

# CITY MANAGER EMPLOYMENT AGREEMENT

between the  
City of Bellflower  
and  
Jeffrey L. Stewart

(Agreement File No. 557)

## 1. Parties and Date

This Agreement is entered into as of January 3, 2012, by and between the City of Bellflower, California, a municipal corporation (the "City"), and Jeffrey L. Stewart, an individual ("Stewart"). The City and Stewart are sometimes individually referred to as a "Party" and collectively as "Parties."

- A. Stewart has the necessary education, experience, skills and expertise to serve as the City's City Manager.
- B. The City Council of the City (the "City Council") desires to employ Stewart to serve as the City Manager of the City.
- C. The Parties further desire to execute this Agreement pursuant to the authority of and subject to the provisions of Government Code Section 53260 *et seq.*
- D. In consideration of these Recitals and the performance by the Parties of the promises, covenants, and conditions herein contained, the Parties agree as provided in this Agreement.

## 2. Employment

The City hereby employs Stewart as its City Manager, and Stewart hereby accepts such employment.

## 3. Commitments and Understandings

### A. Stewart's Commitments

#### (1) Duties & Authority

- (a) Stewart shall be the chief executive officer of the City and be responsible to the City Council for the proper administration of all affairs of the City.

- (b) Stewart shall perform all of the duties of the City Manager as set forth in Chapter 2.08 of the Bellflower Municipal Code (the "Municipal Code"), the California Government Code, and City policies and procedures approved by the City Council, as may be provided from time to time.
- (c) The City Council also designates Stewart as the chief executive officer of other City-related legal entities, including the Redevelopment Agency of the City of Bellflower. The City Council may designate Stewart as the chief executive of any other City-related legal entity, including but not limited to any joint powers authorities of which the City is a member.
- (d) Stewart shall administer and enforce policies established by the City Council and promulgate rules and regulations as necessary to implement City Council policies.
- (e) To accomplish this, Stewart shall have the power and shall be required to:
  - (i) Attend all meetings of the City Council, unless excused by the Mayor, and take part in the discussion of all matters before the City Council. Stewart shall receive notice of all regular and special meetings of the City Council.
  - (ii) Review all agenda documents before preparing the agenda for any regular or special meetings of the City Council. Stewart may publicly endorse or oppose any proposed agenda items placed on the agenda by persons other than himself or his staff.
  - (iii) Direct the work of all appointive City officers and departments that are the concern and responsibility of the City Council, except those that are directly appointed by or report directly to the City Council. Stewart may undertake any study or investigation he believes is necessary or desirable and shall make any study or investigation the City Council directs. Stewart shall endeavor to implement changes that he believes will result in greater efficiency, economy, or improved public service in the administration of City affairs.

- (iv) Recommend to the City Council from time to time, adoption of such measures as he may deem necessary or expedient for the health, safety, or welfare of the community or for the improvement of administrative services.
- (v) Consolidate or combine offices, positions, departments, or units under his jurisdiction. Stewart may be the head of one or more City departments.
- (vi) Conduct research in administrative practices in order to bring about greater efficiency and economy in City government, and develop and recommend to the City Council long-range plans to improve City operations and prepare for future City growth and development.
- (vii) Provide management training and develop leadership qualities among department heads and staff as necessary to build a City management team that can plan for and meet future challenges.
- (viii) Exercise control of City government in emergencies as authorized by the Municipal Code and California law.

(2) Hours of Work

- (a) Stewart is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligations of the City Manager position. Stewart does not have set hours of work as the person filling the City Manager position is expected to be available at all times.
- (b) It is recognized that Stewart must devote a great deal of time to the business of the City outside of the City's customary office hours, and to that end his schedule of work each day and week shall vary in accordance with the work required to be performed. Stewart shall spend sufficient hours on site to perform the City Manager's duties; however, Stewart has discretion over his work schedule and work location, subject to the foregoing provisions requiring Stewart to spend sufficient time on site to satisfactorily carry out his duties.

(c) Stewart shall not spend more than 8 hours per month in teaching, consulting, speaking, or other non-City connected business for which compensation is paid without the express prior consent of the City Council.

(3) Disability or inability to perform

(a) In the event Stewart becomes mentally or physically incapable of performing the City Manager's functions and duties with reasonable accommodation and it reasonably appears such incapacity will last for more than six months, the City Council may terminate Stewart's employment and this Agreement. If the City Council does elect so to terminate Stewart due to incapacity, Stewart shall receive all severance benefits provided in Subsection 6.C below.

B. City Commitments

- (1) The City shall provide Stewart with the compensation, incentives and benefits specified elsewhere in this Agreement.
- (2) The City shall provide Stewart with a private office, secretary, staff, office equipment, supplies, automobile allowance, and all other facilities and services adequate for the performance of the City Manager's duties.
- (3) The City shall pay for or provide Stewart reimbursement for all actual business expenses. The City shall provide Stewart a City credit card to charge appropriate and lawful business expenses.
- (4) The City agrees to pay the professional dues and subscriptions on behalf of Stewart which are necessary for Stewart's continuation and full participation in national, regional, state, or local associations and organizations necessary and desirable for the good of the City, and for Stewart's continued professional participation and advancement.
- (5) The City agrees to pay the travel and subsistence expenses of Stewart to pursue official and other functions for the City, and meetings and occasions to continue his professional development, including, but not limited to, national, regional, state, and local conferences, and governmental groups and committees upon which Stewart serves as a member.

- (6) The City also agrees to pay for the travel and subsistence expenses of Stewart for short courses, institutes and seminars that are necessary for the good of the City or for the professional development of Stewart.
- (7) The City recognizes the desirability of representation in and before local civic and other organizations, and subject to approval of the City Council, Stewart is authorized to become a member of local civic clubs or organizations, for which the City shall pay membership dues. The City's payments shall be restricted to dues only. All other expenses related to membership are the responsibility of Stewart.
- (8) Given the importance of technological tools to the effective and efficient business of City government, the City shall provide computer, laptop computer, high-speed internet access, cellular phone, pager, electronic calendar, fax, copy machine and similar devices to Stewart at the City's expense, at the City Manager's office.

C. City Council Commitments

- (1) The City Council sets policy for the governance and administration of the City, and it implements its policies through the City Manager.
- (2) The City Council recognizes that to meet the challenges facing the City they must exercise decisive policy leadership. As one step in carrying out this leadership responsibility, the City Council commits to spending time each year outside of regular City Council meetings to work with Stewart and City staff on setting goals and priorities for the City government, and to work on issues that may be inhibiting the maximal achievement of City goals.
- (3) Except for the purpose of inquiry, the City Council and its members shall deal with all subordinate City employees, officers, contractors, and consultants solely through Stewart or Stewart's designee, and neither the City Council nor any member thereof shall give orders to any subordinate of Stewart, either publicly or privately.
- (4) The City Council agrees none of its individual members will order the appointment or removal of any person to any office or employment under the supervision and control of Stewart.

- (5) The City Council agrees that any criticism of a City staff member shall be done privately through Stewart.
- (6) Neither the City Council nor any of its members shall interfere with the execution of the powers and duties of the City Manager by Stewart. Stewart shall take orders and instructions from the City Council only when it is sitting as a body in a lawfully held meeting.

D. Mutual Commitments

(1) Performance Evaluation

- (a) Annual performance evaluations are an important way for the City Council and Stewart to ensure effective communications about expectations and performance.
- (b) The City Council recognizes that for Stewart to respond to its needs and to grow in the performance of the City Manager position, Stewart needs to know how the City Council Members evaluate Stewart's performance.
- (c) To assure that Stewart gets this feedback, the Mayor shall conduct an evaluation of Stewart's performance at least once each year. The City Council and Stewart agree that performance evaluations, for the purpose of mid-course corrections, may occur quarterly or several times during each calendar year. The Parties may use an outside facilitator paid by City funds to assist them in conducting this evaluation, at the option of Stewart.
- (d) While performance evaluations for the purpose of mid-course corrections may occur several times during the year, the annual evaluation shall occur between May and mid-June of each year.
- (e) In July of each year Stewart and the City Council will create goals or other outcome measures that will provide the basis for determining the next year's performance results incentive.
- (f) The annual review and evaluation shall be in accordance with specific criteria developed jointly by the City Council and Stewart. Such criteria may be added to or deleted as the

City Council may from time to time determine in consultation with Stewart.

- (i) The City Council and Stewart shall define such goals and performance objectives as they mutually determine are necessary for the proper operation of the City for the attainment of the City Council's policy objectives, and the City Council and Stewart shall further establish a relative priority among those goals and performance objectives.

(2) ICMA Code of Ethics

- (a) The Parties mutually desire for Stewart to be subject to and comply with the International City Management Association (ICMA) Code of Ethics (Attachment A).
- (b) Stewart commits to comply with the ICMA Code of Ethics.
- (c) The City and the City Council agree that neither the City Council nor any of its members will give Stewart any order, direction, or request that would require Stewart to violate the ICMA Code of Ethics.

**4. COMPENSATION**

The City agrees to provide the following compensation to Stewart during the term of this Agreement:

A. Compensation & Required Employer Costs

(1) Base Salary

- (a) The annual salary for the position of City Manager shall initially be \$190,000; provided, that the parties agree the forgoing amount shall be reduced by ten percent (10%) during the period the City continues the work furlough imposed due to the City's financial condition (the "Furlough"). Except as may otherwise be described in this Agreement, subsequent increases must be agreed to by both parties and require formal action of the City Council.

- (b) Stewart shall be paid at the same intervals and in the same manner as regular City employees.
- (c) The City shall not at any time during the term of this Agreement reduce the base salary, compensation or other financial benefits of Stewart, unless as part of a general City management salary reduction, and then in no greater percentage than the average reduction of all City department heads.

(2) Required Employer Costs

- (a) Federal Insurance Contributions Act (FICA).
  - (i) Old Age Survivor and Disability Income (OASDI), employer's share.
  - (ii) Medicare, employer's share.

(b) Unemployment Compensation.

(c) Public Employees Retirement System (PERS).

The City contracts with the California Public Employees' Retirement System for retirement benefits. The City will pay both the City's share and Stewart's share for participation in the Public Employees' Retirement System; provided, that the City shall be responsible to pay Stewart's share only as long as the Furlough is imposed.

(d) The cost of any fidelity or other bonds required by law for the City Manager.

(e) The cost to defend and indemnify Stewart as provided in Subsection 7.E below.

(f) Worker's Compensation.

B. Basic Benefits

(1) Holidays

Stewart is entitled to 12 paid holidays per calendar year.

(2) Leave Allowance

(a) Stewart shall receive the same vacation and sick leave accrual and benefits as provided to the Executive Management class of City employees. Stewart shall be paid for any unused accrued vacation or sick leave upon either voluntary or involuntary termination of employment.

(b) Stewart shall be entitled to 40 hours of executive/administrative leave per fiscal year. Such leave that is unused in a fiscal year shall not accrue from year to year.

(3) Automobile

Stewart shall be provided a monthly automobile allowance of \$600.00 in exchange for making a vehicle available for his own use and for City-related business and/or functions during, before and after normal work hours.

(4) Benefits that Accrue to Other Employees

Stewart shall be entitled to all benefits, rights, and privileges accorded to City Department Directors except as otherwise provided in this Agreement. If there is any conflict between this Agreement and any resolution fixing compensation and benefits for City Department Directors or other unclassified employees, this Agreement shall control.

**5. SECURITY**

A. Pensions

(1) Federal Insurance Contributions Act (FICA)

(2) Deferred Compensation

(a) Section 457 Plan

The City will make, in one lump payment on July 1 of each calendar year, an annual contribution equal to \$5,000 into a qualified Section 457 Plan from one of the City approved plans as selected by Stewart. Amounts contributed under this section shall be to the benefit of Stewart in accordance

with the Deferred Compensation Plan participation agreement.

(b) Internal Revenue Code Compliance

All provisions of this Subsection 5.A are subject to the provisions and limitations of the Internal Revenue Code and its related regulations as amended from time to time. No requirement of any provision of this Subsection 5.A shall be effective if it would violate any provision of the Internal Revenue Code or its related regulations, and the inability of the City to effectuate such requirements shall not constitute a breach of this Agreement.

B. Insurance

(1) Disability Insurance

(a) Short Term - same as other full-time employees

(b) Long Term - same as other full-time employees

(2) Life Insurance

Term life insurance in the amount of base salary.

6. **SEPARATION**

A. Resignation/Retirement

Stewart may resign at any time and agrees to give the City at least 45 days advance written notice of the effective date of his resignation, unless the Parties otherwise agree in writing. If Stewart retires from full time public service with the City, Stewart may provide six months' advance notice. Stewart's actual retirement date will be mutually established.

B. Termination & Removal

(1) Stewart is an at-will employee serving at the pleasure of the City Council as provided in Government Code Section 36506.

(2) The City Council may remove Stewart at any time, with or without cause, by a majority vote of its members. Notice of termination shall be provided to Stewart in writing. Termination, as used in this

Agreement, shall also include a request that Stewart resign, a reduction in Stewart's salary or other financial benefits (except for a reduction consistent with Subsection 4.A(1)(d) of this Agreement), a material reduction in the powers and authority of the City Manager, or the elimination of the City Manager's position. Any such notice of termination or act constituting termination shall be given at or effectuated at a duly noticed regular meeting of the City Council.

- (3) Stewart shall not be removed during the 90-day period preceding or following any City election for membership on the City Council, or during the 90-day period following any change in membership of the City Council, except upon unanimous vote of the City Council.
- (4) Given the at-will nature of the position of City Manager, an important element of the employment agreement pertains to termination. It is in both the City's interest and that of Stewart that any separation of Stewart from the position of City Manager is done in a businesslike manner.

C. Severance Pay

- (1) In the event Stewart's employment is terminated by the City Council during such time that Stewart is willing and able to perform the City Manager's duties under this Agreement, then in that event the City agrees to pay Stewart a lump sum cash payment equal to six-months' (6-months') base salary then in effect as provided in 4.A(1) above. Beginning January 1, 2012, and annually thereafter Stewart shall accrue and be provided one additional month of severance pay for each calendar year served, up to a maximum of nine (9) months.
- (2) In addition, the City shall extend to Stewart the right to continue health insurance as may be required by and pursuant to the terms and conditions of the Consolidated Omnibus Budget Reconciliation Act Of 1986 (COBRA). The City agrees to pay Stewart's COBRA coverage for the same number of months for which Stewart is entitled to a lump sum cash payment under Section 6.C(1) above, or until Stewart either secures full-time employment or obtains other health insurance, whichever of these three events first occurs. Stewart shall notify the City within five days of securing new full-time employment or insurance.

- (3) In the event the City refuses, following written notice of non-compliance, to comply with any provision in this Employment Agreement benefiting Stewart, or Stewart resigns following requests by a majority of the City Council that he resign, then, in that event, Stewart may, at his option, be deemed to be "terminated" as of the date of such refusal to comply or request to resign and this severance pay provision shall be actuated.
- (4) All payments required under Sections 6.C(1), (2), and (3) are subject to and shall be interpreted to comply with the limitations set forth in Government Code Section 53260, as amended.
- (5) The Parties agree that in the event that the City were to fail or refuse to promptly and fully provide and pay to Stewart all of the severance and other benefits due upon termination as provided by this Agreement, he would sustain material damages. These damages could include, among other losses: the loss of the opportunity to transition employment, the loss of alternate employment opportunities, the loss of income, the loss of opportunities for retraining or further education, the erosion of personal investments and savings, the loss of retirement benefits, physical displacement or the loss of a residence, the loss of insurance and medical benefits, expenses for professional counseling, the loss of standard of living including educational opportunities for children, and the resultant emotional distress to Stewart and his family. These damages are, and will continue to be, impracticable and extremely difficult to ascertain. Accordingly, in the event that the City shall fail or refuse to promptly and fully provide and pay to Stewart all of the severance benefits or other benefits due upon termination as provided by this Agreement, then the City shall pay to Stewart, as liquidated damages, a lump sum cash payment equal to 6-months' current base salary as provided in Section 4.A(1) above in addition to all other severance benefits provided by this Agreement. Any such payments shall constitute liquidated damages only and not additional severance pay or benefits subject to the provisions of Government Code Section 53260.

D. Involuntary Resignation

- (1) In the event that the City Council formally or a majority of the City Council informally asks Stewart to resign, then Stewart shall be

entitled to resign and still receive the severance benefits provided in Subsection 6.C above.

- (2) Stewart has relied upon the provisions of the Municipal Code upon entering into this Agreement, as it pertains to the City Manager's role, powers, duties, authority, responsibilities, compensation and benefits. In the event the City Council adds, deletes or amends the Municipal Code without Stewart's consent, and such addition, deletion or amendment is inconsistent with the terms of this Agreement and the City Manager's role, powers, duties, authority, responsibilities, compensation and benefits as currently provided, then Stewart shall have the right, at his sole option, to give the City Council notice that such amendment(s) constitute a request by the City Council for Stewart's involuntary resignation.
- (3) Upon receipt of such notice, the City Council shall have thirty days in which to do one of the following: (a) rescind the amendment(s); (b) renegotiate this Agreement to Stewart's satisfaction; (c) confirm that Stewart is being asked to involuntarily resign; or (d) take no action. In the event that either (c) or (d) occurs, or the City is unable to accomplish (b), then Stewart shall be entitled to resign and still receive the severance benefits provided in Subsection 6.C above.

E. Separation for Cause

- (1) Notwithstanding the provisions of Subsections 6.C and 7.A, Stewart may be terminated for cause. As used in this section, "cause" shall mean only one or more the following:
  - (a) Conviction of any felony or conviction of a misdemeanor involving an abuse of Stewart's position as City Manager;
  - (b) Continued abuse of non-prescription drugs or alcohol that materially affects the performance of the City Manager's duties; or
  - (c) Repeated and protracted unexcused absences from the City Manager's office and duties.
- (2) In the event the City terminates Stewart for cause, then the City may terminate this Agreement immediately, and Stewart shall be entitled to only the compensation accrued up to the date of termination, payments required by Subsection 6.F below, and such

other termination benefits and payments as may be required by law. Stewart shall not be entitled to any severance benefits provided by Subsection 6.C.

- (3) In the event the City terminates Stewart for cause, the City and Stewart agree that neither Party shall make any written or oral statements to members of the public or the press concerning Stewart's termination except in the form of a joint press release which is mutually agreeable to both Parties. The joint press release shall not contain any text or information that would be disparaging to either Party. Provided, however, that either Party may verbally repeat the substance of any such press release in response to inquiries by members of the press or public.

F. Payment for Unused Leave Balance

- (1) On separation from City employment, Stewart shall be paid for all unused accrued leave allowances provided in Section 4.B(2)(a) above, and/or Stewart may apply the leave time to service credit for retirement purposes if permitted by PERS. Accumulated leave balances shall be paid at Stewart's monthly salary rate at the effective date of separation.
- (2) In the event Stewart dies while employed by the City under this Agreement, his beneficiaries or those entitled to his estate shall be entitled to his earned salary, and any in-lieu payments for accrued benefits, including compensation for the value of all accrued leave balances.

**7. MISCELLANEOUS PROVISIONS**

A. Term

(1) Initial Term

The Term shall be for a period of 36 months commencing on January 1, 2012, and continuing until December 31, 2014 (the initial "Termination Date").

(2) Subsequent Terms

This Agreement shall be renewable for two additional 12-month terms, subject to mutual consent; provided, that this Agreement shall automatically renew for each of those terms, unless, within 6

months before the end of the then current term, the City or Stewart provides the other party written notice of its intent not to renew this Agreement.

B. Provisions that Survive Termination

Many sections of this Agreement are intended by their terms to survive the termination of Stewart's employment with the City, including but not limited to Section 7 and Subsection 7.E. These sections, and the others so intended, shall survive termination of employment and termination of this Agreement.

C. Amendments

This Agreement may be amended at any time by mutual agreement of the City and Stewart. Any amendments are to be negotiated, put in writing, and adopted by the City Council.

D. Conflict of Interest

- (1) Stewart shall not engage in any business or transaction nor shall have a financial or other personal interest or association, direct or indirect, which is in conflict with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties. Personal as distinguished from financial interest includes an interest arising from blood or marriage relationships or close business, personal, or political associations. This section shall not serve to prohibit independent acts or other forms of enterprise during those hours not covered by active City employment, providing such acts do not constitute a conflict of interest as defined herein.
- (2) Stewart shall also be subject to the conflict of interest provisions of the California Government Code and any conflict of interest code applicable to Stewart's City employment.
- (3) Stewart is responsible for submitting to the City Clerk the appropriate Conflict of Interest Statements at the time of appointment, annually thereafter, and at the time of separation from the position.

E. Indemnification

- (1) To the full extent of the law as provided by the California Torts Claims Act (Government Code Section 810 et seq.) and the indemnity provisions of this Agreement, whichever shall provide the greatest protection to Stewart, the City shall defend and indemnify Stewart against and for all losses sustained by Stewart in direct consequence of the discharge of the City Manager's duties on the City's behalf for the period of Stewart's employment.
- (2) The City shall defend, save harmless and indemnify Stewart against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Stewart's duties as City Manager. The City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.
- (3) Whenever Stewart shall be sued for damages arising out of the performance of the City Manager's duties, the City shall provide defense counsel for Stewart in such suit and indemnify Stewart from any judgment rendered against Stewart; provided that such indemnity shall not extend to any judgment for damages arising out of any willful wrongdoing. This indemnification shall extend beyond termination of employment and the otherwise expiration of this Agreement to provide protection for any such acts undertaken or committed in Stewart's capacity as City Manager, regardless of whether the notice of filing of a lawsuit occurs during or following employment with the City. This indemnity provision shall survive the termination of the Agreement and is in addition to any other rights or remedies that Stewart may have under the law.
- (4) The City and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against Stewart, while acting within the scope of the City Manager's duties, from all claims, losses and liabilities arising out of or incident to activities or operations performed by or on behalf of the City or any party affiliated with or otherwise claiming under or through it, regardless of any prior, concurrent, or subsequent active or passive negligence by Stewart.
- (5) In the event that Stewart shall serve as the chief executive of other City-related legal entities as provided in Subsection 3.A(1)(c)

above, then each provision of this Subsection 7.E shall be equally applicable to each City-related legal entity as though set forth in an indemnity agreement between Stewart and that legal entity. The City hereby guarantees the performance of this indemnity obligation by the City-related legal entity, and shall indemnify and hold Stewart harmless against any failure or refusal by a City-related legal entity to perform its obligations under this Subsection 7.E.

F. Severability

If any clause, sentence, part, section, or portion of this Agreement is found by a court of competent jurisdiction to be illegal or unenforceable, such clause, sentence, part, section, or portion so found shall be regarded as though it were not part of this Agreement and the remaining parts of this Agreement shall be fully binding and enforceable by the Parties hereto.

G. Laws Affecting Title

In addition to those laws affecting a City Manager, Stewart shall have the same powers, rights and responsibilities as a Chief Executive Officer, City Administrative Officer, Administrator, and/or City Administrator as those terms are used in local, state or federal laws.

H. Jurisdiction and Venue

This Contract shall be construed in accordance with the laws of the State of California, and the Parties agree that venue shall be in Los Angeles County, California.

I. Entire Agreement

This Contract represents the entire agreement of the Parties, and no representations have been made or relied upon except as set forth herein. This Contract may be amended or modified only by a written, fully executed agreement of the Parties.

J. Notice

Any notice, amendments, or additions to this Agreement, including change of address of either party during the term of this Agreement, which Stewart or the City shall be required, or may desire, to make shall be in writing and shall be sent by prepaid first class mail or hand-delivered to the respective Parties as follows:

- (1) If to the City:  
  
City of Bellflower  
16600 Civic Center Drive  
Bellflower, California 90706
  
- (2) If to Stewart:  
  
Jeffrey L. Stewart

**8. Execution**

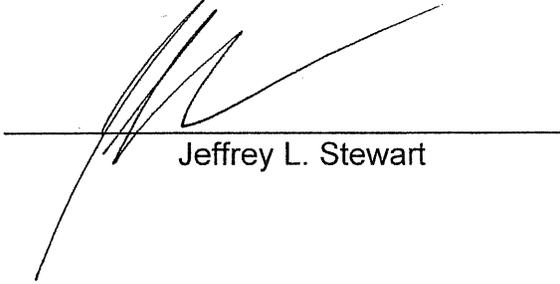
IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

“City”

“Stewart”

By:

  
Scott A. Larsen, Mayor

  
Jeffrey L. Stewart

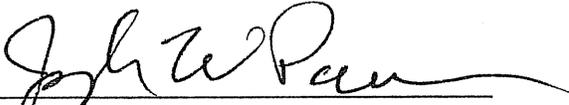
ATTEST:

By:

  
Debra D. Bauchop, City Clerk

APPROVED AS TO FORM:

By:

  
Joseph W. Pannone, City Attorney

# City of Bellflower Agreement File No. 557 – Attachment A

## ICMA Code of Ethics With Guidelines

The ICMA Code of Ethics was adopted by the ICMA membership in 1924, and most recently amended by the membership in May 1998. The Guidelines for the Code were adopted by the ICMA Executive Board in 1972, and most recently revised in July 2004.

The mission of ICMA is to create excellence in local governance by developing and fostering professional local government management worldwide. To further this mission, certain principles, as enforced by the Rules of Procedure, shall govern the conduct of every member of ICMA, who shall:

1. Be dedicated to the concepts of effective and democratic local government by responsible elected officials and believe that professional general management is essential to the achievement of this objective.
2. Affirm the dignity and worth of the services rendered by government and maintain a constructive, creative, and practical attitude toward local government affairs and a deep sense of social responsibility as a trusted public servant.

### *Guideline*

**Advice to Officials of Other Local Governments.** When members advise and respond to inquiries from elected or appointed officials of other local governments, they should inform the administrators of those communities.

3. Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.

### *Guidelines*

**Public Confidence.** Members should conduct themselves so as to maintain public confidence in their profession, their local government, and in their performance of the public trust.

**Impression of Influence.** Members should conduct their official and personal affairs in such a manner as to give the clear impression that they cannot be improperly influenced in the performance of their official duties.

**Appointment Commitment.** Members who accept an appointment to a position should not fail to report for that position. This does not preclude the possibility of a member considering several offers or seeking several positions at the same time, but once a *bona fide* offer of a position has been accepted, that commitment should be

honored. Oral acceptance of an employment offer is considered binding unless the employer makes fundamental changes in terms of employment.

**Credentials.** An application for employment or for ICMA's Voluntary Credentialing Program should be complete and accurate as to all pertinent details of education, experience, and personal history. Members should recognize that both omissions and inaccuracies must be avoided.

**Professional Respect.** Members seeking a management position should show professional respect for persons formerly holding the position or for others who might be applying for the same position. Professional respect does not preclude honest differences of opinion; it does preclude attacking a person's motives or integrity in order to be appointed to a position.

**Reporting Ethics Violations.** When becoming aware of a possible violation of the ICMA Code of Ethics, members are encouraged to report the matter to ICMA. In reporting the matter, members may choose to go on record as the complainant or report the matter on a confidential basis.

**Confidentiality.** Members should not discuss or divulge information with anyone about pending or completed ethics cases, except as specifically authorized by the Rules of Procedure for Enforcement of the Code of Ethics.

**Seeking Employment.** Members should not seek employment for a position having an incumbent administrator who has not resigned or been officially informed that his or her services are to be terminated.

4. Recognize that the chief function of local government at all times is to serve the best interests of all of the people.

*Guideline*

**Length of Service.** A minimum of two years generally is considered necessary in order to render a professional service to the local government. A short tenure should be the exception rather than a recurring experience. However, under special circumstances, it may be in the best interests of the local government and the member to separate in a shorter time. Examples of such circumstances would include refusal of the appointing authority to honor commitments concerning conditions of employment, a vote of no confidence in the member, or severe personal problems. It is the responsibility of an applicant for a position to ascertain conditions of employment. Inadequately determining terms of employment prior to arrival does not justify premature termination.

5. Submit policy proposals to elected officials; provide them with facts and advice on matters of policy as a basis for making decisions and setting community goals; and uphold and implement local government policies adopted by elected officials.

*Guideline*

**Conflicting Roles.** Members who serve multiple roles—working as both city attorney and city manager for the same community, for example—should avoid participating in matters that create the appearance of a conflict of interest. They should disclose the potential conflict to the governing body so that other opinions may be solicited.

6. Recognize that elected representatives of the people are entitled to the credit for the establishment of local government policies; responsibility for policy execution rests with the members.
7. Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.

*Guidelines*

**Elections of the Governing Body.** Members should maintain a reputation for serving equally and impartially all members of the governing body of the local government they serve, regardless of party. To this end, they should not engage in active participation in the election campaign on behalf of or in opposition to candidates for the governing body.

**Elections of Elected Executives.** Members should not engage in the election campaign of any candidate for mayor or elected county executive.

**Running for Office.** Members shall not run for elected office or become involved in political activities related to running for elected office. They shall not seek political endorsements, financial contributions or engage in other campaign activities.

**Elections.** Members share with their fellow citizens the right and responsibility to vote and to voice their opinion on public issues. However, in order not to impair their effectiveness on behalf of the local governments they serve, they shall not participate in political activities to support the candidacy of individuals running for any city, county, special district, school, state or federal offices. Specifically, they shall not endorse candidates, make financial contributions, sign or circulate petitions, or participate in fund-raising activities for individuals seeking or holding elected office.

**Elections on the Council-Manager Plan.** Members may assist in preparing and presenting materials that explain the council-manager form of government to the public prior to an election on the use of the plan. If assistance is required by another community, members may respond. All activities regarding ballot issues should be conducted within local regulations and in a professional manner.

**Presentation of Issues.** Members may assist the governing body in presenting issues involved in referenda such as bond issues, annexations, and similar matters.

8. Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.

*Guidelines*

**Self-Assessment.** Each member should assess his or her professional skills and abilities on a periodic basis.

**Professional Development.** Each member should commit at least 40 hours per year to professional development activities that are based on the practices identified by the members of ICMA.

9. Keep the community informed on local government affairs; encourage communication between the citizens and all local government officers; emphasize friendly and courteous service to the public; and seek to improve the quality and image of public service.
10. Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.

*Guideline*

**Information Sharing.** The member should openly share information with the governing body while diligently carrying out the member's responsibilities as set forth in the charter or enabling legislation.

11. Handle all matters of personnel on the basis of merit so that fairness and impartiality govern a member's decisions pertaining to appointments, pay adjustments, promotions, and discipline.

*Guideline*

**Equal Opportunity.** All decisions pertaining to appointments, pay adjustments, promotions, and discipline should prohibit discrimination because of race, color, religion, sex, national origin, sexual orientation, political affiliation, disability, age, or marital status.

It should be the members' personal and professional responsibility to actively recruit and hire a diverse staff throughout their organizations.

12. Seek no favor; believe that personal aggrandizement or profit secured by confidential information or by misuse of public time is dishonest.

*Guidelines*

**Gifts.** Members should not directly or indirectly solicit any gift or accept or receive any gift—whether it be money, services, loan, travel, entertainment, hospitality, promise, or any other form—under the following circumstances: (1) it could be reasonably inferred or expected that the gift was intended to influence them in the performance of their official duties; or (2) the gift was intended to serve as a reward for any official action on their part.

It is important that the prohibition of unsolicited gifts be limited to circumstances related to improper influence. In *de minimus* situations, such as meal checks, some modest maximum dollar value should be determined by the member as a guideline. The guideline is not intended to isolate members from normal social practices where gifts among friends, associates, and relatives are appropriate for certain occasions.

**Investments in Conflict with Official Duties.** Member should not invest or hold any investment, directly or indirectly, in any financial business, commercial, or other private transaction that creates a conflict with their official duties.

In the case of real estate, the potential use of confidential information and knowledge to further a member's personal interest requires special consideration. This guideline recognizes that members' official actions and decisions can be influenced if there is a conflict with personal investments. Purchases and sales which might be interpreted as speculation for quick profit ought to be avoided (see the guideline on "Confidential Information").

Because personal investments may prejudice or may appear to influence official actions and decisions, members may, in concert with their governing body,

provide for disclosure of such investments prior to accepting their position as local government administrator or prior to any official action by the governing body that may affect such investments.

**Personal Relationships.** Members should disclose any personal relationship to the governing body in any instance where there could be the appearance of a conflict of interest. For example, if the manager's spouse works for a developer doing business with the local government, that fact should be disclosed.

**Confidential Information.** Members should not disclose to others, or use to further their personal interest, confidential information acquired by them in the course of their official duties.

**Private Employment.** Members should not engage in, solicit, negotiate for, or promise to accept private employment, nor should they render services for private interests or conduct a private business when such employment, service, or business creates a conflict with or impairs the proper discharge of their official duties.

Teaching, lecturing, writing, or consulting are typical activities that may not involve conflict of interest, or impair the proper discharge of their official duties. Prior notification of the appointing authority is appropriate in all cases of outside employment.

**Representation.** Members should not represent any outside interest before any agency, whether public or private, except with the authorization of or at the direction of the appointing authority they serve.

**Endorsements.** Members should not endorse commercial products or services by agreeing to use their photograph, endorsement, or quotation in paid or other commercial advertisements, whether or not for compensation. Members may, however, agree to endorse the following, provided they do not receive any compensation: (1) books or other publications; (2) professional development or educational services provided by nonprofit membership organizations or recognized educational institutions; (3) products and/or services in which the local government has a direct economic interest.

Members' observations, opinions, and analyses of commercial products used or tested by their local governments are appropriate and useful to the profession when included as part of professional articles and reports.