

**EMPLOYMENT AGREEMENT
for
CITY MANAGER SERVICES**

This Agreement is entered into this 17 day of October, 2017, by and between the City Council of the City of Santa Maria, a municipal corporation, hereinafter referred to as "City," and Jason Stilwell, an individual, hereinafter referred to as "Employee," with reference pursuant to the following:

WHEREAS, on October 3, 2017, the City Council of the City of Santa Maria appointed Jason Stilwell as the City Manager, effective December 6, 2017; and

WHEREAS, the City Manager shall be an "at-will" employee and shall serve at the pleasure of the City Council; and

WHEREAS, it is the desire of the City Council to provide certain benefits, establish certain conditions of employment, and set working conditions of said Employee; and

WHEREAS, it is the desire of the City Council to: provide inducement for Employee to remain in such employment; make possible full work productivity by assuring Employee's morale, health and peace of mind with respect to the future security of him and his family; assist in the maintenance of the health and well being of Employee; provide a just means for terminating the services of Employee at such time as he may be unable to discharge fully his duties due to disability or when the City Council may desire to otherwise terminate his employment; act as a deterrent against malfeasance or dishonesty for personal gain on the part of Employee and against morally questionable personal financial dealings; and establish a clear and mutually understood system of compensating Employee; and

WHEREAS, Mr. Stilwell wishes to serve the City Council as its City Manager;

NOW, THEREFORE, in consideration of the promises, terms and conditions contained in this Agreement, City and Employee agree as follows:

1. DUTIES

City hereby agrees to employ Jason Stilwell as City Manager of the City and to perform the duties and functions specified in the Santa Maria Municipal Code, Sections 2-3-04 through 2-3-16, inclusive, and to perform such other legally permissible duties as the City Council shall from time to time assign.

2. TERM

- A. Employee's status shall be "at-will" and shall serve at the pleasure of the City Council. Nothing in this Agreement or any other existing or future City document, not specifically amending this agreement, shall prevent, limit or otherwise interfere with the right of City to terminate the employment of said Employee at any time and for any reason, or for no reason, subject only to the provisions specified in Section 7 of this Agreement.
- B. This Agreement shall become effective on December 6, 2017, and unless otherwise terminated under the provisions of Section 7, shall remain in effect indefinitely.
- C. Nothing in this Section shall or is intended to prevent, limit or otherwise interfere with the right of the City or the Employee to terminate the employment of the Employee prior to the expiration of this Agreement, or any extension thereof, in accordance with Section 7 of this Agreement.

3. COMPENSATION

The City Manager's compensation shall be adopted by resolution of the City Council.

The City agrees, to the extent it is financially able, to annually adjust the salary range of the Employee, based on merit and either the results of the salary survey or the amount given to the other non-represented management and confidential employees, whichever is greater.

For salary survey purposes, the top of the salary range of the Employee shall be set at the average of the mean and median of comparable positions in the following surveyed agencies: La Mesa, Livermore, Lompoc, Oxnard, Redding, Salinas, San Luis Obispo, Santa Barbara, and Ventura. For comparison purposes, the salary survey will be based on the fifth step, "E" step or control point of other comparable positions in other cities, including retirement and the maximum monthly City-paid contribution toward health insurance.

- A. City agrees to review the salary and/or benefits of Employee in such amounts and to such extent as the Council may determine at its discretion, but no less frequently than the review of salary and benefit changes for other non-represented management and confidential employees of the City.
- B. The City Council and the City Manager may set forth annually in writing certain goals and expectations. If, in the determination of the City, the Employee achieves the goals and is performing at an acceptable level,

he may be entitled to receive compensation in the form of Performance Based Pay in addition to his regular salary and benefits. The City Council shall set forth the amount of additional compensation to which the Employee would be entitled pursuant to the Performance Based Pay guidelines but shall not exceed ten percent (10%).

C. The City agrees to provide an IRS approved 401(a) deferred compensation plan and will contribute two percent (2%) of salary per pay period toward the 401(a) plan.

4. BENEFITS

Employee shall receive no less than the benefit package payable to the non-represented management and confidential employees of the City of Santa Maria. In addition, the maximum amount of vacation accumulation at any one time shall be 480 hours for said Employee. Notwithstanding performance or disciplinary reasons, the City shall not, at any time during the term of this Agreement, reduce the salary, compensation or other financial benefits of Employee, except as may generally be applied to the City's management employees.

Given the importance of technological tools to the effective and efficient business of City government, the City shall provide a laptop computer, communications stipend, electronic calendar and other associated office software products, fax, copy machine and other similar devices to the City Manager at the City's expense, both at the City Manager's office and at the City Manager's option, his residence.

5. HOURS OF WORK

It is recognized that Employee must devote a great deal of time outside the normal office hours to business of the City, and to that end Employee will be allowed to take time off as he shall deem appropriate during said normal office hours.

6. CIVIC CLUB MEMBERSHIP

Employer recognizes the desirability of representation in and before local civic and other organizations, and Employee is authorized to be a member of Rotary International, for which Employer shall reimburse Employee for necessary expenses for dues and meals. The City will not reimburse the employee for any service club-related fines or event costs (i.e. ticket purchases, auction items, etc.).

7. TERMINATION

- A. The City Council may terminate this Agreement upon written notice at any time for "good cause." For purpose of this Agreement, "good cause" shall include, but is not limited to, any of the following:
1. A material breach of the terms of this agreement;
 2. Habitual neglect by the Employee of his employment duties;
 3. The continued incapacity on the part of the Employee to perform his duties;
 4. A failure to perform duties in a professional and responsible manner consistent with generally accepted standards of the profession;
 5. Engaging in personal conduct detrimental or prejudicial to public service;
 6. Causes for discipline as defined in the City Administrative Memo (CAM) regarding Disciplinary Action (CAM 99-02).

"Good cause" shall not mean a mere loss of support or confidence by a majority of the Council. In the event that the Employee is terminated for cause, he shall not be entitled to severance pay or other compensation as delineated in Sections B and C below, other than the payment of accrued unused vacation, pro-rated management leave and pro-rated floating holiday time.

- B. The City Council may terminate this Agreement at any time without cause upon sixty (60) days written notice. The City Council may place Employee on paid Administrative Leave at any time during these sixty (60) days upon written notice without cause. Prior to the end of the sixty (60) day period, the Employee will be entitled to be paid the compensation earned by him, including all unused accrued vacation, pro-rated accrued management leave, and pro-rated floating holiday time, on the payroll period prior to the effective date of termination or said benefits can be paid to the Employee on the final payroll and are then subject to the Post Employment Health Plan. Should Employee decide to be paid all unused compensation (as previously described) prior to the final payroll, all leave accruals will cease in the last payroll period.

In the event that the Employee is placed on Administrative Leave without cause, but the Employee is subsequently convicted of: (1) any crime involving the abuse of his position while employed by the City; and/or (2) any crime against public justice (as set forth in Title 7 of the California Penal Code) while employed by the City, Employee shall reimburse the City for the payments received by the Employee from the City while on Administrative Leave.

At the end of the aforementioned sixty (60) day period, Employee's service will automatically terminate. Upon termination, the Employee shall be entitled to severance pay equal to twelve (12) months pay at the employee's current rate of pay. Said severance pay may be paid at the Employee's option as either a lump sum payment on the effective date of termination or on January 1st of the calendar year following his termination date. Employee may elect, in writing, prior to the end of the sixty (60) day period, to continue with medical coverage, paid by the City, for these twelve (12) months. This continued pay option does not include other benefits or salary increases (e.g. merit or COLA). Said severance pay will not be subject to the Post Employment Health Plan.

In consideration of the above severance payment, Employee agrees that he shall not be entitled to any other payment or compensation of any kind from the City (unless otherwise mandated by law) in connection with the termination of his employment.

Employee acknowledges and agrees that if he is terminated pursuant to this Section he shall not be entitled to appeal his termination and both parties shall cooperate on a public account regarding the Employee's separation from the City.

- C. Employee may resign from his employment at any time for any reason by providing forty-five (45) calendar days prior written notice to the City Council, which may be reduced by the City Council. In the event that Employee provides such written notice, he shall be entitled to receive at the termination of his employment, only such accrued unused and other such benefits as may be due and payable under applicable City rules, regulations or policies, and/or under applicable local, State or Federal law. Employee shall not, however, be entitled to any severance pay or other compensation as indicated in Section B as a result of his resignation.

8. INDEMNIFICATION

City shall defend, save harmless and indemnify Employee 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 Employee's duties as City Manager. City will compromise and settle any such claim or suit or pay the amount of any settlement or judgment rendered thereon, subject to the laws of the State of California in that regard.

9. MODIFICATIONS

Modifications may only be made to the Agreement if made in writing and signed by both parties.

10. SEVERABILITY

Any term of this Agreement found to be invalid by a court of competent jurisdiction or made invalid by applicable State or Federal legislation is severable and shall not affect any other provision of the Agreement.

11. CITY COUNCIL COMMITMENTS

- A. The City Council sets policy for the governance and administration of the City, and it implements its policies through the City Manager.
- B. 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 the City Manager or the City Manager's designee, and neither the City Council nor any member thereof shall give orders to any subordinate of the City Manager, either publicly or privately.
- C. 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 the City Manager.
- D. The City Council agrees that any criticism of a City staff member shall be done privately through the City Manager.
- E. Neither the City Council nor any of its members shall interfere with the execution of the powers and duties of the City Manager. The City Manager shall take orders and instructions from the City Council only when it is sitting as a body in a lawfully held meeting.

12. ICMA CODE OF ETHICS

- A. The Parties acknowledge that the City Manager is a member of the International City Management Association ("ICMA") and the American Society for Public Administration (ASPA), and the City agrees to budget for and pay for ICMA and ASPA dues and expenses. The Parties mutually desire that the City Manager be subject to and comply with the ICMA Code of Ethics (Attachment A).
- B. The City Manager commits to comply with the ICMA Code of Ethics.

C. The City Council agrees that neither the City Council nor any of its members will give the City Manager any order, direction, or request that would require the City Manager to violate the ICMA Code of Ethics.

CITY:



Alice M. Patino, Mayor

EMPLOYEE:



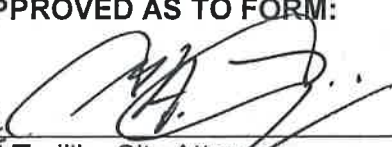
Jason Stilwell

ATTEST:



Rhonda Garietz, Chief Deputy Clerk

APPROVED AS TO FORM:



Gil Trujillo, City Attorney



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.
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.
4. Recognize that the chief function of local government at all times is to serve the best interests of all of the people.
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.
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.
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.
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.
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.
12. Seek no favor; believe that personal aggrandizement or profit secured by confidential information or by misuse of public time is dishonest.