



EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into this 2nd day of April, 2024, by and between the CITY OF SAN LUIS OBISPO, a municipal corporation and charter city (hereinafter referred to as "CITY"), and WHITNEY MCDONALD (hereinafter referred to as "EMPLOYEE");

WITNESSETH:

WHEREAS, on March 19, 2024 the SAN LUIS OBISPO CITY COUNCIL (hereinafter referred to as "COUNCIL") appointed EMPLOYEE as Interim City Manager effective April 26, 2024 at 5:01 pm (hereinafter referred to as "Start Date"), and

WHEREAS, EMPLOYEE desires to accept the position of Interim City Manager consistent with certain terms and conditions of said employment, as set forth in this AGREEMENT; and

WHEREAS, the COUNCIL and EMPLOYEE desire to memorialize in this Agreement certain benefits, terms, and conditions of employment of EMPLOYEE.

NOW, THEREFORE, the parties do mutually agree as follows:

1. Employment.

The CITY hereby agrees to employ EMPLOYEE as Interim City Manager of the City of San Luis Obispo commencing on the Start Date, to serve at the pleasure of the City Council subject to the terms and conditions set forth in this Agreement.

2. Term.

Agreement shall commence on April 26, 2024 at 5:01 pm and will end when a new City Manager assumes office. However, in no event shall the EMPLOYEE's employment as Interim City Manager extend beyond 960 hours per fiscal year or otherwise violate the provisions of Government Code Section 20480 regarding limit on out-of-class appointments. In accordance with Government Code Section 20480, the City will track EMPLOYEE's hours worked as Interim City Manager and report that service to CalPERS no later than thirty (30) days following the end of each applicable fiscal year.

3. City Council Commitments.

A. The COUNCIL and EMPLOYEE shall meet to formally develop goals and expectations for her performance as the Interim City Manager.

4. Duties and Salary.

- A. Commencing on the Start Date, EMPLOYEE shall perform the functions and duties of the City Manager specified in the Charter and Municipal Code and such other legally permissible and proper duties and functions as the COUNCIL may from time to time assign.
- B. As compensation for EMPLOYEE's services, the COUNCIL agrees to pay EMPLOYEE, on a bi-weekly basis, an annual salary of \$273,104, effective on the EMPLOYEE's Start Date. The Interim City Manager position is exempt from the overtime provisions of the Fair Labor Standards Act and is not eligible for overtime pay. In addition, the COUNCIL agrees to increase said base salary by the cost-of-living adjustment provided by the COUNCIL for all CITY management employees under any successor Management Compensation Resolutions.
- C. EMPLOYEE's annual evaluation for her permanent role of Assistant City Manager pursuant to the Management Pay for Performance Guidelines will proceed as otherwise provided in the Management evaluation guidelines and she may be considered for an annual pay increase for the Assistant City Manager position, with adjustments to her regular position salary effective the second full pay period in April 2024 with written documentation of satisfactory performance. In the event the Interim City Manager returns to her prior position at any time after the execution of this Agreement, she shall receive the adjusted salary as implemented in accordance with the pay for performance evaluation process for management employees and the then-applicable management resolution immediately from and after the date of resuming the Assistant City Manager position, without penalty for the period of service as Interim City Manager.

5. Benefits.

In addition to the salary set forth in Section 4 of this AGREEMENT, EMPLOYEE shall be entitled to the same benefits as those offered by the CITY to other management employees, in accordance with the Resolution 11316 (2022 Series), and any successors.

6. Professional Development.

EMPLOYEE agrees to actively participate in such state, regional, and local organizations as necessary for the representation of City and for effective performance of her duties. City shall pay in advance or reimburse EMPLOYEE for reasonable and necessary expenses incurred by EMPLOYEE relating to such activities pursuant to the City's policies.

7. Termination.

- A. This Agreement may be terminated at any time upon the mutual, written agreement of both the COUNCIL and EMPLOYEE.
- B. EMPLOYEE may terminate this AGREEMENT at any time by giving the COUNCIL not less than fifteen (15) days' prior written notice.
- C. The COUNCIL may terminate this AGREEMENT without cause at any time upon the affirmative vote of not less than three members of the COUNCIL.
- D. When the COUNCIL hires a City Manager, this AGREEMENT will terminate on the day prior to the City Manager's start date.

8. Return Rights to Previous Position.

- A. EMPLOYEE shall have full return rights to the position of Assistant City Manager if this AGREEMENT is terminated pursuant to Section 7. If EMPLOYEE returns to the Assistant City Manager classification after the City hires a City Manager, EMPLOYEE shall earn her previous annual salary, including any eligible Management Pay for Performance increases as set out in Section 4.C. and any cost-of-living adjustment provided by the COUNCIL for all CITY management employees under any successor Management Compensation Resolutions.
- B. The COUNCIL agrees that the position of Assistant City Manager will not be filled with a permanent replacement during EMPLOYEE's services as the Interim City Manager under this AGREEMENT. This paragraph will survive the termination of this AGREEMENT.

9. General Provisions.

- A. The text herein shall constitute the entire AGREEMENT between the parties.
- B. This AGREEMENT shall be binding upon and inure to the benefit of the heirs at law and executors of the parties.
- C. It is the intent of the COUNCIL that this AGREEMENT and the appointment of EMPLOYEE as Interim City Manager are in accordance with the requirements and provisions of the Charter. Wherever possible, the provisions of this AGREEMENT shall be construed in a manner consistent with the Charter. If any provision of this AGREEMENT conflicts with the Charter, the Charter shall control to the fullest extent permitted by law.
- D. If any provision, or any portion thereof, contained in this AGREEMENT is held unconstitutional, invalid or unenforceable, the remainder of this AGREEMENT, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

- E. This AGREEMENT may be amended only in writing and duly authorized and executed by both parties.
- F. There shall be no discrimination against any person employed pursuant to this AGREEMENT in any manner forbidden by law.

IN WITNESS WHEREOF, CITY and EMPLOYEE have executed this Contract on the day and year first set forth above.

WHITNEY MCDONALD

DATE

MAYOR ERICA A. STEWART

DATE

ATTEST:

TERESA PURRINGTON
CITY CLERK

DATE

APPROVED AS TO FORM:

J. CHRISTINE DIETRICK
CITY ATTORNEY