

**CITY OF HERMOSA BEACH
AT-WILL EMPLOYMENT SERVICES AGREEMENT
FOR INTERIM CITY MANAGER**

This at-will Interim City Manager EMPLOYMENT AGREEMENT (“Agreement”) is effective May 28, 2025, by and between the CITY OF HERMOSA BEACH, a general law city and municipal corporation (“City”) and Steven Napolitano an individual (“Interim City Manager”).

RECITALS

- A. The City Council of the City of Hermosa Beach (“Council”) desires to employ Steven Napolitano in the at-will position of the Interim City Manager for the City;
- B. Interim City Manager desires to perform and assume responsibility for the provisions of such professional services to the City;
- C. The parties wish to establish the terms and conditions of Interim City Manager services to the City as described in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the City and Interim City Manager hereby agree as follows:

TERMS AND CONDITIONS

1. Employment & Duties

- 1.1 **Duties.** City hereby employs Interim City Manager to serve as the City’s Interim City Manager, to perform the functions and duties of an Interim City Manager as such duties are customarily performed by a person in such position, as specified in any position description for the Interim City Manager, and to perform such other legally permissible and proper duties and functions as the City directs or assigns.
- 1.2 **Work Schedule.** Interim City Manager must engage in the hours of work that are necessary to fulfill the obligations of the position and must devote

time in addition to the City's regular business hours to the business of the City. Interim City Manager acknowledges that City Hall is open Mondays through Thursdays from 7:00 a.m. to 6:00 p.m. and is closed on Fridays, such that the City's standard work week is four 10-hour days. Interim City Manager acknowledges that he must attend City Council meetings, community events, and other professional meetings that fall outside of regular business hours. Notwithstanding the foregoing, Interim City Manager is permitted reasonable time off during the City's business hours upon proper approval, as is customary for exempt employees, so long as the time off does not interfere with the City's business.

1.3 **Direction.** The City retains full direction and control of the manner, means and methods by which Interim City Manager performs the services for which he is employed hereunder and of the place or places at which such services is rendered.

1.4 **Employment Status; At-Will.**

(A) Interim City Manager serves at the will and pleasure of the City Council and understands that he is an "at-will" employee subject to summary dismissal without any right of notice or hearing, including any so-called *Skelly* hearing. The City Council may terminate the employment of Interim City Manager at any time, with or without cause, as set forth in Section 3.2 below.

(B) Interim City Manager is not an employee represented by any bargaining unit, and nothing in this Agreement or the City's policies or procedures, either now or in the future, is intended to change the at-will nature of this relationship.

1.5 **City Documents.** All data, studies, reports, and other documents prepared by Interim City Manager while performing his duties during the term of this Agreement must be furnished to and become the property of the City, without restriction or limitation on their use. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Interim City Manager in connection with the

performance of this Agreement must be held confidential by Interim City Manager to the extent permitted by applicable law. Such materials must not, without the prior written consent of the Council, be used by Interim City Manager for any purpose other than the performance of his duties for the City. Nor may such materials be disclosed to any person or entity not connected with the performance of services under this Agreement, except as required by law.

- 1.6 **FLSA Exempt Status.** Interim City Manager agrees that his position is that of an exempt employee for the purposes of the Fair Labor Standards Act.

2. Compensation and Reimbursement

As compensation for the services to be rendered by Interim City Manager, City agrees to pay Interim City Manager an hourly salary of \$115.38 ("Salary") payable in 24 bimonthly installments at the same time as other employees of the City are paid and subject to customary withholding. The Salary is adjusted for payroll taxes, workers' compensation, and other payroll-related liability costs. Interim City Manager understands and agrees that his compensation for the first pay period that he works for the City will be prorated consistent with all applicable laws if he commences work sometime during the middle of a pay period.

3. Term

- 3.1 **Commencement & Effective Date.** Interim City Manager commences his services hereunder at **7:00 a.m. PST on May 28, 2025**, which is deemed the effective date of this Agreement.

- 3.2 **Termination.**

- (A) The City Council or its designee may terminate this Agreement at any time with or without cause, for any reason whatsoever, without notice to Interim City Manager.
- (B) Interim City Manager may terminate this Agreement at any time with or without cause, with at least 30 days' advance written notice prior to the effective last work day, unless a shorter period is acceptable to the City.

(C) Interim City Manager expressly agrees that any termination of this Agreement, whether initiated by Interim City Manager or the City, does not entitle Interim City Manager to any severance pay.

3.3 **Cooperation.** After notice of termination, Interim City Manager must cooperate with the City, as requested by the City, to effect a transition of Interim City Manager' responsibilities and to ensure that the City is aware of all matters being handled by Interim City Manager.

4. Severance

4.1 Interim City Manager is an at-will employee and serves at the will and pleasure of the City Council and may be terminated at any time without cause.

4.2 Interim City Manager is not entitled to any severance pay.

5. Benefits

Interim City Manager is not entitled to any additional compensation or remuneration beyond his hourly pay, including but not limited to Automobile Allowance, Electronic Media Allowance, Medical, Dental, Vision and Life Insurance, PERS, Vacation, Personal and Sick Leave, Holidays, or Executive Leave.

6. Indemnification

For the purposes of indemnification and defense of legal actions, Interim City Manager is considered an employee of the City and entitled to the same rights and subject to the same obligations as are provided for all other employees of the City as set forth in the California Government Code. Accordingly, City will defend, hold harmless and indemnify Interim City Manager against any tort, professional liability, claim or demand, or other legal action arising out of an alleged act or omission occurring in the performance of Interim City Manager services under this Agreement. This section does not apply to any intentional tort or crime committed by Interim City Manager, to any action outside the course and scope of the services provided by Interim City Manager under this Agreement, or any other intentional or malicious conduct or gross negligence of Interim City Manager.

7. General Provisions

7.1 Entire Agreement.

- (A) This Agreement represents the entire agreement between the parties and supersedes all other agreements, oral or written, between the parties with respect to Interim City Manager' employment by the City and contains all of the covenants and agreements between the parties with respect to such employment.
- (B) Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by either party, or anyone on behalf of either party that are not embodied herein, and that no other agreement, statement or promises not contained in this Agreement is valid or binding on either party.

7.2 Notices.

- (A) Any notice required or permitted by this Agreement must be in writing and must be personally served or sent by United States Postal Service, postage prepaid and addressed as follows:
 - (1) To City:
Att: Mayor
C/O City Clerk
City of Hermosa Beach
1315 Valley Drive
Hermosa Beach, California 90254
 - (2) To Interim City Manager:
[Address of record]
- (B) Notices are deemed given as of the date of personal service or within two days of the date of deposit in the course of transmission with the United States Postal Service.

- 7.3 **Conflicts Prohibited.** During the term of this Agreement, Interim City Manager must not engage in any business or transaction or maintain a financial interest that conflicts or that reasonably might be expected to conflict with the proper discharge of Interim City Manager duties under this Agreement. Interim City Manager must comply with all requirements of law, including but not limited to, Sections 87100 *et seq.*, Section 1090 and Section 1125 of the Government Code, and all other similar statutory and administrative rules.
- 7.4 **Other Employment.** Interim City Manager may not conduct, participate in, or otherwise be engaged in independent consulting projects. In no event may any service, employment, or business pursuit be conducted in violation of this Agreement.
- 7.5 **Effect of Waiver.** The failure of either party to insist on strict compliance with any term of this Agreement by the other party does not waive that term, nor does any waiver or relinquishment of any right or power at any one time constitute a waiver or relinquishment of that right or power for any other time.
- 7.6 **Partial Invalidity.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions nevertheless continue in full force without being impaired or invalidated in any way.
- 7.7 **Governing Law & Venue.** This Agreement is governed by and must be construed in accordance with the laws of the State of California, which are in full force and effect as of the date of execution. Venue for any dispute related to this Agreement or its subject matter lies exclusively in Los Angeles County, California
- 7.8 **Independent Legal Advice.** The City and Interim City Manager represent and warrant to each other that each has had an opportunity to receive legal advice from independent and separate legal counsel with respect to the legal effect of this Agreement, and the City and Interim City Manager further represent and warrant that each has carefully reviewed this entire Agreement and that each and every term thereof is understood and that the

terms of this Agreement are contractual and not a mere recital. This Agreement may not be construed against the party or its representatives who drafted it or who drafted any portion thereof.

7.9 **AB 1344.**

- (A) Assembly Bill 1344 was recently enacted as a means to provide greater transparency in local government and institute certain limitations on compensation paid to local government executives. AB 1344 also requires that contracts between a local agencies and its employees include provisions requiring an employee who is convicted of a crime involving an abuse of his office or position to provide reimbursement to the local agency (California Government Code §§ 53243–53243.4). These sections are set forth in full in Exhibit “A” attached hereto and incorporated herein.
- (B) Accordingly, the parties agree that it is their mutual intent to fully comply with the Government Code sections that are part of AB 1344 and all other applicable law as it exists as of the date of execution of this Agreement and as such laws may be amended from time to time thereafter. Specifically, AB 1344 includes the following Government Code sections which are hereby incorporated by this Agreement:
- §53243. Reimbursement of paid leave salary required upon conviction of crime involving office or position.
 - §53243.1. Reimbursement of legal criminal defense upon conviction of crime involving office or position.
 - §53243.2. Reimbursement of cash settlement upon conviction of crime involving office or position.
 - §53243.3. Reimbursement of non-contractual payments upon conviction or crime involving office or position.
 - §53243.4. Abuse of office or position defined.

(C) Interim City Manager has reviewed, is familiar with, and agrees to comply fully with each of these provisions if any of these provisions are applicable to Interim City Manager, including that Interim City Manager agrees that any cash settlement or severance related to the termination that Interim City Manager may receive from the City must be fully reimbursed to the local agency by Interim City Manager if Interim City Manager is convicted of a crime involving an abuse of his office or position.

7.10 **Counterparts.** This Agreement may be executed in two or more counterparts, including via facsimile or electronically-transmitted signature, each of which is deemed an original, but all of which together constitute a single document.

(Signatures on following page)

IN WITNESS WHEREOF, the City of Hermosa Beach has caused this Agreement to be signed and executed on its behalf by its Mayor, and duly attested by its officers thereunto duly authorized, and Interim City Manager has signed and executed this Agreement, all in triplicate.

CITY OF HERMOSA BEACH:

Rob Saemann, Mayor

ATTEST:

Myra Maravilla, City Clerk

APPROVED AS TO FORM:

Todd Leishman,
for Best Best & Krieger LLP
Interim City Attorney

INTERIM CITY MANAGER:
