

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment to Employment Agreement ("First Amendment") is entered into by and between the City of Santa Barbara, a municipal corporation ("Employer"), and Kelly McAdoo, an individual ("Employee"), collectively referred to as the "Parties."

RECITALS

WHEREAS, the Employer and Employee entered into an Employment Agreement dated February 27, 2024 ("Agreement"), pursuant to which Employee serves as City Administrator for the City of Santa Barbara; and

WHEREAS, the Parties desire to amend the Agreement to provide a deferred compensation contribution, adjust Employee's salary based on the most recent CPI index, and clarify the language relating to future compensation adjustments; and

WHEREAS, this Amendment is made pursuant to Article VI of the Santa Barbara City Charter as a municipal affair.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree to amend the Agreement as follows:

SECTION 1. AMENDMENT TO SECTION 3 – COMPENSATION

A. Base Salary (Revised).

Effective as soon as feasible following City Council approval, Employee's annual base salary shall be increased by 3.3%, from \$342,281 to \$353,576, consistent with the Consumer Price Index (CPI) for all items less food and energy over the past year. Employee shall continue to be paid on a bi-weekly basis in the same manner as other City employees.

B. Changes to Compensation (Revised).

Section 3(B) of the Employment Agreement is hereby deleted and replaced in its entirety with the following:

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. Compensation increases will take into consideration Employee's performance, market equity studies, internal compaction studies, cost of living changes, and will be determined solely by the City Council. Such increases will be established by

resolution. Any increases so approved shall inure to Employee without amendment of this Agreement.

C. Amendment to Professional Development and Business Expenses (Added).

The section of the original Employment Agreement entitled "Professional Development and Business Expenses," previously designated as Section 3(F), is hereby re-lettered as Section 3(H) to maintain consistency with the amendments set forth herein. All references in the Employment Agreement to Section 3(F) shall hereafter be deemed to refer to Section 3(H).

D. Deferred Compensation Contribution (Added).

A new subsection is hereby added to Section 3 of the Agreement, as follows:

Employer shall contribute the amount of \$2,000 per month (equal to \$24,000 annually) to either a 457, 401(a), or 414(h)(2) Defined Contribution Plan, for as long as Employee is employed with the City of Santa Barbara. Employee has the option to elect the plan. Contributions shall be made on a pre-tax basis and are not reportable to CalPERS. Employee shall have the option to contribute up to the yearly cap of the deferred compensation plan. Both Employer and Employee contributions shall immediately vest upon contribution.

SECTION 3. CONTINUING EFFECT OF AGREEMENT

Except as specifically modified by this First Amendment, all other terms, conditions, covenants, and provisions of the Employment Agreement shall remain in full force and effect. This First Amendment, together with the Employment Agreement, constitutes the full and complete understanding between the Parties regarding Employee's employment as City Administrator.

SECTION 4. MISCELLANEOUS

A. Effective Date.


This First Amendment shall become effective following approval by the City Council of the City of Santa Barbara.

B. Counterparts.

This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Employment Agreement as of the date set forth below.

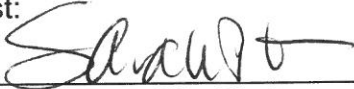
CITY OF SANTA BARBARA
a Municipal Corporation



Randy Rowse, Mayor

Date: 12/3/2025

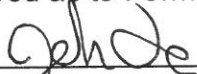
Attest:



Sarah Gorman, City Clerk

Date: 12/8/25

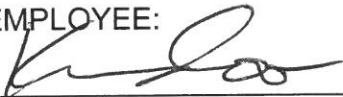
Approved as to Form:



John Doimas, Assistant City Attorney

Date: 12-8-2025

EMPLOYEE:



Kelly McAadoo

Date: 12/3/2025