

CITY MANAGER EMPLOYMENT AGREEMENT

THIS AGREEMENT (this "Agreement"), entered into this 9th day of March, 2023 ("Effective Date"), by and between the City of South San Francisco (hereafter referred to as "City") and Sharon Ranals (hereafter referred to as "Ranals" or "Employee") (individually a "Party" and collectively the "Parties").

RECITALS

WHEREAS, City desires to employ Ranals as City Manager and Executive Director of the Successor Agency to the South San Francisco Redevelopment Agency ("Successor Agency"), and Ranals desires to serve in such capacity.

WHEREAS, the City Council has adopted an ordinance establishing the City Manager form of government in the City of South San Francisco and setting forth the duties and responsibilities of the City Manager.

WHEREAS, the City Council, as appointing authority, and Ranals desire to agree in writing on the terms and conditions of Ranals's employment.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representations hereinafter set forth, the Parties hereto do now agree as follows:

SECTION 1. EMPLOYMENT.

City hereby agrees to employ Ranals as City Manager of the City and Executive Director of the Successor Agency to perform the functions and duties specified by the general laws of the State of California and by the South San Francisco Municipal Code and other ordinances and resolutions of the City, and to perform other legally permissible and proper duties and functions as the City Council or the Successor Agency may from time to time assign, on the terms and conditions and for the compensation set forth in this Agreement.

SECTION 2. SCOPE OF DUTIES AND SERVICES.

(a) Under the terms and conditions of this Agreement, Employee shall personally provide all the services and duties ordinarily performed by the City Manager for the City under the direction and control of the City Council and as set forth in the South San Francisco Municipal Code and other applicable laws, written policies and rules. Among other things, Employee has the authority to interview, hire and fire employees, and direct the workforce subject to the specific limitations set forth in the South San Francisco Municipal Code. In addition, Employee shall serve as Executive Director of the Successor Agency to the South San Francisco Redevelopment Agency and shall assume any other positions to which the City Manager has been appointed by the City Council. Employee shall perform her obligations and responsibilities diligently within the time parameters indicated by the City Council, applying the highest degree of professionalism, ethics, integrity and competency to the discharge of every aspect of her obligations.

(b) Employee shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with her reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission ("FPPC").

(c) Employee agrees to remain in the exclusive employ of the City during the term of this Agreement. Employee shall dedicate her full energies and qualifications to her employment as the Interim City Manager, and shall not engage in any other employment except as may be specifically approved in writing in advance by the City Council. However, the City Council recognizes that Ranals may actively participate in community affairs and shall be permitted to volunteer time, energy and expertise, and from time-to-time, to serve and hold office in charitable, non-profit, public service, service club, religious, and/or community area organizations.

SECTION 3. TERM.

(a) Ranals's employment as City Manager of the City and Executive Director of the Successor Agency shall commence on March 9, 2023.

(b) The term of this Agreement shall be from the date stated in subsection (a), above, until terminated by either Party in accordance with the provisions of Section 5 of this Agreement. Ranals shall serve at the pleasure of the City Council.

(c) The Parties recognize and affirm that: 1) Ranals is an "at will" employee whose employment may be terminated by the City with or without cause; 2) there is no express or implied promise made to Ranals for any form of continued employment; and 3) this Agreement is the sole and exclusive basis for an employment relationship between Ranals and the City.

SECTION 4. COMPENSATION.

For the services to be provided pursuant to this Agreement, Employee shall receive the following compensation and benefits:

(a) Compensation. Employee shall be paid an annual base salary of three hundred fifty thousand dollars and no cents (\$350,000.00), which is an equivalent hourly rate of one hundred sixty-eight dollars and twenty-seven cents (\$168.27). Starting in calendar year 2024, Employee's base salary shall be increased by the same percentage and at the same time any discretionary across-the-board increase is granted to the City's employees covered by the Executive Management Compensation Plan, subject to a satisfactory performance evaluation by the City Council as set forth in Section 6 of this Agreement. Any action to increase salary or benefits shall comply with Government Code Section 3511.2(a), Government Code Section 54953(c)(3), and Government Code Section 54956(b). Employee's salary shall be payable in installments at the same time as other employees of the City covered by and in accordance with the Executive Management Compensation Plan.

(b) General Benefits. Except as may be otherwise provided herein, Employee shall be provided the compensation and benefits offered to all other employees covered by the Executive Management Compensation Plan. As used herein, benefits include but are not necessarily limited to, vacation, sick leave, holidays, administrative leave, retirement, health insurance, dental insurance, car allowance, long-term disability insurance, and life insurance. Employee shall not be compensated for any hours worked overtime because Employee is exempt from overtime under the Federal Fair Labor Standards Act.

(c) Automobile. Employee's duties require that she have continuously available transportation for business or related purposes. Employee shall provide her own vehicle for her normal business and personal use. The City shall provide Employee with a monthly auto allowance pursuant to the Executive Management Compensation Plan.

(d) Expense Reimbursement.

(i) The City recognizes that certain general expenses, dues, subscriptions, travel, and subsistence expenses are reasonably incurred by the Employee in the performance of job-related activities, functions, meetings, professional development, and professional conferences such as the annual International City Manager's Association, California City Management Foundation, League of California Cities and League's Managers' Division. The City agrees to budget and pay for or reimburse the Employee for these expenses; provided, however, that the amount paid under this subsection (d)(i) shall be limited by the amount the Council budgets for such expenditures.

(ii) City agrees to reimburse Employee for expenses related to educational courses, short courses, executive coaching, seminars and institutes that will benefit the City and improve Employee's professional abilities; provided, that any such reimbursements may not exceed the amount the Council budgets for such expenditures.

(iii) City shall reimburse Employee for membership and participation in any community or civic organizations in which the City requires or encourages Employee to participate; provided, that any such reimbursements may not exceed the amount the Council budgets for such expenditures, but shall never be less than the actual costs of membership and participation in any organization in which the City requires Employee to participate.

(e) Excess Vacation Accrual. Upon the start of Ranals's employment as City Manager, Ranals shall cash out any accrued and unused vacation hours above the 480-hours cap at the hourly equivalent rate of her Interim City Manager salary. In recognition of the significant demands placed on the City Manager, until an Assistant City Manager begins employment with the City, Ranals shall be permitted to exceed the vacation accrual cap of 480 hours as set forth by the Executive Management Compensation Plan. Upon the start of employment of an Assistant City Manager, the 480-hour accrual cap shall be restored for Employee. Ranals shall take time off using vacation leave within three (3) months of the start of employment of an Assistance City Manager. Employee shall continue to accrue vacation at 9.23 hours per pay period in accordance with the Executive Management Compensation Plan.

SECTION 5. TERMINATION OF EMPLOYMENT AND SEVERANCE.

(a) Employee is an at-will employee serving at the pleasure of the City Council as provided in Government Code Section 36506. The position of City Manager is an FLSA-exempt position. Ranals's employment as City Manager may be terminated by one of the following means:

- (i) Voluntary Resignation: Ranals may voluntarily resign by delivering a letter of resignation to the City Council not less than 60 days prior to the effective date of resignation.
- (ii) Termination or Forced Resignation by City Council: The City Council may terminate the employment of Ranals in accordance with the provisions of the South San Francisco Municipal Code and State law, by giving written notice not less than 60 days prior to the effective date of termination, or by causing Ranals's resignation by a majority of the City Council requesting Ranals to resign and Ranals then volunteering to resign after such action by the City Council.

(b) In the event Ranals is terminated from employment by the City Council without cause, or is caused to resign by the City Council pursuant to subsection (a)(ii) above without cause, and contingent upon Ranals's execution of a comprehensive general release and waiver of all claims of any nature, known or unknown, against the City, Ranals shall be entitled to nine (9) month's severance pay of her base pay compensation and the value of her medical/health insurance benefits. In no event will Ranals be entitled to severance pay absent execution of a comprehensive general release and waiver of all claims in a form acceptable to the City. Such severance shall be paid in full upon the effective date of her termination or forced resignation. Ranals shall not be eligible for the severance pay provided for in this subsection (b) in the event that Ranals's employment is terminated for cause as set forth in subsection (c), below.

(c) This Section 5 does not confer any property rights on Ranals, as she remains an at-will employee. If the City Council terminates Ranals's employment for cause (also terminating this Agreement), Ranals shall not be entitled to any additional compensation or payment, including severance, but shall be entitled only to accrued base salary and vacation pay, and any other accrued and unused benefit allowances according to their terms. The phrase "termination for cause" only pertains to Ranals's eligibility for severance as described subsection (b), above. A "termination for cause" may include, but shall not be limited to, the following:

- (i) Conviction of or plea of guilty or nolo contendere to any criminal offense involving moral turpitude or any other crime (other than minor traffic violations or similar offenses) which is likely to have a material adverse impact on the City or on the Employee's reputation, provided that Employee may be placed on administrative leave without pay should she be charged with such a crime or crimes;

- (ii) Conviction of any crime involving an “abuse of office or position,” as that term is defined in Government Code Section 53243.4;
- (iii) Conviction of a felony or misdemeanor with a nexus to the workplace;
- (iv) Purposefully violating administrative policies and procedures;
- (v) Failure to properly perform assigned duties;
- (vi) Insubordination;
- (vii) Failure to maintain satisfactory working relationships with other employees or the public;
- (viii) Willful destruction, theft, misappropriation, or misuse of City property;
- (ix) Intoxication on duty, whether by alcohol or non-prescription drugs;
- (x) Unexcused absence;
- (xi) Dishonesty, fraud, or misconduct in office;
- (xii) Fraud or dishonesty in securing this appointment;
- (xiii) Violation of State or federal discrimination laws concerning race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, sex or age concerning either members of the general public or City employees;
- (xiv) Willful or unlawful retaliation against any other City official or employee or member of the general public who in good faith reports, discloses, divulges or otherwise brings to the attention of any appropriate authority any facts or information relative to actual or suspected violations of any law occurring on the job or directly related thereto;
- (xv) Refusal to comply with any lawful direction, decision or order given or made by a majority of the City Council;
- (xvi) Any grossly negligent action or inaction by Employee that materially and adversely: (a) impedes or disrupts the operations of City or its organizational units; (b) is detrimental to employees or public safety; or (c) violates City’s properly-established rules or procedures; and

- (xvii) Other failure of good behavior either during or outside of employment such that the Employee's conduct causes discredit to the City.

(d) Pursuant to Government Code section 53243.2, any cash settlement related to the termination of this Agreement received by Ranals from the City shall be fully reimbursed to the City if Ranals is convicted of a crime involving an abuse of her office or position as defined in California Government Code section 53243.4.

SECTION 6. EVALUATION OF PERFORMANCE.

(a) The City Council shall review and evaluate the performance of Ranals annually or more frequently if requested by the City Council in its sole discretion. Said review and evaluation shall be in accordance with specific criteria developed by the City Council with consultation from Ranals. Said criteria may be added to or deleted from as the City Council may from time to time determine, in consultation with Ranals. Further, the City Council shall provide Ranals with a summary written statement of the findings of the City Council and provide an adequate opportunity for Ranals to discuss her evaluation with the City Council, if requested by Ranals.

(b) City Council and Ranals may annually hold a facilitated meeting to define such goals and performance objectives which they determine necessary for the proper operations of the City and in the attainment of the City Council's policy objectives, and may further establish a relative priority among those various goals and objectives, said goals and objectives to be reduced to writing. They shall generally be reasonably attainable within the time limitations as specified in the annual operating and capital budgets and appropriations provided.

SECTION 7. BONDING.

City shall bear the full cost of any fidelity or other bond required of Employee as the City Manager under any law or ordinance.

SECTION 8. NOTICES.

Any notice to either Party shall be in writing and given by delivering the same to such Party in person; by sending the same by registered mail, return receipt requested, with postage prepaid; or by email, to the following addresses:

CITY: Mayor and City Council
City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080

With copy to: City Attorney
City of South San Francisco
400 Grand Avenue
South San Francisco, CA 94080

EMPLOYEE: **Sharon Ranals**
321 Highland Avenue
San Francisco, CA 94110

[TO BE FILLED IN BUT REDACTED IN PUBLIC VERSION]

Either Party may change its mailing address at any time by giving 10 days' written notice to the other Party. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the United States Postal Service. Notice by email transmission shall be deemed given upon verification of receipt if received before 5:00 p.m. on a regular business day or else on the next business day.

SECTION 9. HOLD HARMLESS AND INDEMNIFICATION

City shall defend, hold harmless, and indemnify Employee, using legal counsel of City's choosing, in any action or proceeding alleging an act or omission within the scope of Employee's employment. The defense provided by City under this section shall extend until a final determination of all issues in the action or proceeding. In the event that there is a conflict of interest between City and Employee, such that independent counsel is required for Employee, Employee may engage her own legal counsel, and City shall indemnify Employee, including direct payment of all reasonable fees and costs of Employee's legal counsel. Notwithstanding anything to the contrary in this Agreement, in accordance with California Government Code section 825(a), Employer reserves the right to not pay any judgment, compromise, or settlement subject to that section if it is established that the action or proceeding arose out of an act or omission that did not occur within the scope of Employee's employment pursuant to this Agreement. Further, notwithstanding anything to the contrary in this Agreement, Employer reserves the right to refuse to provide for the defense of Employee for the reasons set forth in California Government Code section 995.2 or other applicable provisions of law. Any City funds provided for the legal criminal defense of Employee shall be fully reimbursed in accordance with California Government Code section 53243.1, if Employee is convicted of a crime involving an abuse of her office or position as defined in California Government Code section 53243.4.

SECTION 10. GENERAL PROVISIONS

- (a) Binding Agreement: This Agreement shall be binding on the heirs, successors and assigns of the Parties.
- (b) The Rights of Parties: Unless expressly set forth in this Agreement, nothing in this agreement shall abrogate any rights, responsibilities, benefits, or privileges to which either party would otherwise be entitled.
- (c) Amendment: This agreement may be amended only in writing by mutual agreement of the Parties.
- (d) State Law: The rights and obligations of the Parties shall be governed by the laws of the State of California.

(e) Abuse of Office: Government Code sections 53243, 53243.1, 53243.2, and 53243.3 are incorporated by this reference as if fully set forth herein.

(f) Recitals: Recitals are incorporated by reference into this agreement.

(g) Failure to Act: Failure to exercise any right or remedy shall not act as a waiver to exercise that right.

(h) Entire Agreement: This Agreement contains the entire agreement between the Parties and supersedes any prior agreement.

(i) Severability: Should any paragraph, subparagraph, sentence clause or word included in this Agreement be found invalid by a court of competent jurisdiction, the balance of this Agreement shall remain in full force and effect.

(j) Attorneys' Fees: The prevailing party of any dispute over the terms and conditions of this Agreement is entitled to attorney fees.

(k) Assignment: This Agreement is not assignable by either City or Ranals.

IN WITNESS WHEREOF, the Parties hereto have hereunto affixed their signatures as of the date and year first above written.

CITY OF SOUTH SAN FRANCISCO

EMPLOYEE

By:



FLOR NICOLAS
Mayor

By:



SHARON RANALS

ATTEST:



ROSA GOVEA ACOSTA 3/16/2023
City Clerk

APPROVED AS TO FORM:



SKY WOODRUFF
City Attorney

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