

**EMPLOYMENT AGREEMENT  
BETWEEN  
CITY OF SUNNYVALE AND KENT STEFFENS  
(INTERIM CITY MANAGER)**

THIS AGREEMENT is between the City of Sunnyvale, a municipal corporation and chartered city ("City") and Kent Steffens ("Employee"). It is effective on the latest date next to the signatures on the last page.

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

- A. Employee is currently City's Assistant City Manager ("ACM").
- B. The City Council wishes to employ Employee as Interim City Manager, subject to the terms and conditions set forth in this Agreement, the Sunnyvale Municipal Code and the Charter of the City of Sunnyvale (the "Charter").
- C. Employee desires to be employed by the City as its Interim City Manager, subject to the terms and conditions in this Agreement, the Sunnyvale Municipal Code, the Charter, , and all other applicable laws, resolutions, and policies.
- D. 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 Interim City Manager.

BASED UPON THE FOREGOING, THE CITY AND EMPLOYEE AGREE AS FOLLOWS:

1. Employment. The City appoints Employee as its Interim City Manager for a term to begin on October 2, 2017. Except as otherwise provided in this Agreement, Employee's employment with the City shall be governed by the City Council-adopted Salary Resolution, as it currently exists and may be changed from time to time.
2. Duties of the Interim City Manager. Employee will perform the duties established for the City Manager by section 802 of the Sunnyvale City Charter, by the Sunnyvale Municipal Code, by direction given by the City Council, and as otherwise provided by law, ordinance, or regulation. Employee agrees to comply with all federal, state and local laws, ordinances, rules and regulations applicable to or associated with these duties.
  - 2.1. Full Energy and Skill. Employee will devote his full energy, skill, ability, and productive time to the performance of his duties.
  - 2.2. No Conflict. Employee will not engage in any employment, activity, consulting service, or other enterprise, for compensation or otherwise, which is actually or potentially in conflict with or which interferes with the performance of his duties. Employee acknowledges that he is subject to the various conflict of interest requirements found in the California Government Code and state and local policies and regulations.

3. Salary. While performing the duties of Interim City Manager, Employee will receive a base salary within the range provided in the City Council-approved Salary Resolution, as it currently exists and may be changed from time to time. Employee will receive an initial gross base annual salary of three hundred two thousand forty-one dollars (\$302,041), beginning on October 2, 2017. This amount is subject to authorized or required deductions and withholdings, prorated and paid on City's regular paydays. Employee is an exempt employee under applicable wage and hour law and his base salary shall be compensation for all hours worked. The City agrees that the amount of Employee's base annual salary will not decrease, except as part of a permanent decrease that is consistent with the Fair Labor Standards Act.

4. Benefits and Allowances. Employee will be eligible for, and shall continue to receive, all regular benefits that he received as ACM (i.e., health insurance, PERS contributions to the extent paid by the City, etc.) and vacation, sick leave, and management leave, as are generally provided to department director employees (Pay Plan Category F) under the City Council-approved Salary Resolution, as it currently exists and may be changed from time to time.

5. Additional Expenses of Employment. The City shall pay the cost of any fidelity or other bonds required by law for the Interim City Manager.

6. Duration of Employment, Termination; Reinstatement to Former ACM Position. Employee understands and agrees that he has no constitutionally protected property or other interest in his employment as Interim City Manager. Employee waives any and all rights, if any, under the City's rules and regulations, including without limitation, the right to pre-or post-disciplinary due process. Employee understands and agrees that he works at the will and pleasure of the City Council and that he may be terminated or asked to resign the position of Interim City Manager at any time, with or without cause.

6.1. Reinstatement to ACM Position. Except as otherwise provided in this agreement, when the City Council terminates Employee's appointment as Interim City Manager, Employee shall have the right to be reinstated to the position of ACM. In addition, Employee may, upon giving the City 30 days' advance written notice, resign his position as Interim City Manager and return to the position of and be reinstated as the ACM. Upon his reinstatement as the ACM, he shall enjoy those benefits set forth in and be subject to the terms and conditions of the Salary Resolution for Pay Plan Category F employees.

6.1.1. If Employee returns to the position of and is reinstated as the ACM for any reason, Employee's salary and benefits shall be adjusted to match that which would have been in effect at the time he is reinstated had he not entered into this Agreement and had, during the term of this Agreement, retained and performed the duties of his position as ACM. Any benefits or rights that he enjoyed as the Interim City Manager this agreement shall terminate when he resumes the ACM position.

6.1.2. During the term of this Agreement, Employee's ACM position shall be considered a temporary position. If Employee determines that the ACM position should be filled in his absence, the ACM position may be filled as a term-limited position for a term lasting no longer than the term of Employee's Appointment as Interim City Manager, and shall be terminable at will.

6.2. Termination and Severance. Notwithstanding anything contrary in this agreement, if Employee is terminated as the Interim City Manager for serious misconduct involving abuse of his office or position, including but not limited to waste, fraud, violation of the law under color of authority, misappropriation of public resources, violence, harassment or discrimination, he shall not be entitled to be reinstated as the ACM, and shall not be entitled to any severance pay under the Salary Resolution provisions for pay plan Category F Employees. Further, if Employee receives any cash settlement from the City related to termination of this agreement or Employee's employment with City, Employee shall fully reimburse the City the amount of that settlement if the Employee is convicted of a crime involving an abuse of the office of Interim City Manager as set forth in Government Code section 53243.3 within thirty (30) days after the conviction becomes final and is no longer subject to any appeal.

7. Miscellaneous.

7.1. Notices. Notices given under this Agreement shall be in writing and shall be either: (a) served personally; or (b) sent by facsimile (provided a hard copy is mailed within one (1) business day); or (c) delivered by first-class United States mail, certified, with postage prepaid and a return receipt requested; or (d) sent by Federal Express, or some equivalent private mail delivery service. Notices shall be deemed received at the earlier of actual receipt or three (3) days following deposit in the United States mail, postage prepaid. Notices shall be directed to the addresses shown below, provided that a party may change such party's address for notice by giving written notice to the other party in accordance with this subsection.

CITY:                   Attn: Mayor  
                              456 West Olive Ave, Sunnyvale, CA 94086

EMPLOYEE: Kent Steffens  
                              456 West Olive Ave, Sunnyvale, CA 94086

7.2. Entire Agreement/ Amendment. This Agreement constitutes the entire understanding and agreement between the parties as to those matters contained in it, and supersedes any and all prior or contemporaneous agreements, representations and understandings of the parties. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated, and signed by the parties and attached hereto.

7.3. Applicable Law and Venue. This Agreement shall be interpreted according to the laws of the State of California. Venue of any action regarding this Agreement shall be in the proper court in Santa Clara County.

7.4. Severability. If any portion of this Agreement is declared void, such portion shall be severed from this Agreement and the remaining provisions shall remain in effect, unless the result of such severance would be to substantially alter this Agreement or the obligations of the parties, in which case this Agreement shall be immediately terminated.

7.5. Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking, or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking, or condition. To be effective, a waiver must be in writing, signed and dated by the parties.

7.6. Representation by Counsel. Employee and the City acknowledge that they each did, or had the opportunity to, consult with legal counsel of their respective choices with respect to the matters that are the subject of this Agreement prior to executing it.

7.7. Section Headings. The headings on each of the sections and subsections of this Agreement are for the convenience of the parties only and do not limit or expand the contents of any such section or subsection.

EMPLOYEE

CITY OF SUNNYVALE

\_\_\_\_\_  
Kent Steffens

\_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant City Attorney