203.66	1626.80	1647.00	156.27
Employee Contribution					
	EPO	**PPO 90/10**	**PPO 80/20**	**HDHP**	**HSA**
Single	125.71	125.71	261.19	0.00	---
Double	245.36	245.11	555.61	0.00	---
Family	324.47	324.34	704.20	0.00	---

	DENTAL		**VISION**
City Contribution			
Single	58.13		5.47
Double	58.13		5.47
Family	58.13		5.47
Employee Contribution	**PPO** / **PPO Buy-Up**		
Single	19.37 / 51.27		0.00
Double	19.37 / 51.27		4.66
Family	19.37 / 51.27		10.24

Subsequent Premium Increases: If the City's premium rates increase in the future, City and Haen shall negotiate regarding the amount of the City and Employee share of those increased premiums. In the event an agreement as to such contribution rates is not reached prior to increased rates becoming effective, the dollar amount of the City's share shall remain as set forth above and Haen shall pay the increased amount until a different agreement is reached.

Employee not Required to Participate in City's Insurance Plan: If employee has alternative group medical insurance coverage, Employee is not required to participate in City's medical insurance plan. To opt out of coverage under the City's medical insurance plan, Employee is required to provide verification of such alternative coverage to the Human Resources Office during an enrollment period and must continue to provide verification of coverage of another plan during the open enrollment period in all subsequent years that Employee chooses to opt out of

City's medical insurance plan. At any time during which Employee opts out of City's medical insurance plan, Employee shall receive a payment of $200 per month as cash to the employee.

If Employee ceases to be covered by alternative coverage at any time, Employee shall be required to immediately enroll in City's medical insurance plan.