

SECOND AMENDED EMPLOYMENT AGREEMENT

Agreement No. 28484.02

The City of Santa Barbara, a municipal corporation, hereinafter referred to as “Employer” or “City,” and Kelly McAdoo, an individual, hereinafter referred to as “Employee,” enter into this Second Amended Employment Agreement (“Agreement”) on this 17 day of March, 2026, for Employee’s services as City Administrator for the City of Santa Barbara.

WHEREAS, on February 27, 2024, City and Employee entered into Employment Agreement No. 28,484 (“Original Agreement”) and on December 3, 2025, City and Employee entered into First Amended Employment Agreement No. 28,484.1 (“Amended Agreement”), which together provide the terms and conditions of employment; and

WHEREAS, Section 10 of the Original Agreement requires any modification to be made only upon written consent of the parties; and

WHEREAS, the parties wish to amend the retirement contribution provisions of Employee’s Original Agreement to provide temporary fiscal relief to the City.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. CalPERS Employee Contributions

Effective June 27, 2026, and continuing through the last full pay period of Fiscal Year 2027, Employee shall pay the statutory member contribution to the California Public Employees’ Retirement System (CalPERS) and an additional 7.5 percent employee cost-sharing contribution toward the employer retirement contribution, subject to compliance with applicable CalPERS statutes and regulations.

2. Fiscal Flexibility

The parties acknowledge that economic and fiscal conditions may change during the term of this Amendment. Accordingly, if City’s fiscal outlook materially improves, the parties may, by mutual written agreement and with City Council approval, reduce, suspend, or discontinue the additional employee cost-sharing contribution prior to the end of Fiscal Year 2027.

3. CalPERS Compliance

If CalPERS determines that the contribution structure described above cannot be implemented as contemplated, the parties may modify the mechanism used to achieve the intended level of employee cost-sharing in a manner consistent with applicable law. Such alternative methods may include, but are not limited to, an equivalent salary adjustment, alternative cost-sharing structure, or other compensation modification that produces a comparable fiscal outcome for City.

4. No Other Modifications

This Amendment does not modify the retirement benefit formula, eligibility for participation in CalPERS, or any other terms and conditions of employment for Employee. All other provisions of the Original Agreement and Amended Agreement remain unchanged.

5. Execution

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

CITY OF SANTA BARBARA

Randy Rowse

[Randy Rowse \(03/17/2026 16:22:45 PDT\)](#)

Randy Rowse, Mayor

ATTEST:

Sarah Gorman

[Sarah Gorman \(03/18/2026 14:14:27 PDT\)](#)

Sarah Gorman, City Clerk Services Manager

EMPLOYEE:

Kelly McAdoo

[Kelly McAdoo \(03/17/2026 13:42:00 PDT\)](#)

Kelly McAdoo, an individual