

**AGREEMENT FOR SERVICES
BETWEEN CITY OF SUNNYVALE AND DEANNA J. SANTANA**

This Agreement for Services, dated April 29, 2014 is between the City Council of the City of Sunnyvale ("City Council") and Deanna J. Santana ("Employee") for services to be performed by Employee in the position of City Manager.

Section 1. Duties

Employee shall perform the functions and duties specified in Section 802 of the Charter of the City of Sunnyvale, the Sunnyvale Municipal Code, and other legally permissible and proper duties and functions as the City Council shall from time to time assign.

Section 2. Term

This Agreement shall commence June 2, 2014, and extend until terminated as provided hereinafter.

Section 3. Termination/Severance

A. Because an intimate and confidential relationship is necessary between the City Council and Employee, the Employee serves at the pleasure of the City Council, and nothing herein shall be taken to prevent, limit, or otherwise interfere with the right of the City Council to terminate the services of Employee with or without cause. However, the City Council shall take no action to terminate the services of the Employee within ninety (90) days after the seating of a new member following any election at which one or more new members are elected to the City Council. There is no express or implied promise made to the Employee for any form of continued employment. The Employee shall have no right to a termination hearing. The City and the Employee acknowledge that an excellent City Council-City Manager relationship is in the best interest of the City, and accordingly each agree to use their best efforts to foster City Council-City Manager Communications. This Agreement is the sole and exclusive basis for an employment relationship between Employee and the City Council.

B. If the Employee is terminated by the City Council while the Employee is still willing and able to perform the duties of the City Manager, the City Council agrees to pay the Employee a single lump sum payment, made on the effective day of the termination, of an amount calculated as follows: nine (9) months aggregate salary and an amount equivalent to nine (9) months aggregate medical insurance benefit allowance for any "involuntary separation". Any such payments will release the City Council from any further obligations under this Agreement. Contemporaneously with the delivery of the separation pay herein above set out, the Employee agrees to execute and deliver to City a standard release of any claims against the City, except those claims prohibited from such a release under either California or federal law.

C. Notwithstanding paragraph 3(B) above, the City shall not be obligated to pay, and shall not pay, any amounts or continue any benefits under the provision of paragraph 3(B) if the Employee is terminated because of the conviction of or a plea of nolo contendere to a crime, an offense of moral turpitude, a violation of statute or law constituting misconduct in

office, or for willful misconduct. Further, the City shall not be obligated to pay, and shall not pay, any amounts or continue any benefits under the provisions of paragraph 3(B) in the event the Employee retires or voluntarily resigns in writing prior to termination without affirmative action by the City to terminate, initiate termination proceedings or request the Employee's resignation.

D. In the event that the Employee, voluntarily and without the official request of the City, retires or resigns her position before the termination of this Agreement, the Employee shall provide written notice to the City at least two (2) months in advance of the Employee's final date of employment, unless the parties agree otherwise. Such resignation shall not be deemed a "termination" which triggers the requirement of the lump sum payment in Paragraph 3(B) above.

Section 4. Resignation

A. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from her position as City Manager, or to retire from public service. In the event the Employee voluntarily resigns her position, or retires, Employee shall give the City two (2) months' notice in advance, unless the parties agree otherwise. Further should Employee begin to actively seek other employment, Employee will notify Employer forthwith of Employee's intention to seek other employment. In the case of a voluntary resignation or retirement, no severance will be paid to Employee.

B. Notwithstanding paragraph 4(A) above, in the event the City Council at any time during the course of this Agreement reduces the salary or other financial benefits of Employee in a greater percentage than an applicable across-the-board reduction for all employees of the City of Sunnyvale, or in the event the City Council refuses following written notice to comply with any provision herein benefiting Employee, or Employee resigns following a suggestion, whether formal or informal, by the City Council that she resign, then, in that event, Employee may, at her option, be deemed "terminated" at the date of such reduction, such refusal to comply, or resignation with the meaning and context of the severance pay provision in Section 3(B). A reduction in salary resulting from an across-the-board reduction for all employees shall not trigger the provisions of this paragraph.

Section 5. Salary

A. The Employee's starting salary shall be two hundred sixty-four thousand forty-five dollars (\$264,045) per annum.

B. The Employee's total compensation will be reviewed annually in conjunction with the annual performance evaluation provided for in Section 8 of this Agreement.

Section 6. Benefits

The Employee shall be entitled to retirement at the CalPERS Classic Member benefit of 2% @60 single highest year formula calculation and other benefits in the Pay Plan applicable to employees in Classification Category "F" as set forth in the City's current Salary Resolution, except as listed below in Items A-G. The City has the express right to increase

employee's contributions to CalPERS consistent with the increased contributions of City Department Heads.

A. The Employee shall be entitled to a monthly vehicle allowance in the amount of \$500. The amount will be evaluated annually to consider any change in the cost of ownership, insurance and maintenance of the vehicle.

B. The Employee shall be credited with 25 days of Paid Time Off (PTO) effective on the first day of employment with the City. Beginning with the first pay period after start of employment, Employee shall accrue PTO at the rate of employees at the 10+ year longevity rate of 10.5 hours per pay period (34.00 days PTO/year). The maximum accrual cap is provided for in the Salary Resolution. Employee will have the option to cash-out up to 160 hours of PTO at the end of each payroll calendar year.

C. At the time of leaving City employment, for any reason other than termination as referenced in 3(B), the Employee may, at her option, take compensation for accrued PTO in a single lump sum, or remain on the payroll for the period of time of the accrued PTO with continued receipt of all benefits until all applicable leave time is used. If the Employee elects to remain on the City's payroll for any length of time after her termination, it shall be for compensation purposes only and she shall have none of the duties and authority of the City Manager, or represent herself as such.

D. The Employee shall receive sixty (60) hours of Administrative Leave each calendar year.

E. In addition to the standard life insurance provided to employees, City shall purchase additional term life insurance coverage sufficient to equal Employee's annual salary.

F. Each year, the City will contribute on behalf of the Employee to the City's 457 plan \$17,500 pro-rated over the number of pay periods in the calendar year. Each year the City will contribute 2% of base salary pro-rated over the number of pay periods in the calendar year into a 401(a) account.

G. City Council agrees to reimburse Employee for reasonable job-related expenses for equipment and job related training/conferences/local meeting expenses, etc. incurred in carrying out her duties as City Manager.

Section 7. Mortgage Assistance

The City Council shall provide Mortgage Assistance to Employee as provided and subject to the terms in Council Resolution No. 125-89, as amended by Council Resolution No. 160-96. Employee's eligibility for participation in the City's Mortgage Assistance Program is conditioned on Employee's application to participate in the Mortgage Assistance Program within one year of commencing employment with the City on June 2, 2014 the purchase of a residence within the City of Sunnyvale (as documented by a purchase and sale agreement and the opening of escrow for the purchase of the property), and the actual and continued residence of Employee in the property within the City of Sunnyvale purchased with the City Mortgage Assistance Program.

Section 8. Performance Evaluation

The City Council shall formally review and evaluate the performance of the Employee by December 1 of each year. Such review and evaluation shall be in accordance with the specific criteria developed by the City Council in consultation with the Director of Human Resources and Employee. The City Council shall provide Employee with its written comments and may discuss the review with Employee, at the choice of either the City Council or the Employee. The Employee shall have the right to respond orally or in writing to the evaluation.

The City Council shall also provide an informal mid-year performance review of the Employee after her first six (6) months of employment and every year thereafter.

Section 9. Indemnification

The City Council shall defend, hold harmless, and indemnify Employee against any tort, professional liability claim, or demand, or civil rights or other legal action, arising out of any act, event or omission occurring in the performance of Employee's professional duties as City Manager, consistent with the provisions of the Government Code (Indemnification of Public Employees, Gov't Code §§825-825.6, as may be amended from time to time, and Defense of Public Employees, Gov't Code §§995-996.6, as may be amended from time to time).

Section 10. Professional Development

The City Council acknowledges that participation in local, state and national municipal organizations by the City Manager benefits the City and provides professional development. The City agrees to pay for the City Manager's annual dues for ICMA, California City Manager Association, and the Urban Land Institute membership. The City also agrees to provide the City Manager with an annual allocation to cover travel, conference registration, lodging and meals for meetings of these organizations, subject to reasonable budgetary limitations.

Participation on City time is permitted with prior approval of the Mayor or majority of the City Council, when participation is beneficial to the City of Sunnyvale. The City Council encourages Employee to attain positions of leadership in national, state, regional and local associations and organizations relevant to her profession, and agrees to budget and pay for travel and subsistence expenses necessary to discharge her official duties for such associations and organizations.

Section 11. Bonding

The City shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 12. Binding Agreement

This Agreement reflects the complete Agreement between the parties. This Agreement shall be binding and inure to the benefit of the heirs of the estate of Employee.

Section 13. Severability

If any provision or portion of this Agreement is held unconstitutional, invalid or unenforceable, the remainder of the Agreement or any portion thereof shall not be affected and shall remain in full force and effect.

The signatures of the parties below indicate that each has read and understood the Agreement and will abide by the terms stated herein.

This Agreement has been executed by the parties on the dates noted.

ATTEST:

CITY OF SUNNYVALE
CITY COUNCIL

CITY CLERK

MAYOR

Date: _____

APPROVED AS TO FORM:

JOAN BORGER
City Attorney

DEANNA J. SANTANA, CITY MANAGER

Date: _____