Docusign Envelope ID: 2271AB97-8FBD-8E10-83AA-735BAF67F11F

EMPLOYMENT CONTRACT

THIS EMPLOYMENT CONTRACT, hereinafter referred to as "CONTRACT" is made and entered into this August 3, 2026, by and between the CITY OF DANA POINT, a municipal corporation, hereinafter referred to as "CITY", and RYAN SMITH, hereinafter referred to as "SMITH".

WITNESSETH

WHEREAS, CITY is a municipal corporation, the operation of which involves securing the services of a qualified Director of Administrative Services; and,

WHEREAS, SMITH can provide the services and possesses the professional skills required by CITY and is available to CITY; and,

WHEREAS, it is the desire of the City Manager of CITY to retain the services of SMITH as Director of Administrative Services, effective August 31, 2026; and,

WHEREAS, it is the desire of the City Manager of CITY to provide certain benefits, establish certain conditions of employment, set certain work conditions, and provide an equitable means of terminating SMITH's employment; and,

WHEREAS, the arrangement set forth in this contract represents an efficient and economical procedure to accomplish CITY's goal;

NOW, THEREFORE, CITY AND SMITH, in consideration of the mutual covenants and agreements herein contained, agree as follows:

1. POSITION AND DUTIES. The City Manager of CITY hereby agrees to appoint SMITH as the Director of Administrative Services of the City of Dana Point to perform, on a full-time basis, the duties and functions specified in CITY's Municipal Code, ordinances, resolutions, policies and Director of Administrative Services Job Description, and as required by the Government Code of the State of California, and to perform other legally permissible duties and perform such functions as the City Manager shall from time to time assign. The City Manager of CITY shall have the authority to determine the specific duties and functions which SMITH shall perform under this contract and the means and manner by which SMITH shall perform those duties and functions.

   SMITH agrees to devote all of his business time, skill, attention, and best efforts to the discharge of the duties and functions assigned to his by the City Manager during his employment.

   The City Manager and SMITH shall define goals and performance objectives for SMITH which they determine necessary. The City Manager shall further establish a relative priority among those various goals and objectives. They shall generally be attainable within the time limitations as specified.

   SMITH shall not engage in an employment, activity, consulting service, or enterprise, for compensation or otherwise, which is actually or potentially in conflict with or

Docusign Envelope ID: 2271AB97-8FBD-8E10-83AA-735BAF67F11F

inimical to, or which materially interferes with, SMITH's duties and responsibilities to the CITY. Subject to the foregoing prohibitions, the City Manager, upon the written request of SMITH, may authorize SMITH to undertake outside employment. The City Manager's consent shall be made in writing and the City Manager reserves the right to place additional conditions on such outside employment. Personal as distinguished from financial interest includes an interest arising from blood or marriage relationships or close business, personal, or political associations.

2. TERMINATION AND AT WILL STATUS. This contract shall commence on the effective date and shall remain in effect until terminated by CITY or SMITH in accordance with the provisions of this contract. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the City Manager to terminate the services of SMITH at any time, subject only to the provisions set forth in this Section.

   SMITH holds his employment at the pleasure of the City Manager and is an At-Will employee. SMITH is exempt from CITY's competitive service. The City Manager of CITY may terminate SMITH's employment at any time, for any reason that is not in violation of the public policy of the State of California and may give SMITH notice of termination at any time. SMITH agrees that no representative of CITY has made or can make any promises, statements, or representations which state or imply that SMITH is hired or retained under any terms other than those stated herein.

   SMITH may voluntarily terminate his employment at any time, for any reason, except he shall give the City Manager of CITY thirty (30) days written notice prior to the effective date of the voluntary termination of his employment.

   If the City Manager of CITY terminates SMITH's employment or SMITH terminates his employment, SMITH shall only be entitled to receive the compensation he is currently due for the work he has already performed, plus a severance payment if he is eligible as described in Paragraph 5 herein, plus the cash equivalent of any unused Comprehensive Annual Leave as described in Paragraph 4f herein.

3. CONFIDENTIAL INFORMATION. "Confidential Information" means all information and any idea pertaining in any manner to the business of the City Council, the CITY or the CITY's various, departments, divisions, committees, and commissions, which was produced or acquired by SMITH in the course of employment with the CITY. Confidential Information shall include, without limitation, trade secrets, product ideas, inventions, processes, formulae, data, know-how, software, and other computer programs, copyrightable material, marketing plans, strategies, sales, financial reports, forecasts, and customer lists. During employment with CITY, SMITH shall use Confidential Information, and shall disclose Confidential Information, only for the benefit of CITY and only as is or may be necessary to perform job responsibilities under this contract. Following termination or other separation from employment with CITY, SMITH shall not use any Confidential Information and shall not disclose any Confidential Information, except with the express written consent of the City Manager. SMITH's obligations under this Section shall survive the expiration of this Agreement.

Docusign Envelope ID: 2271AB97-8FBD-8E10-83AA-735BAF67F11F

4. COMPENSATION. CITY agrees to provide the following compensation to SMITH:

   a. Annual Compensation. Effective August 31, 2026, annual compensation of Two Hundred Fifty-Seven Thousand Dollars ($257,000) for services rendered with applicable payroll taxes withheld. Said compensation shall be paid biweekly. Compensation may be adjusted upward annually due to merit increase approved by the City Manager.

   b. Deferred Compensation. Upon the effective date of this contract and annually thereafter, SMITH shall receive a deferred compensation contribution. The contribution will be the equivalent to three percent (3.0%) of SMITH's base salary, pro-rated if necessary. The contribution shall be paid on a biweekly basis to an account in SMITH's name, subject to the terms and conditions of MissionSquare Retirement, the CITY's deferred compensation provider or to a successor provider, as deferred compensation. Notwithstanding the forgoing, the total contribution will not exceed the maximum limit set by the Internal Revenue Service (IRS) for deferred compensation contributions in any given year.

   c. Cafeteria Plan. City shall provide SMITH the same health, and disability insurance plans as offered in the City's Cafeteria Plan the same amount as is provided for other City employees.

   d. Life Insurance. City shall provide SMITH with the same life insurance coverage offered to all other full-time employees of City, at its expense, with a death benefit in the amount of not less than $50,000.

   e. Retirement Public Employees Retirement System. Retirement Public Employees Retirement System. SMITH shall be a member of the City's retirement plan adopted and existing pursuant to its contract with the State of California Public Employees Retirement System ("CalPERS"). City shall pay the full amount of the required employer's contribution for the benefit of SMITH, and SMITH shall pay the full amount of the employee's required contribution consistent with other City employees deemed CLASSIC Members by PERS. In the event that other City employees deemed CLASSIC Members by PERS are required to pay an additional amount of pay toward unfunded pension liability pension costs, then SMITH shall pay the same amount.

      In the event the CITY voluntarily joins or is required by law to join the Federal Social Security System, SMITH shall be treated in the same manner as all City employees. Should the CalPERS plan be amended by the City Council in the future, SMITH would be automatically entitled to receive such amended benefits.

   f. Comprehensive Annual Leave (CAL). The City shall provide SMITH with annual leave in the amount of two hundred forty hours (240) per year as Comprehensive Annual Leave (CAL). CAL credits shall be accrued at the rate of 9.23 hours per biweekly pay period. To encourage SMITH to use his

Docusign Envelope ID: 2271AB97-8FBD-8E10-83AA-735BAF67F11F

accrued CAL, CAL credits are allowed to accrue up to a maximum of four hundred eighty hours (480 hours). Once SMITH has reached the maximum accrual, SMITH will cease to accrue additional CAL credits until the accrued CAL credits fall below four hundred eighty hours (480 hours). SMITH may buy back up to forty (40) CAL hours in accordance with the City's policy applicable to all other eligible employees. If SMITH's employment is terminated, SMITH shall receive compensation for any accrued but unused CAL credits with applicable payroll taxes withheld.

g. CITY shall reimburse SMITH for approved, reasonable and ordinary business expenses incurred by SMITH in the performance of this contract, provided such expenses have been authorized by the City Manager.

h. Vehicle. SMITH's duties as Director of Administrative Services for the City of Dana Point will require that he always have unrestricted access to an automobile to attend to City business, in and out of the City, and to respond to emergencies. SMITH agrees to pay for all liability, property damage and comprehensive insurance related to all City and personal use of said automobile, and all non-related driving or incidents. SMITH agrees to incur all expenses for the purchase, operation, gas, maintenance, repair or regular replacement, and applicable taxes associated with said automobile. In return for providing said automobile and paying all expenses associated with the operation and maintenance of said automobile, CITY shall pay SMITH the sum of Five Hundred and Fifty Dollars ($550.00) per month with applicable payroll taxes withheld.

i. Cell Phone Stipend. City shall provide SMITH with a monthly stipend in the amount of Seventy Dollars ($70.00) to cover the cost of maintaining a personal cellular phone for City-related business use. The stipend shall be paid in equal installments each pay period and shall be considered a taxable fringe benefit in accordance with applicable IRS guidelines. SMITH shall be responsible for maintaining a functioning cellular phone and ensuring its availability for City-related communication needs. No additional reimbursement shall be provided for cellular phone costs, except as otherwise approved by the City.

j. All other benefits provided to Management level employees in the CITY Personnel Policies.

5. SEVERANCE PAYMENT.

a. Termination without Cause. In the event that SMITH is involuntarily terminated by City Manager, CITY shall pay SMITH a lump sum cash severance payment equal to three (3) months of SMITH's monthly compensation established in Paragraph 4a herein, with applicable payroll taxes withheld. In exchange for and as a condition to receipt of the Severance Payment, SMITH shall execute a release and waiver, in a form acceptable to the City Attorney, releasing the City from any and all claims associated with SMITH's employment and termination.

Docusign Envelope ID: 2271AB97-8FBD-8E10-83AA-735BAF67F11F

b. Termination for Cause. In the event SMITH is terminated for cause as defined herein, CITY shall have no obligation to make severance payment described in Paragraph 5a above. In the context of this Agreement, "for cause" shall mean SMITH has been terminated because of the commission, attempted commission, violation, or conviction of any criminal law committed at any time (except minor traffic infractions), gross negligence or malfeasance, incompetence, insubordination, and/or violation of any rules or policies applicable to the general employees of the CITY. SMITH has an affirmative duty to report to the City Manager or his/her designee if he is arrested or if he is under investigation for alleged criminal activity or criminal misconduct.

c. If SMITH terminates his employment, CITY shall not make any severance payment to SMITH.

d. Notwithstanding any other provision or the term of this Agreement, the Severance that SMITH may receive under this Agreement as a result of termination shall not exceed the limitations provided in Government Code Section 53260-53264. In addition, in the event SMITH is convicted of a crime involving an abuse of office or position, SMITH shall reimburse the CITY for any paid leave or cash settlement (including separation benefits or severance, if applicable), to the extent as provided by Government Code Sections 53243-53243.4.

6. PERFORMANCE EVALUATION.

a. The City Manager shall evaluate SMITH following his initial six months of continuous employment, at which time he may be eligible for a merit increase of up to five percent (5.0%). Thereafter, SMITH shall participate in the City's regular annual performance evaluation and merit increase process each September, consistent with other City employees. The City Manager shall provide SMITH with adequate opportunity to discuss each evaluation.

In connection with each annual performance evaluation, the City Manager may grant SMITH a performance bonus up to 5% of his base salary. Whether or not to grant a bonus and the amount of any such bonus shall be determined at the sole discretion of the City Manager. It is the understanding and intent of the City and SMITH that the performance bonuses are not reportable compensation to CalPERS and are not included in the calculation of SMITH's CalPERS retirement allowance.

7. INDEMNIFICATION. CITY shall defend, hold harmless, and indemnify SMITH against any tort, professional liability claims or demand or other legal action, whether groundless or otherwise, arising out of this contract, or any alleged act or omission occurring in the course and scope of performance of SMITH's duties in accordance with the provisions of the California Government Code Section 825.

8. BONDING. CITY shall bear the full cost of any fidelity or other bonds required of SMITH under any law or ordinance.

Docusign Envelope ID: 2271AB97-8FBD-8E10-83AA-735BAF67F11F

9. ENTIRE AGREEMENT. This contract is the complete and final expression of the parties' agreement. This contract remains the entire agreement and understanding between the parties and contains all of the terms and conditions of the parties' agreement. This contract supersedes all prior or contemporaneous oral or written negotiations, discussions, representations, or agreements between the parties, if any. No amendment, alteration, extension, or modification of this contract shall be binding unless in writing and signed by both the City Manager and SMITH.

10. GOVERNING LAW. This contract will be governed by and construed in accordance with the laws of the State of California.

11. NO WAIVER. No party's failure to enforce any provision(s) of this contract will be construed in any way as a waiver of such provision(s), nor prevent that party from enforcing each and every other provision of this contract.

12. PARTIAL INVALIDITY. The invalidity or unenforceability of any provision(s) of this contract will not affect the validity or enforceability of the other provision(s) of the contract.

13. HEADINGS. Paragraph headings used in this contract are for convenience only and shall not be considered part of the terms of this contract.

CITY OF DANA POINT

By: [redacted]
Kelly Reenders, City Manager

RYAN SMITH

By: [redacted]
Ryan Smith

ATTEST:

[redacted]
Shayna Sharke, City Clerk

APPROVED AS TO FORM:

[redacted]
Patrick Muñoz, City Attorney