

AGREEMENT FOR EMPLOYMENT OF NAOMI KELLY

This Agreement is made and entered into by and between the City of Pinole (the "City"), a general law city, and Naomi Kelly ("KELLY" or "Employee"). This Agreement (the "Agreement") will become effective as specified herein.

1. Appointment of KELLY as City Manager

The City Council of the City of Pinole is authorized to negotiate the terms of an agreement with KELLY for her services through its duly appointed labor negotiator the City Attorney. The City Council and KELLY have engaged in such negotiations, and KELLY and the City now desire to agree in writing to the terms and conditions of KELLY's employment as City Manager.

2. Term of Agreement

This Agreement will become effective on the date this Agreement is approved by the City Council and executed by the Mayor, or in the Mayor's absence, the Mayor Pro-Tem and KELLY. This Agreement and KELLY's employment shall remain in effect for three (3) years from the date of such execution unless terminated in accordance with paragraph 5 herein. If no successor Agreement is entered into to extend KELLY's employment beyond the three (3) year term, her employment with the City shall end with no payment of severance. The City shall notify KELLY at least three (3) months in advance of agreement expiration of intent to extend or not extend the Agreement.

3. At-Will Employment

KELLY is an "at will" employee who shall serve at the pleasure of the City Council. Accordingly, the City Council may terminate KELLY's employment at any time, with or without cause. This provision may not be altered except by a written instrument executed by KELLY and the City Council, which specifically references this Agreement and section.

4. Duties and Responsibilities

a. KELLY shall commence her duties as City Manager on July 1, 2026, and will continue for a term of three (3) years through June 30, 2029.

b. KELLY shall serve as the City Manager for the City subject to the terms and conditions set forth herein. KELLY shall also perform the functions and duties specified under the laws of the State of California, the Municipal Code of the City; the Ordinances and Resolutions of the City, the job description for the City Manager position, and such other duties and functions as the City Council may from time-to-time assign.

c. KELLY agrees to devote her productive time, ability and attention to the City's business. For the duration of this Agreement, KELLY shall not hold secondary employment, and shall be employed exclusively by the City, subject to any exceptions approved in writing by the

City Council. As an exempt employee, KELLY shall not receive overtime or extra compensation for work performed outside normal business hours.

5. Termination of Employment and Severance

a. KELLY may terminate this Agreement with or without cause, by giving the City Council sixty (60) days written notice in advance of termination. During the notice period, all the rights and obligations of the parties under this Agreement shall remain in full force and effect.

b. The City Council may terminate this Agreement with or without cause, giving KELLY thirty (30) days written notice in advance of termination.

c. In the event the City Council terminates KELLY's employment without cause, the City shall pay KELLY severance in a lump sum equal to six (6) months base salary, auto allowance, cell phone allowance, as well as the City's share of all health/benefit premium contributions, minus all applicable deductions. Any severance payment pursuant to this Agreement is contingent upon KELLY signing and delivering a general release of all claims against the City (including without limitation its former and current elected officials, employees, officers and agents) in a form acceptable to the City Attorney. Any severance amount paid pursuant to this Agreement shall be subject to the restrictions set forth in California Government Code § 53260. KELLY shall not receive any severance if she resigns, is terminated for cause, if the term of this Agreement lapses, or if a waiver and release agreement is not executed by the parties. If the City elects to terminate this Agreement and KELLY's employment without good cause as defined in this Agreement, a Notice of Termination Without Cause shall be provided in writing.

d. If KELLY is terminated for "cause," the City shall not owe any severance under this Agreement. This provision does not confer any property rights on KELLY, as she remains an at-will employee. The phrase "termination for cause" only pertains to KELLY's eligibility for severance as described in this Section. A "termination for cause" for purposes of severance may include, but shall not be limited to, the following:

- i. Dishonesty;
- ii. Embezzlement;
- iii. Conviction of a felony or misdemeanor relating to KELLY's fitness to perform assigned duties;
- iv. Any act involving moral turpitude;
- v. Taking a position adverse to the interests of the City without the City's prior written consent;
- vi. Violation of any fiduciary duty owed to the City;
- vii. Failure to abide by the terms of this Agreement;

viii. Repeated failure, without good cause, to carry out lawful directives formally approved by the City Council acting as a body during a Brown Act compliant meeting after written notice and reasonable opportunity to cure; or

ix. Failure to observe or perform any of her duties and obligations under this Agreement, if that failure continues for a period of thirty (30) days after KELLY receives written notice from City Council or its designee specifying the acts or omissions that constitute the failure.

If the City elects to terminate this Agreement and KELLY's employment for cause as defined in this Agreement, a Notice of Termination For Cause shall be provided in writing outlining the reason(s) for termination.

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

6. Compensation

a. Effective July 1, 2026, KELLY shall be paid an annual base salary of THREE HUNDRED AND FIVE THOUSAND DOLLARS (\$305,000), less all applicable federal, state and local withholding.

b. KELLY shall receive cost of living salary increases equal to that provided to the Executive, Management, and Confidential Group bargaining unit during the term of this Agreement.

c. KELLY shall receive the benefits identified in Exhibit A to this Agreement.

7. Hours of Work

KELLY shall work a minimum of forty (40) hours per week on City and Successor Agency business. KELLY may work a 9/80 or other flexible work schedule, following consultation with the City Council.

8. Indemnification

The City shall provide for the defense of KELLY in any action or proceeding alleging an act or omission within the scope of KELLY's employment in accordance with California Government Code sections 825, 995 et seq., and other applicable law. Notwithstanding anything to the contrary in this Agreement, in accordance with California Government Code section 825, subdivision (a), the City reserves the right to not pay any judgment, compromise, or settlement subject to that section until it is established that the injury arose out of an act or omission occurring within the scope of KELLY's employment pursuant to this Agreement. Further, notwithstanding anything to the contrary in this Agreement, the City reserves the right to refuse to provide for the defense of KELLY 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 KELLY shall be fully reimbursed in accordance with California Government Code section 53243.1 if KELLY is convicted of a crime involving an abuse of her office or position as defined in California Government Code section 53243.4.

9. Notices

Notices pursuant to this Agreement shall be in writing given by deposit in the custody of the United States Postal Service, first class postage prepaid, addressed as follows:

a. The City:

Mayor of the City of Pinole
2131 Pear Street
Pinole, CA 94564

With a Copy to the City Attorney
2131 Pear Street
Pinole, CA 94564

b. Naomi Kelly:

To the address shown as current in the payroll system.

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial process. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice, postage prepaid, with the United States Postal Service.

10. 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.

11. Performance Evaluations

The City Council shall review and evaluate the performance of KELLY upon completion of six (6) months and twelve (12) months of employment, and then at least once every twelve (12) months thereafter. At the time of each evaluation, performance goals shall be discussed that will be used to assist in the evaluation of KELLY's performance in the future. The City Council may, at its option, adjust KELLY's compensation as a result of the performance evaluation. The City agrees to evaluate KELLY's performance after the initial six (6) months of employment, at which time a merit increase shall also be considered.

12. Dues and Subscriptions

The City shall pay for the professional dues and subscriptions of KELLY necessary for her continuation and full participation in appropriate professional organizations.

13. Professional Development

At the time of the execution of this Agreement, the parties acknowledge that KELLY is, or will be, a member of various professional and service organizations. In addition, other organizations sponsor and offer short courses, institutes, seminars, and the like, which would be beneficial to KELLY'S professional development.

KELLY is permitted, encouraged, and in some instances, required by the City, to attend such meetings, activities, seminars, courses, institutes, and the like, as deemed appropriate by the City Council. KELLY's registration, travel, subsistence, and other related expenses shall be paid in advance directly to the vendor or reimbursed to KELLY consistent with applicable City policy.

14. Press Releases and Public Announcements

KELLY shall collaborate with the City regarding press announcements as to her appointment to the role of City Manager, including press releases and related communications.

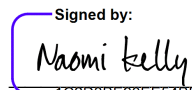
15. Miscellaneous

a. The text herein shall constitute the entire agreement between the parties. This Agreement may not be modified, except by written agreement executed by both parties.

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

c. This Agreement shall be governed by the laws of the State of California.

d. This Agreement may be executed in counterparts containing original signatures.

Signed by:

TC2D3BE90EE54BE...
 Naomi Kelly

6/25/2026

Date

Signed by:

23AF000919314A1...
 Anthony Tave
 Mayor

6/29/2026

Date

ATTEST:
 Signed by:

B8172BA790912FF
 Heather Bell, CMC
 City Clerk

6/30/2026

APPROVED AS TO FORM

Signed by:

47EA76C5E0214F6...
 Eric Casher
 City Attorney

6/30/2026

EXHIBIT A

- **Health, Vision, Dental, Life Insurance, STD/LTD Benefits**

KELLY shall receive health, vision, dental, life insurance and long/short-term disability benefits under the same terms those benefits are provided to the City's unrepresented managers.

- **Retiree Medical**

KELLY and her eligible dependents at the time of retirement shall be eligible to enroll on the City's retiree medical plan, in accordance with the provisions of the CalPERS Health Plans and the CalPERS Health Vesting Schedule.

The City shall make contributions toward KELLY's retiree health insurance premium in accordance with the CalPERS Health Vesting Schedule (Government Code 22893).

Upon KELLY's death, her eligible dependents shall continue to be eligible for enrollment on the City's plan and premium contribution, or reimbursement of their health insurance premium for alternate coverage, in accordance with the provisions of the CalPERS Health Plans and the CalPERS Health Vesting Schedule.

- **Retirement Plan**

The City currently participates in a retirement system through a contract with the California Public Employees Retirement System (CALPERS). For the Miscellaneous Employees, including KELLY, the CALPERS contract offers the following provisions:

- 2%@ 62 Retirement Plan (PEPRA)
- Military Buy Back
- Third Level Survivors Benefit
- Three Highest Years Compensation Formula
- Service for Unused Sick Leave

The City and KELLY shall make the Employer and Employee contributions to CalPERS benefits under the same terms provided to unrepresented managers.

- **Auto and Cell Phone Allowances**

KELLY shall receive the amount of \$600 monthly as a car allowance and \$65 monthly as a cell phone allowance, less all applicable federal, state and local withholdings.

- **Deferred Compensation - 457 Plan**

The City makes a 457 plan available for KELLY to contribute to through payroll deduction. The City shall provide up to \$100.00 in a dollar-for-dollar “matching” monthly contribution to the 457 Plan.

- **Vacation**

KELLY shall accrue vacation leave at a rate of 144 hours per year, accrued incrementally each pay period. Upon separation from the City, KELLY shall be paid for all unused accrued vacation leave based upon her base salary on the date of separation.

KELLY may cash out accrued vacation in a manner consistent with unrepresented managers.

- **Administrative Leave**

The City shall grant KELLY forty-eight (48) hours of administrative leave upon execution of this Agreement and ninety-six (96) hours of administrative leave at the beginning of each calendar year thereafter. KELLY may cash out administrative leave in a manner consistent with unrepresented managers.

- **Sick Leave**

KELLY shall accrue eight (8) hours per month, ninety-six (96) hours of sick leave per year, accrued incrementally each pay period.

- **Sick Leave Incentive**

KELLY'S sick leave use shall be reviewed by the City at the end of each calendar year. For any sick leave not used for six (6) consecutive months within the calendar year, KELLY shall receive an additional four (4) hours of accrued vacation time. For any sick leave not used for the entire calendar year (12 months), KELLY will receive an additional eight (8) hours of vacation time.

- **Other Leaves**

KELLY shall receive all other leaves (Bereavement, Family and Medical, Jury Duty, Military, etc.) that are provided to unrepresented managers.

- **Holidays**

KELLY shall receive the same holidays and floating holidays as the City's unrepresented managers.