

CITY MANAGER EMPLOYMENT AGREEMENT

between the

City of San Mateo

and

Alex Khojikian

Dated June 20, 2023

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RECITALS

WHEREAS, the Charter of the City of San Mateo provides that the City Manager of San Mateo, California, shall be appointed by and serve at the pleasure of the City Council of the City of San Mateo ("Council"); and

WHEREAS, the Council desires to employ Alex Khojikian as City Manager; and

WHEREAS, Alex Khojikian desires to serve as City Manager; and

WHEREAS, it is the desire of the parties hereto to provide the terms and conditions by which City shall receive and retain the services of Alex Khojikian ("City Manager") and to provide for him to remain in such employment, to make possible full work productivity by assuring his morale and peace of mind with respect to future security; to act as a deterrent against malfeasance or dishonesty for personal gain on his part and to provide for terminating his services at such time as he may be unable to fully discharge his duties or when Council may otherwise desire to terminate his employ; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree as follows:

A. Responsibilities and Duties. The City Manager shall perform those duties and responsibilities delegated to the City Manager in the San Mateo City Charter and the San Mateo Municipal Code.

B. Term. The City Manager shall be retained in this position from August 21, 2023, through August 20, 2028. This Agreement, in its entirety, will be automatically extended annually for an additional one-year period, unless the Council specifically takes action by a four-fifths vote to not renew this Agreement. A decision not to renew this Agreement shall be considered a decision to remove the City Manager as provided in Section 3.02 of the Charter.

C. Salary.

1. City Agrees to pay the City Manager Three Hundred and Thirty-Eight Thousand Dollars (\$338,000) in salary per annum for his services, payable in installments at the same time as other employees of the City are paid and subject to customary withholding. Hereafter, the City Manager shall receive the compensation adjustments (cost of living adjustment [COLA], lump sum payments, one-time leave hours) approved by the City Council in the same amount and at the same time as they are approved for unrepresented department heads.

2. Thereafter, and subject to an evaluation of performance, City may increase the City Manager's salary by resolution.

D. Benefits.

1. Except as otherwise provided in this Section D, the City shall provide the City Manager with the benefits provided to the City Manager, City Attorney and the City's Department Heads as described by City Council resolution. Such benefits include but are not limited to health and life insurance, retirement, sick leave, vacation and holidays, and an automobile allowance. If there is a conflict between the resolution adopted by the City Council and this Agreement, the City shall provide City Manager the benefits described in this Agreement. The City Manager may elect to decline any of these benefits. No additional compensation will be provided if the City Manager elects to decline any of these benefits.

2. Deferred Compensation/Retirement Health Savings. The City shall provide to the City Manager a One Thousand Five Hundred Dollar (\$1,500) monthly contribution to the City's deferred compensation plan.

E. Professional Activities. City shall, to the extent it is financially able, budget for and pay expenses for the City Manager's professional dues, subscriptions, courses, training/coaching, seminars, and travel expenses for participation in professional activities that are directly related to the work of the City Manager. This includes the International City/County Management Association (ICMA), League of California Cities and Urban Land Institute, and other associations or organizations. In addition, the City recognizes the benefits of city representation in local service clubs and organizations, and the City shall pay for the City Manager's membership dues for one local service club, or similar organization.

F. Performance Reviews. The City Council shall conduct an annual evaluation of the City Manager's performance facilitated by a mutually agreed upon professional facilitator, and may review and evaluate the City Manager's performance on a more frequent basis if it determines that it is appropriate to do so. Salary compaction between the City Manager and other department heads will be one of the factors considered as part of the evaluation.

G. At Will Employment. It is understood by and between the Parties to this Agreement that the City Manager serves at the pleasure of the Council, and the City Manager shall have no right to a termination hearing (except as is provided by law, including the City Charter), or to any vested right to his position.

H. Termination/Severance.

1. The City Manager 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 to terminate the services of the City Manager with or without cause. There is no express or implied promise made to the City Manager for any form of continued employment. This Agreement is the sole and exclusive basis for an employment relationship between the City Manager and the City.

2. Consideration of the City Manager's termination by the City Council may not occur within ninety (90) days after a General Municipal Election or Special Election wherein a new member or members are elected to the City Council.

3. If the City Manager is terminated by the Council while still willing and able to perform the duties of the City Manager, the City agrees to pay the City Manager a single lump

sum payment made on the effective day of the termination, in an amount equivalent to twelve months aggregate salary and an amount equivalent to twelve months aggregate health insurance benefit allowance. Any such payments will release the City from any further obligations under this Agreement. Contemporaneously with the delivery of the severance pay herein above set out, the City Manager agrees to execute and deliver to the City a release releasing the City of all claims that the City Manager may have against City, in a form mutually acceptable to the Parties.

4. Notwithstanding paragraph H.3 above, the City shall not be obligated to pay, and shall not pay, any amounts or continue any benefits under the provisions of paragraph H.3, if the City Manager is terminated because of a crime of moral turpitude or a violation of statute or law constituting misconduct in office, or if the Council finds that the City Manager has engaged in conduct that would harm the reputation of the City. Further, the City shall not be obligated to pay, and shall not pay, any amounts or continue any benefits under the provisions of paragraph H.3, in the event City Manager voluntarily resigns without affirmative action by City to terminate, initiate termination proceedings or request resignation, for example, a resignation to pursue other employment or professional opportunities.

I. **Resignation.** Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Manager to resign at any time from his position as City Manager or to retire from public service. In the event that the City Manager voluntarily resigns his position, or retires prior to the expiration of the term of this Agreement, the City Manager shall give City three (3) months' notice in advance, unless the parties agree otherwise. In the case of a voluntary resignation or retirement, no severance will be paid to the City Manager.

J. General/Miscellaneous Provisions

1. This Agreement sets forth the entire agreement between the Parties and supersedes all other oral or written representations or previous agreements between them. This Agreement may be modified only in writing approved by the Council and signed by all Parties.

2. The failure of either Party to enforce against the other Party a provision of this Agreement shall not constitute a waiver of that Party's right to enforce such a provision at a later time and shall not serve to vary the terms of this Agreement.

3. This Agreement shall be binding upon and inure, where applicable, to the benefit of the heirs at law and executor of the City Manager.

4. This Agreement shall not be assigned or subcontracted by either party without the consent of the other party. Consent may be denied for any reason or for no reason at all.

5. Should any provision, section, or subsection of this Agreement be declared invalid or unenforceable by any court of competent jurisdiction, such ruling shall not affect any other provision hereof, and the unaffected provisions shall remain in full force and effect.

6. This Agreement may be amended only in writing.

7. In accordance with Government Code Sections 53243, 53243.1, and 53243.2:

- a. In the event the City Manager is placed on paid leave pending an investigation, the City Manager shall reimburse such pay to City if he is subsequently convicted of a crime involving the abuse of his office or position.
- b. In the event City pays for the City Manager's legal criminal defense, he shall fully reimburse such funds to the City if he is subsequently convicted of a crime involving an abuse of his office or position.
- c. If this contract is terminated, any cash settlement related to the termination that the City Manager may receive from City must be fully reimbursed to City if he is subsequently convicted of a crime involving an abuse of his office or position.

For the purposes of this section, "abuse or office or position" shall be as defined in Government Code Section 53243.4.

EXECUTION

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.



Amourence Lee
Mayor – City of San Mateo

6/23/23

Date



Alex Khojikian

6/14/23

Date

