

EMPLOYMENT AGREEMENT  
Agreement No. 28,484

The City of Santa Barbara, a municipal corporation, hereinafter referred to as "Employer" and Kelly McAdoo, an individual, hereinafter referred to as "Employee" enter into this Agreement on February 27, 2024, for Employee's services as City Administrator for the City of Santa Barbara.

WHEREAS, this Agreement is made under Article VI of the Santa Barbara City Charter, as a municipal affair; and

WHEREAS, the City Council of Employer, hereinafter "City Council," determined that Employee has the necessary qualifications and experience for the Office of City Administrator as required by the City Charter; and

WHEREAS, on February 27, 2024, the City Council appointed Employee to the Office of City Administrator, with an effective date of May 20, 2024; and

WHEREAS, Employer and Employee enter into this Agreement to document the terms and conditions of employment.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

SECTION 1. TERM AND STATUS.

A. Employer employs Employee to serve as City Administrator and in that capacity, to also hold the offices of City Clerk and City Treasurer ("ancillary offices"). The duties of the ancillary offices may be delegated to the Director of Finance and the City Clerk Services Manager. The term of this Agreement shall be from the Effective Date until terminated pursuant to the terms of this Agreement.

B. Employee's employment status is at-will and at the pleasure of the City Council. Employee understands and agrees that the City Council may terminate her City employment at any time, subject only to the notice, removal and severance provisions of Section 5 of this Agreement and Section 606 of the City Charter. Employee understands and agrees that Employer has made no implied or express oral or written assurances of continued employment with the City. Employee further understands and agrees that she has no property right in City employment and that Employer requires no cause to suspend or terminate her City employment.

SECTION 2. POWERS AND DUTIES.

A. Employee shall perform the duties of City Administrator as set forth in Article VI of the City Charter and as determined and controlled by the City Council. Employee shall report directly and solely to the City Council.

B. In the performance of the duties of City Administrator, Employee agrees to comply with all federal, state and local laws, ordinances, rules, regulations and City Charter, which are applicable to the Office of the City Administrator. Employee acknowledges that she is subject to the common law and statutory conflict-of-interest provisions, including, but not limited to, the Political Reform Act set forth in California Government Code Section 87100 and following, the Fair Political Practices Commission Regulations set forth in California Code of Regulations, Title 2, Section 18700 and following, and California Government Code Section 1090 and following, as they may be amended. Employee agrees that she will be acquainted with the above-referenced provisions, comply fully with them and not take any action, which results or could appear to result, in a violation of such provisions.

### SECTION 3. COMPENSATION.

#### A. Base Salary.

As compensation for Employee's services, Employer agrees to pay Employee, on a bi-weekly basis, an annual base salary of \$342,281.

#### B. Changes to Compensation.

Employee's compensation, as provided herein, shall be reviewed annually and may, from time to time, be increased based on Employee's satisfactory performance, as solely determined by the City Council. Such increases will be established by ordinance. Any increases so approved shall inure to Employee without amendment of this Agreement.

#### C. Health and Welfare Benefits.

Employee shall receive the same health and welfare benefits provided to the City's Group 1 Managers ("Executives"), including, but not limited to, long term disability and life insurance, as set forth in the Management Performance and Compensation Plan.

#### D. Retirement.

Employee shall receive retirement benefits through the Public Employees Retirement System (hereinafter "PERS") Miscellaneous Plan. Employee shall pay a variable contribution toward retirement under the same formula applicable to the City's Group 1 Managers.

E. Automobile Allowance.

Employee shall receive an automobile allowance of \$755 per month which shall be indexed on a percentage basis with changes in the Internal Revenue Service mileage reimbursement rate for business travel, as provided under Resolution 90- 012, and increased or decreased, as appropriate, without amendment of this Agreement.

F. Leave.

Employee shall receive the same leave benefits provided to the City's Group 1 Managers, including, but not limited to, holiday leave and catastrophic leave, as set forth in the Management Performance and Compensation Plan.

G. Relocation Expenses.

Employer shall reimburse Employee for documented moving expenses incurred as a result of Employee relocating her residence to a location within the boundaries of the City per Charter Section 601, provided that such reimbursement shall be capped at \$16,820 and shall be paid only if such documented moving expenses are incurred within one year of the effective date of this Agreement. Additionally, Employee will receive a monthly housing allowance of \$3423 for a period of 36 months.

F. Professional Development and Business Expenses.

Employer acknowledges its mutual interest in the continuing professional development of Employee. Employee agrees to devote all professional time and attention to the City's business during the term of this Agreement.

Employer agrees to allow and pay for professional dues and subscriptions of Employee for continuation and full participation in national, regional, state, and local associations, including, but not limited to, International City/County Management Association (ICMA), the League of California Cities, and such other organizations necessary and desirable for Employee's continued professional participation, growth, and advancement and for the good of the Employer.

Employer agrees to pay travel and subsistence expenses of Employee for conferences in a manner consistent with the treatment of other Executive employees and consistent with the City's policies and procedures for travel and training reimbursement. Employer agrees to reimburse Employee for reasonable business expenses to conduct non-conference related City business including meals, travel, and lodging.

Employee will present a proposed budget for professional development and business expenses to the City Council for review and approval at the beginning of each fiscal year.

#### SECTION 4. PERFORMANCE EVALUATION.

Employer shall evaluate the performance of Employee, as City Administrator, on an annual basis. Employee shall be responsible for providing written notice to the City Council of the need to complete the performance evaluation.

Employee understands and agrees that the failure to evaluate Employee annually, shall not affect the rights of the parties in this Agreement, including termination of Employee's employment.

#### SECTION 5. TERMINATION.

##### A. Termination by Employee.

Employee may voluntarily resign as City Administrator by delivering a letter of resignation to the City Council not less than 30 days prior to the effective date of termination. Employee is not entitled to any severance pay detailed in Section 5(B)(3) if she resigns or retires.

##### B. Termination by Employer.

1. Employer may unilaterally terminate Employee's employment, with or without cause, in accordance with Sections 600 and 606 of the City Charter. No cause for termination need exist because Employee recognizes that she serves at the pleasure of the City Council as an at-will employee. Except as otherwise provided by this Agreement or by law, Employee agrees that she is exempt from any pre- or post-termination due process rights (such as *Skelly* rights or a name clearing hearing).

2. Employer shall provide Employee at least 30 days' notice prior to the effective date of termination except if termination is for cause as detailed in Section 6 below.

3. Employee shall receive six (6) months' severance pay consisting of Employee's base salary, the cash value of twelve (12) months of cafeteria plan and automobile allowances at the effective date of termination and a cash payment of accrued leaves. The PERS Retirement contribution shall not be included in the severance pay. Nothing in this Section shall extend the amount of time served for purposes of receiving any benefit provided in this Agreement.

## SECTION 6. TERMINATION FOR CAUSE.

If Employee is terminated "for cause", City shall have no obligation to notice to Employee prior to any "for cause" termination or to provide severance benefits. All payments of salaries and benefits in this Agreement shall cease, however, Employee will be paid salary and benefits through the date of termination in accordance to City policy and the law. The term "for cause", as used in this Agreement, shall mean any of the following: a) conviction of a felony; b) conviction of an act involving moral turpitude or illegal gain; c) a plea of nolo contendere involving a conviction of a felony or an act involving moral turpitude or illegal gain; d) any act constituting a knowing and intentional violation of the City's Conflict of Interest Code.

## SECTION 7. INDEMNIFICATION.

A. In accordance with and to the extent provided by California's Tort Claims Act (Government Code Section 825 *et seq.*) and Government Code Sections 995-996.5, the City shall defend and indemnify Employee against and for all losses sustained by Employee in direct consequences of the discharge of Employee's duties on the City's behalf for the period of Employee.

B. In addition to the requirements under Section 7A, City shall defend, save harmless and indemnify Employee against any tort, professional liability claim, demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Administrator or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities unless the act or omission involved willful or wanton conduct. City shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs, and other costs and expenses of legal proceedings including attorneys' fees, and any liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual, or threatened, arising out of or in connection with the performance of her duties. Any settlement of any claim must be made with prior approval of the City in order for indemnification to be available, as provided in this Section.

## SECTION 8. PROVISIONS OF GOVERNMENT CODE SECTION 53243.4 *et seq.*

A. In the event that the City provides paid leave to City Administrator pending an investigation of a crime involving abuse of her office or position covered by Government Code Section 53243.4, and should that investigation lead to either a criminal conviction or a civil or administrative penalty by the FPPC or any similarly authorized agency, City Administrator shall fully reimburse the City for any salary provided for that purpose.

B. In the event that the City provides funds for the legal criminal defense of

City Administrator pending an investigation of a crime involving abuse of her office or position covered by Government Code Section 53243.4, and should that investigation lead to either a criminal conviction or a civil or administrative penalty by the FPPC or any similarly authorized agency, City Administrator shall fully reimburse the City for any funds provided for that purpose.

C. In the event that the City provides City Administrator with severance, or any other type of cash settlement related to the termination of City Administrator, and City Administrator subsequently is convicted of a crime, or subjected to civil or administrative penalties, resulting from abuse of her office or position covered by Government Code Section 53243.4, City Administrator shall fully reimburse the City for any such severance or cash settlement.

D. This provision shall not be interpreted or construed as creating a contractual obligation on the City to provide paid leave, a legal criminal defense or cash settlement related to an investigation or termination of City Administrator.

#### SECTION 9. WAIVER OF CLAIMS.

Acceptance by the City Administrator of the severance pay benefits provided by this Agreement shall operate as a full and complete waiver and release of any and all rights, claims, and/or causes of action which the City Administrator may have, or have had, at any time, in the past or in the future, arising out of the City Administrator's employment by the City, including, but not limited to, claims for wrongful termination of this Agreement. If the City Administrator wishes to retain any such rights, the City Administrator must decline to accept the severance benefits provided by this paragraph. The City Administrator shall notify the City of this election to accept or reject these severance benefits within seven (7) days of notice of termination of this Agreement, or within such other time period as the Parties may agree to in writing.

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The severance provisions of this Agreement shall not apply in the event the City Administrator is terminated for cause as provided for in Section 6.

#### SECTION 10. MISCELLANEOUS.

A. Use and administration of benefits shall conform to the requirements of the Management Performance and Compensation Plan and any other City policy or regulation, unless otherwise specified in this Agreement.

B. This Agreement may be amended at any time by mutual agreement of

the City and the City Administrator. Any amendments are to be negotiated, put in writing, and adopted by the City Council.

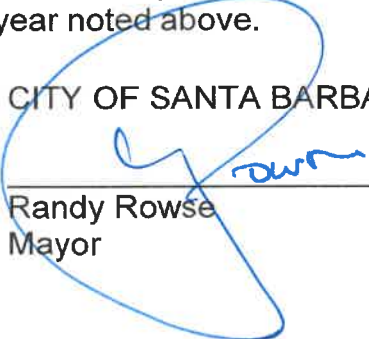
This Agreement is a personal services agreement, and as such, may not be assigned by either party.

C. This Agreement shall be construed in accordance with the laws of the State of California, and the Parties agree that venue shall be in Santa Barbara County, California, notwithstanding any conflicting provisions of the California Code of Civil Procedure.

D. 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.

The parties hereto have executed this Agreement in duplicate the day and year noted above.

CITY OF SANTA BARBARA

  
\_\_\_\_\_  
Randy Rowse  
Mayor

  
\_\_\_\_\_  
Kelly McAdoo, an individual

Attest:

  
\_\_\_\_\_  
Sarah Gorman  
City Clerk Services Manager

Approved as to form:

  
\_\_\_\_\_  
John Doimas  
Assistant City Attorney