

EMPLOYMENT AGREEMENT

THIS AGREEMENT, is made and entered into on December 1, 2021 by and between the CITY OF SANTA CRUZ, a municipal corporation ("City"), and Matt Huffaker ("Employee"), who agree as follows:

The Parties enter into this Agreement based on the following facts:

- A. The Santa Cruz City Council (City Council) wishes to employ Employee as its City Manager, subject to the terms and conditions set forth in this Agreement, the City of Santa Cruz Municipal Code, and the Charter of the City of Santa Cruz (City Charter).
- B. Employee desires to be employed by the City as its City Manager, subject to the terms and conditions in this Agreement; the City of Santa Cruz Municipal Code; the City Charter; and all other applicable laws, resolutions, and policies.
- C. The City and Employee wish to establish specific terms and conditions relating to compensation and benefits and other matters related to Employee's appointment as City Manager.

1. Powers and Duties.

City hereby agrees to employ Employee as City Manager of City, to perform the functions and duties of the City Manager specified in the City Charter, the Municipal Code, and as provided by state or federal law. Pursuant to Section 806 of the City Charter, City Manager shall be the chief executive officer and the head of the administrative branch of the City government, shall be responsible to the City Council for the proper administration of all affairs of the City, and shall have the power and be required to:

- (a) Appoint and remove, subject to the Civil Service provisions of the City Charter, and the ordinances, rules, and regulations promulgated thereunder, all department heads of the City except as otherwise provided by the City Charter, and pass upon and approve all proposed appointments and removals of subordinate employees by department heads. No person related to the City Manager by blood or by marriage shall be eligible for office or employment in the City;
- (b) Prepare the budget annually and submit it to the City Council and be responsible for its administration after adoption;
- (c) Prepare and submit to the City Council as of the end of the fiscal year, a complete report on the finances and administrative activities of the City for the preceding year;
- (d) Keep the City Council advised of the financial condition and future needs of the City and make such recommendations as may seem desirable;
- (e) See that all ordinances are enforced;
- (f) See that the provisions of all franchises, permits, and privileges granted by the City are fully observed and to report to the Council any violation thereof;
- (g) Exercise general supervision over all privately owned public utilities operating within the City;

- (h) Prepare rules and regulations governing the contracting for purchasing; inspection; storing; inventory; and distribution or disposal of all supplies, materials and equipment required by any office, department, or agency or the City government and recommend them to the City Council for adoption by ordinance;
- (i) Examine, or cause to be examined, without notice, the conduct of any officer or employee of the City;
- (j) Act, personally or through a designee, as Personnel Director in the Personnel Director's absence;
- (k) From time to time, in order to facilitate the prompt, economical and efficient dispatch of City business, assign officers and employees from any department or office to perform such duties or services in connection with any other department or office or to work in more than one such department or office; and
- (l) Perform such other duties as may be prescribed by the City Charter or required by the City Council, not inconsistent with the City Charter.

2. Hours of Work.

It is recognized that Employee must devote time outside the normal office hours to conduct business of the City. Accordingly, Employee agrees to devote his full time and attention to the performance of Employee's responsibilities as City Manager and shall not engage in any other employment or the conduct of any other business during the term of this Agreement without prior approval having been granted by the City Council.

3. Term.

- (a) The term of this Agreement shall commence on January 3, 2022 through January 1, 2027 subject to the termination clause in Section 8.
- (b) Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the City Council, acting for City, to terminate the services of Employee at any time subject only to the applicable provisions set forth in Sections 8(a) and (b) of this Agreement.
- (c) Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Employee to resign at any time from his position as City Manager, subject only to Section 8(c) of this Agreement.

4. Compensation and Benefits.

- (a) Base Salary. The monthly base salary will be \$22,199 payable in accordance with a predetermined schedule applicable to all City employees.
- (b) Deferred Compensation. In addition to the base salary provided herein, City agrees to make contributions to a deferred compensation plan in the amount of 3% of base salary per month.
- (c) COLAs. City agrees to increase the base salary automatically with any Cost of Living Adjustments provided to other executive employees covered by the most currently

adopted Compensation and Benefits Plan (attached). COLAs are subject to City Council approval after agreements are completed with executive employees.

- (d) Merit Increases in Compensation. City may also increase the base salary and/or other benefits of Employee in the amount and to the extent as the City may determine that it is desirable to do so on the basis of annual performance evaluation and salary review.
- (e) Benefits. The City shall provide the City Manager with a benefit package which is consistent with the benefit package provided to the other executive employees covered by the most currently adopted Compensation and Benefits Plan (attached).
- (f) Vacation Bank and Accrual Rate. Employee shall receive a “bank” of vacation hours in the amount of three (3) weeks upon starting the position. Employee will accrue vacation at the rate of 160 hours per year.
- (g) Sick Leave Bank. Employee shall receive a “bank” of sick leave hours in the amount of two (2) weeks upon starting the position.

5. Performance and Salary Reviews.

- (a) Employee and the City Council shall meet annually in closed session to conduct a performance evaluation. Employee shall provide a written report to the City Council prior to the session. The written report shall outline performance criteria and accomplishments; the status of the organization; and organizational issues including, but not limited to, departmental performance, staffing, budgetary, planning, and other issues that the Employee or the City Council in consultation with the Employee believe need to be addressed and/or discussed.
- (b) As part of providing policy direction and leadership to the City and the City Manager, the City Council agrees to participate in an annual goal setting and priority identification workshop with the City Manager.

6. Dues and Subscriptions.

Subject to prior budgetary approval by City, City agrees to pay for the professional dues and subscriptions of Employee necessary for full participation in national, regional, state, and local organizations necessary and desirable for continued professional participation, growth, and advancement, and for the good of the City. This includes membership in the International City/County Management Association (ICMA) and California City Management Foundation (CCMF).

7. Professional Development.

- (a) Subject to prior budgetary approval by City, City agrees to pay the travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other functions for City.
- (b) Subject to prior budgetary approval by City, City agrees to pay for the travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for his professional development and for the good of the City, consistent with the City’s adopted policies related to travel and per diem expenses.

8. Termination and Severance Pay.

- (a) Termination Without Cause. Employee acknowledges he is an at-will employee who serves at the pleasure of the City Council. As such, his employment may be terminated by the City without cause. If the Employee is terminated by the City without cause, the City shall provide a severance payment equal to eight (8) months' salary at the current rate of pay. This severance shall be paid in a lump sum unless otherwise agreed to by City and Employee.
- (b) Termination For Cause. No severance or termination pay shall be awarded to Employee. Employee shall be compensated for all accrued vacation hours, management leave time, and all paid holidays and floating holidays. In this Agreement, "for cause" means
 - 1. Dishonesty, willful misconduct, or gross negligence by Employee in the performance of his obligations under this Agreement;
 - 2. Theft, embezzlement, or other similar misappropriation of funds or property of City by Employee;
 - 3. Intentional damage to any property of City that results in a significant liability to City;
 - 4. The failure of Employee to follow the reasonable and lawful instructions and policy of City with respect to Employee's duties hereunder;
 - 5. Conviction of a felony;
 - 6. Willful violation of a federal/state law; and
 - 7. Willful violation of any conflict of interest law.
- (c) Employee may voluntarily resign his position at any time providing that he shall provide at a minimum thirty (30) days' notice. Employee will endeavor to provide as much additional notice as he may deem appropriate. Employee shall be compensated for all accrued vacation hours, management leave time, and all paid holidays and floating holidays.

9. Other Terms and Conditions of Employment.

The City Council, in consultation with Employee, shall establish such other terms and conditions of employment as it may determine from time to time relating to the performance or compensation of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Santa Cruz Municipal Code, or any applicable state or federal law.

10. Indemnification.

The City shall defend, hold harmless, and indemnify the City Manager against liability arising out of an alleged act or omission occurring during the course and scope of the performance of the City Manager's duties, except for liability arising out of Employee's gross negligence or willful misconduct

11. Notices.

Any notice required or permitted to be given pursuant to this Agreement shall be either personally delivered or given by deposit in the U.S. Mail, postage prepaid, addressed as follows:

EMPLOYER: City Council
City of Santa Cruz
809 Center Street, Room 10
Santa Cruz, CA 95060

EMPLOYEE: Matt Huffaker

Notice shall be deemed given as of the date of personal delivery or three (3) business days after the date of deposit of such written notice in the U.S. Mail.

12. 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, executors, administrators, personal representatives, successors, and assigns of the parties.
- (c) This Agreement shall become effective on January 3, 2022.
- (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.

13. Amendment of Agreement.

This Agreement may be amended in writing by mutual agreement of the parties.

14. Waiver.

Waiver by either party of any term or condition of this Agreement, or any breach, shall not constitute a waiver of any other term or condition or breach of this Agreement.

IN WITNESS WHEREOF, the City of Santa Cruz has caused this Agreement to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and Employee has signed and executed this Agreement, both in duplicate, the day and year first above written.

CITY OF SANTA CRUZ

EMPLOYEE

By: 
Donna Meyers, Mayor


Matt Huffaker

Attachment: City of Santa Cruz Compensation and Benefits Plan