

**AT-WILL EMPLOYMENT AGREEMENT BETWEEN
CITY OF STOCKTON AND STEVE COLANGELO AS INTERIM CITY MANAGER
(AT-WILL AND NON-CLASSIFIED POSITION)**

This At-Will Employment Agreement is made and entered into on August __, 2025, by and between the City of Stockton, a California charter city and municipal corporation ("**CITY**") and Steve Colangelo, an individual, ("**EMPLOYEE**") on the following terms and conditions set forth below ("**AGREEMENT**"). **CITY** and **EMPLOYEE** shall be collectively referred to as "**PARTIES**" or individually referred to as "**PARTY**."

RECITALS

WHEREAS, the **CITY** is in the process of recruiting a full-time replacement for its City Manager, and the **CITY** requires the services of an Interim City Manager; and

WHEREAS, **EMPLOYEE** represents that he has the necessary and specialized experience, skills, and expertise required to serve as the City's Interim City Manager; and

WHEREAS, the City Council of the City ("**CITY COUNCIL**") desires to appoint **EMPLOYEE** to the position of Interim City Manager subject to the terms and conditions of the **AGREEMENT**; and

NOW THEREFORE, it is hereby agreed by **CITY** and **EMPLOYEE** as follows:

AGREEMENT

1. **INTERIM CITY EMPLOYMENT.** The **CITY** hereby appoints **EMPLOYEE** as its Interim City Manager, effective August __, 2025 ("Effective Date"), and **EMPLOYEE** hereby accepts such employment.
2. **AT-WILL AGREEMENT.** **EMPLOYEE** is at-will and serves at the pleasure of **CITY COUNCIL** and can be terminated at any time with or without cause. **Employee's** at-will status means there is no guarantee as to length of time for employment. No **CITY** representative has authority to agree to anything contrary to employee at-will status unless it is specific, in writing, and signed by **CITY COUNCIL**.
3. **TERM.** This **AGREEMENT** shall commence on the Effective Date. This **AGREEMENT** shall expire as of the first of the following to occur: (1) A permanent City Manager assumes that office; (2) by the end of the day November 4, 2025; or (3) upon termination of the **AGREEMENT** by either **EMPLOYEE** or **CITY** as provided in Section 7 [SEPARATION] of this **AGREEMENT**.

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4. **INTERIM CITY MANAGER'S COMMITMENTS.**

a. **DUTIES AND RESPONSIBILITIES.**

- i. **EMPLOYEE** shall perform all of the functions and duties of the City Manager as set forth in: the City Manager class specification attached hereto and incorporated herein by reference as Attachment "A," which may be amended from time to time; the **CITY's** Charter, Municipal Code, rules, policies, procedures, regulations, ordinances and resolutions, which may also be subsequently amended from time to time. **EMPLOYEE** shall also perform other legally permissible and/or customary and appropriate duties and functions of the City Manager as the **CITY COUNCIL** may assign from time to time, together with such additional services consistent with the laws of the United States and State of California.
- ii. **EMPLOYEE** shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession. **EMPLOYEE** shall devote his attention, skill, ability, and productive time to the performance of **EMPLOYEE'S** duties and responsibilities and **CITY's** business.
- iii. The **CITY's** personnel rules, policies, procedures, regulations, ordinances and resolutions shall apply to **EMPLOYEE** in the same manner as applied to other non-classified at-will Department Heads. As feasible, their provisions shall be read to apply in tandem with the terms of this **AGREEMENT**. However, to the extent an express provision of this **AGREEMENT** conflicts, this **AGREEMENT** shall govern.

b. **CONFLICT OF INTEREST.**

- i. **EMPLOYEE** shall not engage in any business or transaction or shall have a financial or other personal interest or association, direct or indirect, which is in conflict with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties. Personal as distinguished from financial interest includes an interest arising from blood or marriage relationships or close business, personal, or political associations.
- ii. **EMPLOYEE** shall also comply with the conflict-of-interest provisions under California law and any conflict-of-interest code applicable to **EMPLOYEE's CITY** employment. **EMPLOYEE** is responsible for submitting to Human Resources the appropriate Conflict of Interest Statements prior to performing any services under this **AGREEMENT**, and thereafter as required by law.

c. **HOURS OF WORK.**

- i. **EMPLOYEE** is expected to engage in those hours of work that are necessary to perform the duties and fulfill the obligations of the Interim City Manager position, which fall both within and outside of customary and normal business hours. The position of Interim City Manager shall be deemed an exempt position under state and federal wage and hour laws. **EMPLOYEE'S** compensation (whether salary or benefits or other allowances) is not based on hours worked and **EMPLOYEE** shall not be entitled to any compensation for overtime.
- ii. **EMPLOYEE** may engage in teaching, consulting, speaking, or perform other non-**CITY** connected activities for which he is compensated only with the express prior consent of the **CITY COUNCIL**.

- d. **DISABILITY OR INABILITY TO PERFORM.** If, as the result of long-term or permanent disability, sickness, accident, injury, mental incapacity or other personal health-related reason, the **CITY** determines that **EMPLOYEE** is unable to perform his essential duties, with or without reasonable accommodation, after exhausting all available and authorized use of accrued sick leave, vacation, or other authorized paid/unpaid leave available under applicable **CITY** policies or state or federal law, the **CITY COUNCIL** may terminate **EMPLOYEE**. If the **CITY COUNCIL** does elect to terminate **EMPLOYEE** due to incapacity, **Employee** shall be terminated without cause, as provided in Section 7.c [TERMINATION WITHOUT CAUSE] below. In exercising this option, the **CITY** will comply with its obligations under applicable state and federal disability laws.

5. **BASE SALARY.**

- a. On the Effective Date of this **AGREEMENT**, **CITY** shall compensate **EMPLOYEE** for his services rendered pursuant to this **AGREEMENT** a gross monthly salary of \$20,833.33 payable in installments at the same time and in accordance with the **CITY's** payroll procedures for other **CITY** employees, and subject to all applicable payroll taxes and withholdings. Effective the first day of the pay period that includes July 1, 2025, Employee shall receive a three percent (3%) increase to his base salary.
- b. At the discretion of the **CITY COUNCIL**, this **AGREEMENT** may be amended to incorporate any salary and/or benefit adjustments granted, provided, or required by the **CITY COUNCIL**. The **CITY** shall not at any time during the term of this **AGREEMENT** reduce the base salary, compensation, or other economic benefits of **EMPLOYEE**, unless as part of a general **CITY** management reduction, and then in no greater percentage than the average

reduction of all **CITY** Department Heads whose salaries, compensation or economic benefits are reduced.

6. **BENEFITS.**

- a. **ECONOMIC BENEFITS.** Except as set forth in this **AGREEMENT**, **CITY** agrees to provide **EMPLOYEE** with the economic benefits provided under the "City of Stockton Unrepresented Management/Confidential and Law Employees' Compensation Plan" for employees designated under the Management Plan "MA" and/or "Department Heads," dated July 1, 2023, and as may be amended by the **CITY COUNCIL** from time to time, as set forth in Section 5.b, above.
 - i. **No Retirement Benefits.** Pursuant to Government Code § 20305 and related California Public Employees' Retirement System (CalPERS) regulations and policy statements, **EMPLOYEE** shall not receive any retirement benefits **CITY** commonly provides to its employees including those pension benefits in "City of Stockton Unrepresented Management/Confidential and Law Employees' Compensation Plan" plan, unless required by law. CalPERS service credit will not be accrued, and no additional retirement rights or benefits will be granted to **EMPLOYEE** unless required by law.
- b. **CITY VEHICLE.** **EMPLOYEE** shall be assigned a city vehicle for use during the term of employment under this **AGREEMENT**. Use of the city vehicle shall be subject to and consistent with the rules under Administrative Directive MAN-16 which govern use of city vehicles for other city employees.
- c. **PROFESSIONAL DEVELOPMENT.** The **CITY** agrees to pay for reasonable sums of professional dues, subscriptions, travel and subsistence expenses of **EMPLOYEE** for professional participation in appropriate organizations such as, but not limited to, the League of California Cities, subject to prior review and approval by **CITY**. Notwithstanding the foregoing, the **CITY COUNCIL** shall have discretion to establish appropriate amounts, in the annual **CITY** budget or otherwise, of official and professional development expenses and travel costs.

7. **SEPARATION.**

- a. **RESIGNATION.** **EMPLOYEE** may resign from the position of Interim City Manager at any time and agrees to provide the **CITY COUNCIL** with a minimum of 30 days advanced written notice of the effective date of **EMPLOYEE's** resignation, unless the **PARTIES** otherwise agree in writing. If **EMPLOYEE** separates from **CITY** employment, **EMPLOYEE** shall be entitled to only the compensation accrued up to the date of termination, and such other termination benefits and payments as may be required by law or applicable provisions of the "City of Stockton Unrepresented

Management/Confidential and Law Employees' Compensation Plan" for employees designated under the Management Plan "MA" and/or "Department Heads. This **AGREEMENT** shall terminate upon the effective date of **EMPLOYEE's** resignation.

b. **REMOVAL.**

- i. **EMPLOYEE** is an at-will employee serving at the pleasure of the **CITY COUNCIL**. **EMPLOYEE** has no constitutionally protected property or other interest in his employment as Interim City Manager. Nothing in this **AGREEMENT** shall be construed to create a property interest for **EMPLOYEE** in the position of Interim City Manager.
- ii. The **CITY COUNCIL** may terminate **EMPLOYEE** at any time, with or without cause, by a majority vote of its members. This **AGREEMENT** shall terminate upon the effective date of **EMPLOYEE's** termination.

c. **TERMINATION WITHOUT CAUSE.** If the **CITY COUNCIL** terminates **EMPLOYEE** as the Interim City Manager without cause, (cause is defined in Section 7.d. below). **EMPLOYEE** shall be entitled to only the compensation accrued up to the date of termination, and such other termination benefits and payments as may be required by law or applicable provisions of the "City of Stockton Unrepresented Management/Confidential and Law Employees' Compensation Plan" for employees designated under the Management Plan "MA" and/or "Department Heads. In the event the CITY terminates **EMPLOYEE** without cause, then the CITY may terminate this **AGREEMENT** immediately, and **EMPLOYEE** shall no longer be employed by the CITY and this **AGREEMENT** shall terminate.

d. **TERMINATION FOR CAUSE.**

- i. Notwithstanding the provisions of Section 6.C. [TERMINATION WITHOUT CAUSE], the **CITY COUNCIL** may terminate **EMPLOYEE** for cause. As used in this section, "cause" shall mean only one or more of the following:
 - (1) Incompetency such as failure of **EMPLOYEE** to comply with the minimum standards for the position of Interim City Manager
 - (2) Neglect of duty, such as failure to timely perform the duties required of **EMPLOYEE's** position or failure to implement policy directions of the **CITY COUNCIL**
 - (3) 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

- (4) Dishonesty involving employment
 - (5) Being under the influence of alcohol or intoxicating drugs while on duty
 - (6) Absence without leave
 - (7) Conviction of a crime or conduct constituting a violation of state or federal law that renders it more difficult for **EMPLOYEE** to deliver public service. "Conviction" includes entry of a plea of nolo contendere or a plea bargain
 - (8) Improper or unauthorized use of **CITY** property
 - (9) Failure to engage or participate in good faith in an interactive process to attempt to identify an effective reasonable accommodation to resolve a physical or mental infirmity(s) or defect(s) affecting job performance when it is within the capacity of the employee to do so.
 - (10) Acceptance from any source of any emolument, reward, gift, or other form of remuneration in addition to **EMPLOYEE's** regular compensation, as a personal benefit to **EMPLOYEE** in connection with actions performed in the normal course of **EMPLOYEE's** assigned duties
 - (11) Falsification of any **CITY** report or record or of any report or record required to be, or, filed by **EMPLOYEE**
 - (12) Engagement in prohibited harassment, discrimination, retaliation, or abusive conduct
 - (13) Engaging in any incompatible activity or prohibited conflict-of-interest
 - (14) A material breach of this **AGREEMENT**
- ii. For purposes of this provision, a determination that "cause" exists shall be based on demonstrable, or otherwise reasonably proven, sustained, corroborated, or admitted conduct.
 - iii. In the event the **CITY** terminates **EMPLOYEE** for cause, then the **CITY** may terminate this **AGREEMENT** immediately, and **EMPLOYEE** shall no longer be employed by the **CITY** and this **AGREEMENT** shall terminate. **EMPLOYEE** shall be entitled to only

the compensation accrued up to the date of termination, and such other termination benefits and payments as may be required by law or applicable provisions of the "City of Stockton Unrepresented Management/Confidential and Law Employees' Compensation Plan" for employees designated under the Management Plan "MA" and/or "Department Heads.

- e. **NO SEVERANCE. EMPLOYEE** shall not be entitled to any severance pay Manager upon the termination or expiration of this **AGREEMENT** for any reason or **EMPLOYEE's** resignation or termination from the Interim City Manager position or from CITY employment for any reason.
- f. **RETURN OF CITY PROPERTY.** Upon the termination or expiration of this **AGREEMENT** for any reason, **EMPLOYEE's** resignation or termination from the Interim City position or from CITY employment for any reason, **EMPLOYEE** agrees to immediately surrender any and all writings containing information relating to the conduct of the CITY's business prepared, owned, used, or retained by **EMPLOYEE** regardless of physical form or characteristics, and any and all equipment, tools, or other materials of whatever nature provided to **EMPLOYEE** by CITY in his capacity of Interim City Manager.

8. **INDEMNIFICATION.**

- a. In accordance with and to the extent provided by California's Tort Claims Act (Gov. Code § 825 et seq.) and Government Code sections 995-996.6, the **CITY** shall defend and indemnify **EMPLOYEE** against and for all losses sustained by **EMPLOYEE** in direct consequences of the discharge of **EMPLOYEE's** duties on the **CITY's** behalf for the period of **EMPLOYEE's** employment.
- b. Nothing in this **AGREEMENT** shall expand the **CITY's** defense and indemnification obligations beyond those provided in the Government Code Tort Claims Act (Gov. Code § 825, et seq.) and Government Code sections 995-996.6. Further, in the event **CITY** provides funds for legal criminal defense pursuant to this sub-section and terms of the Government Code, **EMPLOYEE** shall reimburse the **CITY** for such legal criminal defense funds if **EMPLOYEE** is convicted of a crime involving an abuse of office or position, as provided by Government Code sections 53243 — 53243.4.
- c. **CITY** and **EMPLOYEE** agree that it is their mutual intent to fully comply with Government Code sections 53243 – 53244, as applicable. Upon conviction as set forth in Government Code sections 7522.72 or 7522.74, **EMPLOYEE** may forfeit the benefits in accordance with those sections.
- d. This Section 8 [INDEMNIFICATION] shall survive termination of this **AGREEMENT**.

9. **BONDING.** CITY shall bear the full cost of any fidelity or other bonds the CITY requires of **EMPLOYEE** under any law or ordinance or otherwise.
10. **AMENDMENTS.** This **AGREEMENT** may only be modified in writing and duly authorized and executed by both **PARTIES**.
11. **SEVERABILITY.** If any provision of this **AGREEMENT** is found by a court of competent jurisdiction over the **PARTIES** to be illegal or unenforceable, the remainder of this **AGREEMENT** shall not be affected and shall remain in full force and effect to the greatest extent permitted by law, unless the parts found to be illegal or unenforceable are wholly inseparable from the remaining portion of this **AGREEMENT**.
12. **JURISDICTION AND VENUE.** Any dispute concerning this **AGREEMENT** shall be governed by the laws of the State of California, and the **PARTIES** agree that venue shall be in San Joaquin County, California.
13. **ENTIRE AGREEMENT.** This **AGREEMENT** and its Attachment contains the entire agreement of the **PARTIES**. No promise, representation, warrant or covenant not included in this **AGREEMENT** has been or is relied on by any **PARTY** hereto.
14. **NOTICE.**

Any notices, including change of address of either **PARTY** during the term of this **AGREEMENT**, which **EMPLOYEE** or the **CITY** shall be required, or may desire, to make pursuant to this **AGREEMENT** shall be in writing and shall be either hand-delivered or sent by prepaid first class mail and addressed as follows:

TO CITY: Mayor

City of Stockton
425 N. El Dorado St
Stockton, CA 95202

TO EMPLOYEE: Steve Colangelo
[Most recent address on file with Human Resources]

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IN WITNESS WHEREOF **CITY** has caused this **AGREEMENT** to be signed and executed on its behalf by its Mayor, and duly attested by City Clerk, and **EMPLOYEE** has signed and executed this **AGREEMENT**, as of the day and year first above written.

EMPLOYEE

CITY OF STOCKTON

STEVE COLANGELO
INTERIM CITY MANAGER

CHRISTINA FUGAZI
MAYOR

ATTEST:

APPROVED AS TO FORM:

KATHERINE D. ROLAND, CMC, CPMC
CITY CLERK

LORI M. ASUNCION
CITY ATTORNEY

Attachment "A"

[ATTACH CITY MANAGER CLASS SPECIFICATION HERE]