

EMPLOYMENT AGREEMENT

Interim City Manager

THIS AGREEMENT is made this ____ day of December, 2025 between the City of Santa Rosa ("City") and Lori Ann Farrell ("Interim City Manager"). The City and the Interim City Manager shall be referenced collectively as the "Parties" and individually as a "Party." This Agreement supersedes any and all prior employment agreements, whether oral or written, between the City and the Interim City Manager.

1. **Employment.** The City employs the Interim City Manager, effective January 2, 2025 ("Effective Date") as a full-time, at-will employee to serve at the pleasure of the City Council, subject to the terms and conditions set forth herein. It is the intent of the Parties that the Interim City Manager's employment will be for a temporary period of time while the City recruits and hires a new City Manager. The Interim City Manager's employment with the City is for no specified term, however, and is at the mutual consent of both the Interim City Manager and the City. There are no express or implied agreements contrary to the foregoing. The Interim City Manager understands and agrees that she has no constitutionally protected property or other interest in continued employment with the City. The Interim City Manager understands that notwithstanding any other applicable laws, resolutions and policies, she has no right to pre- or post-disciplinary due process. The Interim City Manager further understands and agrees that she works at the will and pleasure of the City Council and that she may be terminated at any time, with or without cause, subject to the provisions of Section 5, below.
2. **Term.** This Agreement shall commence on the Effective Date, the Interim City Manager's first date of employment, and shall remain in effect until terminated as set forth in Section 5, below.
3. **Salary.** The Interim City Manager's salary shall be **\$291,200** annually. The Interim City Manager shall not be entitled to receive any merit increases or cost of living increases in salary unless approved by the City Council, in its exclusive discretion, and agreed in writing by the Parties. The Interim City Manager will receive her first paycheck no later than January 30, 2026. Thereafter, the Interim City Manager will be paid in accordance with the payroll schedule adopted by the City for other City employees.
4. **Duties.** The Interim City Manager shall have the powers and shall perform the duties prescribed by the City Charter for the City Manager and as further provided in the job description for City Manager attached hereto as Attachment "A" and incorporated herein by reference or any revised or amended job description subsequently adopted by the City for the City Manager. The Interim City Manager shall also perform such additional or alternative responsibilities as may be lawfully assigned by the City Council.
5. **Evaluation.** Any evaluation of the Interim City Manager's performance shall be discussed by the City Council only in closed session. Any evaluation shall be in writing and a copy of the evaluation shall be given to the Interim City Manager and a copy placed in her personnel file. The City Council shall meet to discuss the contents of any evaluation with Interim City

Manager within a reasonable time. Failure to comply with this section shall have no impact on the at-will nature of the Interim City Manager's employment.

6. Termination of Contract.

- a. **Mutual Consent.** This Agreement may be terminated at any time by mutual consent of the Interim City Manager and the City Council.
- b. **Termination by Interim City Manager.** The Interim City Manager may terminate this Agreement at any time by giving the City Council at least thirty (30) days' prior written notice of the termination.
- c. **Termination by City Council.** The City Council may terminate this Agreement at any time by giving (30) days' written notice or paying one month's salary ("Severance") or any combination thereof equivalent to one month. Any payment of Severance shall be contingent on receipt by the City of a release of all claims and potential claims related to the Interim City Manager's employment, to the extent permitted by law, by the Interim City Manager, in a form acceptable to the City, in writing and executed by the Interim City Manager.
- d. **Termination for Cause.** In addition to the methods of termination set forth in subsections (a), (b) and (c), the City Council may terminate this Agreement immediately for cause. Cause shall be defined as any of the following:
 - (1) Breach of this Agreement;
 - (2) Résumé fraud;
 - (3) Absence without leave;
 - (4) Conviction of a misdemeanor involving moral turpitude, a felony, or a crime involving abuse of her office or position, under federal or California law;
 - (5) A finding by the City Council of a violation of the City's Anti-Harassment Policy;
 - (6) Use or possession of illegal drugs; or
 - (7) Continued failure to perform job duties.

Prior to terminating this Agreement pursuant to this subsection (d), the City Council shall give the Interim City Manager at least ten (10) days' prior written notice of the charges/grounds for termination. Within the ten-day period, but not earlier than five days after the notice has been given, the City Council shall meet with the Interim City Manager in closed session and give the Interim City Manager an opportunity to address the City Council regarding the charges. The Interim City Manager may have a representative at the closed session with the City Council.

After hearing the Interim City Manager's response to the charges, the City Council shall make a decision as to whether to terminate this Agreement and shall inform the Interim City Attorney in writing of its decision. Other than as provided in this subsection, the Interim City Manager expressly waives any other form of City administrative hearing or appeal of the City Council's decision.

Nothing in this subsection creates a property right in employment. Notwithstanding anything contained in this subsection, the Interim City Manager remains an at-will employee serving at the pleasure of the Council.

- e. **Terminating Cash Payment.** Upon termination, the Interim City Manager shall receive any compensation due for any remaining accrued, but unused leave balances in accordance with the provisions for the City's executive management employees..
- f. **Conviction of a Crime for Abuse of Office.** In accordance with the provisions of Government Code Section 53243 and/or 53243.2 on successor statutes, the Interim City Manager shall be required to reimburse the City for any severance pay or salary paid while on administrative leave if the Interim City Manager is convicted of a crime involving an abuse of her office or position as defined in Government Code Section 53243.4 or successor statute.

7. **Vacation and Leave.**

The Interim City Manager shall be eligible for the following leaves:

- a. **Vacation.** The Interim City Manager shall accrue vacation leave at the rate provided for the City's other Executive Management employees .
 - b. **Sick Leave.** The Interim City Manager shall accrue sick leave at the rate provided for the City's other Executive Management employees.
 - c. **Administrative Leave.** The Interim City Manager shall receive a bank of eighty (80) hours of administrative leave at the time employment commences and shall receive an additional eighty (80) hours each year on July 1 in accordance with the City's Administrative Leave Policy.
 - d. **Holidays.** The Interim City Manager shall receive all holidays granted to City's Executive Management employees.
8. **Benefits.** The City shall provide the Interim City Manager with health, dental insurance, vision insurance, disability insurance, as provided to the City's Executive Management employees. Except where inconsistent with this Agreement, the Interim City Manager shall receive all other benefits provided to the City's Executive Management employees.
- a. **Health Insurance.** The City shall offer the Interim City Manager and her dependents a health insurance program in accordance with the sharing of cost as also provided to the City's other Executive Management employees pursuant to the City's Compensation Plan for Executive Management employees.
 - b. **Retiree Health Savings Plan (RHS).** A Retiree Health Savings Plan (RHS) shall be provided under the same terms under the City's Compensation Plan for Executive Management employees. Participation is mandatory and currently requires the employee to make the following monetary contributions: (1) an ongoing contribution equal to 0.5% of base salary, (2) an annual contribution equal to 25% of sick leave that was earned but unused in the immediate past fiscal year, and (3) upon separation, a

contribution equal to 50% of unused accrued vacation. Required contributions may change over time.

- c. **Pension and Pension Cost Sharing.** The Interim City Manager's prior employments qualify her for reciprocity with the California Public Employees' Retirement System (Cal PERS) and will retain her retirement with the California Public Employees' Retirement System (Cal PERS) Tier 2 Benefit Formula of 2.5% @ 55, single highest year formula. The plan calls for a mandatory, pre-tax employee contribution of eight percent (8%) of eligible compensation plus an additional mandatory contribution of one and one-half percent (1.5%) for Employer Cost Sharing, for a total pre-tax contribution of nine and one-half percent (9.5%) of eligible compensation.
9. **Expense Reimbursement.** The City shall reimburse the Interim City Manager for actual and necessary expenses incurred by the Interim City Manager within the scope of her employment in accordance with the City's reimbursement schedules and policies. The Interim City Manager's expense claim shall be supported by appropriate written documentation verifying the contents of the report prior to authorization of reimbursement. . Expenses include dues for appropriate city manager professional organizations to the extent approved in advance by the Mayor in writing on behalf of the City.
10. **Temporary Housing Assistance.** The Parties agree that the Interim City Manager's primarily in-person presence in City Hall is an essential component to the effective performance of her job duties. To the extent the City Interim City Manager relocates (temporarily or otherwise) to Sonoma County or Marin County and maintains housing there while she is employed as Interim City Manager, the City will provide the Interim City Manager with \$3,000 per month to help off-set her temporary housing costs.
11. **Automobile Expenses.** To reimburse the Interim City Manager for travel expenses while performing City Business, she shall receive the same automobile allowance provided to other Executive Management employees under the City's Compensation Plan for Executive Management employees.
12. **Notices.** Any notices required or permitted by this Agreement shall be in writing and shall be personally served or shall be sufficiently given and deemed served upon the other party if sent by United States Postal Service, first-class postage prepaid, and addressed as follows:

TO CITY: Mayor
City of Santa Rosa
100 Santa Rosa Avenue, Room 10
Santa Rosa, CA 95404

TO EMPLOYEE: Lori Ann Farrell
Interim City Manager
100 Santa Rosa Avenue, Room 10
Santa Rosa, CA 95404

Notices shall be deemed given as of the date of personal service or upon the date of deposit in the course of transmission with the United States Postal Service.

13. General Provisions.

- a. **Governing Law and Venue.** This Agreement, and the rights and obligations of the Parties shall be governed by and construed in accordance with the laws of the State of California. The Parties also agree that, in the event of litigation, the venue shall be the state court located in Sonoma County, California.
- b. **Entire Agreement.** This Agreement contains the entire agreement and understanding between the Parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representation, express or implied, not contained in this Agreement.
- c. **Amendments.** This Agreement may be amended at any time by mutual agreement of the City and the Interim City Manager. Any amendments are to be negotiated, put in writing, and adopted by the City Council and be in accordance with all applicable provisions of the City Charter and City Code.
- d. **No Assignment.** The Interim City Manager may not assign or transfer any rights granted, or obligations assumed under this Agreement.
- e. **Modification.** This Agreement cannot be changed or supplemented orally. It may be modified or superseded only by a written instrument executed by both of the Parties.
- f. **Severability.** If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of the Agreement shall continue in full force and effect.

CITY

By: _____
Mark Stapp
Mayor

Lori Ann Farrell
Interim City Manager

APPROVED AS TO FORM:

City Attorney

ATTACHMENT "A"
Job Description



City of Santa Rosa
City Manager

CLASS CODE 01A0 **SALARY**

ESTABLISHED DATE November 01, 1981 **REVISION DATE** October 02, 2014

Definition

To coordinate the overall administrative activities and operations of the City; to advise and assist the City Council exercising independent judgment and initiative; and to serve as the City Clerk, Purchasing Agent, Personnel Director, and Emergency Services Director as provided by Charter.

Distinguishing Characteristics

Supervision Received and Exercised

Policy direction is provided by the City Council. Responsibilities include direct and indirect supervision of department heads and staff assigned to the City Manager's Office.

Examples of Duties

Duties may include, but are not limited to, the following:

- Direct and participate in the development and implementation of goals, objectives, policies and procedures;
- direct and participate, with department head cooperation, in the preparation and administration of the City Budget;
- prepare long-term plans of capital improvements with plans for their financing;
- confer with department heads concerning administrative and operational problems;
- make appropriate decisions or recommendations;
- prepare and submit to the City Council reports of finances and administrative activities, keep City Council advised of financial conditions, program progress, and present and future needs of the City;
- oversee the enforcement of all City ordinances;
- direct the preparation of plans and specifications for work which the City Council orders;
- interpret analyze and explain policies, procedures and programs;
- confer with residents, taxpayers, businesses and other individuals, groups and outside agencies having an interest or potential interest in affairs of City concern;
- respond to the most difficult complaints and requests for information;

- represent the City in the community and at professional meetings as required;
- coordinate City activities with other governmental agencies and outside organizations;
- select, supervise, train and evaluate staff;
- perform all duties as may be prescribed in the City code or by City Council action;
- perform related duties as assigned.

Qualifications

Knowledge of: Modern municipal administrative methods and procedures, organizations and functions; current social, political and economic trends and operating problems of municipal government; applicable federal and state laws, rules and regulations regarding local government operations; principles of effective public relations and interrelationships with community groups and agencies, private businesses and firms and other levels of government.

Ability to: Provide effective leadership and coordinate the activities of a large full service, municipal organization; analyze, interpret, summarize and present administrative and technical information and data in an effective manner; appraise situations and people accurately and quickly and adopt an effective course of action; serve effectively and the administrative agent of the City Council; select, supervise, train and evaluate staff.

Experience and Education: Any combination equivalent to experience and education that could likely provide the knowledge and abilities would be qualifying. A typical way to obtain the knowledge and abilities would be: Experience - Eight years of progressively responsible experience in administrative, managerial, or staff capacity in a large municipal organization, involving the responsibility for the planning, organization, implementation and supervision of varied work programs typically as a department head or assistant department head, to demonstrate possession of the knowledge and abilities listed above; Education - Equivalent to a Master's Degree from an accredited college or university with major course work in public or business administration or a closely related field.

License or Certificate

This classification requires the use of a personal or City vehicle while conducting City business. In order to drive, an incumbent must be physically capable of operating a vehicle safely and must possess an appropriate, valid California motor vehicle operator's license.

Working Conditions

Work is largely conducted indoors in an office setting, in meetings or traveling to other cities, which involves sitting for extended periods of time with the ability to move about at will. Incumbents in this classification communicate verbally in person, by telephone, in meetings and while making presentations. Incumbents read and comprehend written materials and draw inferences from their contents. A computer keyboard is used for word processing, spreadsheet and electronic mail applications, entering and retrieving data and producing written documents such as correspondence and reports requiring repetitive hand movements. When conducting site inspections, incumbents work outdoors with exposure to the elements, and walk over rough, uneven or rocky surfaces requiring the ability to bend at knees or waist. Incumbents occasionally lift and move reports or binders weighing up to 10 pounds and carry them for short distances.