

EMPLOYMENT AGREEMENT BETWEEN

THE CITY OF SALINAS

AND

STEVEN CARRIGAN

1. Parties. The parties to this Employment Agreement (Agreement) are the City of Salinas (City) and Steven Carrigan (Carrigan).

2. Purpose. The purpose of this Agreement is to provide for the employment of Carrigan as City Manager of the City.

3. Duties. The City hereby agrees to employ Carrigan to perform the functions and duties of the City Manager for the City as specified in the Salinas City Charter and Municipal Code, the Job Description, and any other applicable Ordinances, Resolutions, or Policies and to perform such other legally permissible and proper duties and functions as the City Council shall from time-to-time assign.

Carrigan agrees that to the best of his ability and experience, he will at all times loyally and conscientiously perform all the duties and obligations required of him either expressly or implicitly by the terms of this Agreement. Carrigan agrees that he will not, so long as he is employed by the City, take any employment or perform any consulting duties that will interfere with or be inconsistent with the performance of his duties as City Manager for the City.

4. Term of Agreement. This Agreement is effective upon the date it is signed by the City Manager (but in no event later than February 1, 2021) until the three-year anniversary of that signature date, at which time it shall expire.

5. Separation from Employment/Severance Payment.

5.1 The City Council may, subject to the provisions set forth below, terminate the services of Carrigan at any time, it being expressly understood and agreed between the parties that Carrigan serves as an at-will employee of the City. In the event of separation from employment by the City Council, while he is still willing and able to perform the duties of City Manager, Carrigan shall be eligible for three (3) months' severance and health benefits during his first twelve (12) months of employment with the City up to a maximum of six (6) months' severance and health benefits following his first twelve (12) months of employment with the City.

5.2 In accordance with California Government Code section 53261, a cash severance payment made pursuant to this Agreement shall not include any other non-cash item except health benefits payable to or on behalf of Carrigan.

5.3 The severance payment described above will release the City from any further obligations under this Agreement, and any claims of any nature that Carrigan might have against the City by virtue of his employment or termination thereof. Contemporaneously, with the delivery of the severance payment and in consideration therefore, Carrigan agrees to execute and to deliver to the City a release releasing the City of all claims that Carrigan may have against the City.

Initials _____

5.4 In no event may Carrigan be terminated without cause within ninety (90) days after any municipal election for the selection or recall of one or more of the members of the City Council.

5.5 Carrigan shall not be entitled to a severance payment in the following events:

5.5.1 The City Council elects not to renew this Agreement.

5.5.2 Carrigan is terminated because of his conviction of a felony or misdemeanor involving moral turpitude, or is convicted of any illegal act involving personal gain to himself.

5.5.3 Carrigan dies or becomes disabled as provided in Paragraph 6 and the City Council terminates his employment.

5.6 In the event Carrigan resigns his position as City Manager, he shall not be entitled to a severance payment.

5.7 Section 5 of this Agreement shall be construed in accordance with all legal authority, including but not limited to, Government Code section 53260, which explicitly limits contractual severance cash settlements payable by a local agency employer.

6. **Disability.** If Carrigan is permanently disabled to the extent that he cannot perform the full range of the essential functions of his position as determined by his treating physician or is otherwise unable to perform the full range of the essential functions of his position because of sickness, accident, injury, mental incapacity, or other health reasons for a period of twelve (12) successive weeks beyond the exhaustion of all general leave, the City

Council shall have the option to terminate this Agreement, subject to compliance with all provisions of law.

7. Compensation and Benefits.

7.1 City agrees to pay for Carrigan for services rendered pursuant hereto at the base rate of two hundred thirty-five thousand dollars (\$235,000) payable on a bi-weekly basis in the same manner as other employees of the City are paid.

7.2 The City shall make contributions on Carrigan's behalf to an Internal Revenue Code (IRC) 457 or 401(a) compensation plan based on months of service with the City. The payment to either plan will be provided on a bi-weekly basis. The schedule at date of hire is as follows:

<u>Months of Employment</u>	<u>Biweekly Contribution</u>
0 – 12 months	\$93.76
13 – 24 months	\$187.49
25 – 36 months	\$281.25
37 – 48 months	\$374.99
49 – 60 months	\$468.74
61 – 72 months	\$562.50
73 – 84 months	\$656.23
85+ months	\$749.99

The CITY'S maximum contribution shall be adjusted annually (January 1 of each year). Carrigan's determinations as to participation in either the IRC 457 or 401(a) plan shall be governed by the specific regulations for that plan.

7.3 Auto Allowance. The City shall pay a monthly auto allowance of seven hundred fifty dollars (\$750) to Carrigan unless he elects an assigned City vehicle for his use. In the event Carrigan elects an assigned City vehicle, such use shall be limited by and subject to Administrative Memorandum 87-03 "Official Travel and Vehicle Use Policy"

7.4 Professional Organizations. The City shall pay for memberships for Carrigan in the following professional organizations: International City Managers' Association (ICMA) and California League of Cities.

- 7.5 The City agrees to provide Carrigan with City paid Life Insurance in the amount of \$150,000, the City-paid Medical, Dental, Vision and Disability Insurance in the same amounts provided to City Department Directors.

The City will contribute a flat dollar amount toward monthly health benefits premiums equal to 95% of the premium for the level of coverage the employee has selected, up to 95% of the PERS Choice Plan premium. The employee shall pay for costs above the City contribution through payroll deductions. The City will pay the full amount of premiums for dental and vision plans.

- 7.6 Carrigan shall participate in the California Public Employees Retirement System (CalPERS) consistent with applicable Classic or PEPRa eligibility requirements.

- 7.7 Carrigan shall receive Annual Leave as provided for in the City of Salinas Personnel Manual as follows:

<u>Years of Employment</u>	<u>8-Hour Days of Annual Leave Granted per Year</u>
1 through 5	22 days each year
6 through 10	27 days each year
11 through 15	29 days each year
16 through 17	30 days each year
18 through 19	31 days each year
20 through 24	32 days each year
25 through retirement	33 days each year

Cap: 600 hours

The maximum annual leave accrual cap shall be 600 hours. Once Carrigan reaches the maximum annual leave accrual cap he will not accrue additional annual leave until the annual leave balance is below the maximum accrual cap; accrued unused annual leave will be paid at separation.

- 7.8 **Paid Time Off.** Carrigan shall receive eighty (80) Paid Time Off hours per calendar year. Any Paid Time Off hours not used within the calendar year for which they are given will not roll-over to the next calendar year. Paid Time Off hours are not eligible to be cashed-out.

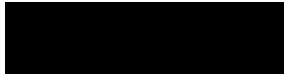
- 7.9 **Relocation Benefit.** The City agrees to provide Carrigan with a one-time relocation benefit in a maximum amount not to exceed five thousand dollars (\$5,000) upon Carrigan's submittal of receipts for expenses and costs directly related to his relocation to a residence within the City of Salinas.

7.10 Any other benefits not specifically mentioned in this Agreement shall be provided in accordance with standards applicable to all City Department Directors.

- 8 **Performance Evaluation:** The City Council shall review and evaluate the performance and compensation of Carrigan on at least an annual basis. The City Manager, in consultation with the City Council, shall define such goals and performance objectives that they determine to be necessary for the proper day-to-day management of the City. In attainment of the City Council's adopted performance objectives, the City Council, in consultation with Carrigan, shall further establish a relative priority among the various goals and objectives, and reduce said goals and objectives to writing.
- 9 **General Expenses:** The City recognizes that certain expenses of a non-personal, but job-related nature are incurred by Carrigan and the City agrees to reimburse or to pay these expenses consistent with City policy. The City shall also provide employee a cell phone and/or iPad and laptop computer.
- 10 **Notice:** Notices pursuant to this Agreement shall be given by mail or personal delivery. Notice shall be deemed given as of the date of personal service or forty-eight (48) hours after deposit in the mail. Notices shall be addressed as follows:

10.1 Notice to Carrigan shall be sent to:

Steven Carrigan



10.2 Notice to the City shall be sent to:

Mayor
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

Copy to:

City Clerk
City of Salinas
200 Lincoln Avenue
Salinas, CA 93901

11 General Provisions:

- 11.1 The Agreement shall be binding and inure to the benefit of the heirs at law and executors of Carrigan.
- 11.2 If any provision, or any portion therefore, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement shall be deemed severable and shall remain in full force and effect.
- 11.3 The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.
- 11.4 This Agreement constitutes the entire agreement between the parties and supersedes any previous Agreements, oral or written. This Agreement may be modified or provisions waived only by subsequent mutual written agreement executed by the City and Carrigan.
- 11.5 This Agreement shall be interpreted as though prepared by both parties.

CITY OF SALINAS

Date: January 5, 2021

By: _____
Kimbley Craig, Mayor

Steven Carrigan

DATE: 12/29/20

Date: January 2021

By: _____
Steven Carrigan

APPROVED AS TO FORM:

Christopher A. Callihan
City Attorney