

**EMPLOYMENT AGREEMENT
BETWEEN THE CITY COUNCIL OF THE CITY OF SANTA MARIA
AND DAVID W. ROWLANDS
FOR SERVICES RENDERED AS CITY MANAGER**

This Agreement is entered into on this first day October 1, 2024, by and between the City Council representing the City of Santa Maria, a municipal corporation, hereinafter referred to as "City," and David W. Rowlands, an individual, hereinafter referred to as "Employee," with reference pursuant to the following:

WHEREAS, pursuant to Santa Maria Municipal Code Section 2-3.02, the City Council of the City of Santa Maria has appointed David W. Rowlands as City Manager on October 1, 2024; 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 he 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 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;

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

1. DUTIES

- A. City hereby agrees to and shall employ David W. Rowlands as City Manager. Employee agrees to perform the duties and functions of the position of City Manager of the City as described by State law, the Municipal Code of the City, the job description of the position of City Manager, and all other duties and functions as assigned by the City Council from time to time.

- B. Employee agrees to perform all such functions and duties to the best of his ability and in a competent and efficient manner. Employee agrees to focus his full professional time, ability, and attention to City business during the term of this Agreement and agrees not to engage in any other business pursuits whatsoever, or directly or indirectly render any services of a business, commercial or professional in nature to any other person or organization, whether for compensation, or otherwise, without the prior written consent of the City Council.

2. TERM

- A. The Employee 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 the City Council to terminate the employment of said Employee at any

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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 November 30, 2024, 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 Council agrees to the extent that the City is financially able, to annually adjust the salary range of the Employee based on merit and the amount given to the other non-represented managers.

- A. Beginning compensation shall be mutually agreed to using the compensation range established for the Corporate/Executive Leader as the guide. The agreed to compensation effective at appointment is \$ 290,000 annual base pay, plus a 5% educational incentive, once education is verified. (Initial ~~_____~~)
- B. The City Council also agrees to review the pay benefits of Employee in such amounts and to such extent as the City Council may determine at its discretion, but no less than the annual pay and of benefit changes as determined for other Non-Represented Managers as outlined in the current resolution for Non-Represented Managers and Confidential Employees .

4. BENEFITS

- A. Employee shall receive no less than the benefit package payable to the Non-Represented Managers and Confidential Employees of the City of Santa Maria, as outlined in their resolution. City shall not, at any time during the term of this Agreement, reduce the salary, compensation or other financial benefits of Employee, except to the degree of such a reduction across the board for management employees of the City or except as a result of a disciplinary action for cause.
- B. The Employee shall accrue vacation leave at a rate of Thirty (30) days per year and management leave at a rate of eighty (80) hours per year. A leave bank of 120 hours, available for immediate use shall be established. A sick leave bank of 40 hours, available for immediate use shall be established. Floating Holiday time shall be granted as specified in the current resolution for Non-Represented Manager and Confidential Employees.

**EMPLOYMENT AGREEMENT
BETWEEN THE CITY COUNCIL OF THE CITY OF SANTA MARIA
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5. CIVIC CLUB MEMBERSHIP

City recognizes the desirability of representation in and before local, civic and other organizations, and Employee is authorized to become a member of one nationally recognized service club, for which the City shall pay 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.).

6. ICMA CODE OF ETHICS

- A. The Parties acknowledge that the City Manager may become/is a member of the International City Management Association ("ICMA") and the City agrees to budget for and pay for ICMA dues and expenses.
- B. The City Manager, whether a member of ICMA or not commits to comply with the ICMA Code of Ethics.

7. TERMINATION

Employee acknowledges and agrees that he is an "at-will" employee serving at the pleasure of the City Council and may be terminated without any right of appeal.

- A. The City Council may terminate this Agreement upon written notice at any time for "good cause." For purposes 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; or
 - 6. Causes for discipline as defined in the City Administrative Memo (CAM) regarding Disciplinary Action (CAM 1999-02).

"Good cause" shall not mean a mere loss of support or confidence by the City 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

**EMPLOYMENT AGREEMENT
BETWEEN THE CITY COUNCIL OF THE CITY OF SANTA MARIA
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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) calendar days written notice. The City Council may place Employee on Administrative Leave at any time during these sixty (60) days upon written notice without cause. Prior to the end of this sixty (60) day period, the Employee will be entitled to be paid the compensation earned by his (i.e. all unused accrued vacation) leave time, as well as his unused pro-rated accrued management leave, 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 the 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, the Employee's service will automatically terminate. Upon termination, the Employee shall be entitled to receive twelve (12) months of severance pay at the Employee's current rate of pay in one lump sum. The 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 medical 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, the 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. The Employee acknowledges and agrees as an at-will employee, that if he is terminated pursuant to this Section, he shall not be entitled to appeal his termination.

In the event that the Employee receives severance pay, 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 severance payments received from the City.

**EMPLOYMENT AGREEMENT
BETWEEN THE CITY COUNCIL OF THE CITY OF SANTA MARIA
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- C. The Employee may resign from his employment at any time for any reason by providing thirty (30) calendar days prior written notice to the City Council, which may be reduced by the City Council. In the event that the 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. The Employee shall not, however, be entitled to any severance pay or other compensation as indicated in Section B as a result of his resignation.
- D. The Employee may not be removed from office, except for cause, during the first 90 days after any new City Council member takes office.

7. INDEMNIFICATION

City shall defend, save harmless, and indemnify Employee against any tort, professional liability claims 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 has the authority without the Employee's consent to 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.

However, with respect to any payments by the City for the Employee's legal defense in any legal proceeding in which the Employee is 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 any such payments.

8. MODIFICATIONS

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

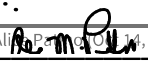
9. SEVERABILITY

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.

**EMPLOYMENT AGREEMENT
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CITY:

EMPLOYEE:


Thomas Watson (Oct 14, 2024 06:49 PDT)

CITY COUNCIL


David W. Rowlands (Oct 9, 2024 07:56 PDT)

CITY MANAGER

APPROVED AS TO FORM:


Thomas Watson (Oct 14, 2024 12:39 PDT)

THOMAS WATSON
City Attorney