

**AGREEMENT OF EMPLOYMENT BETWEEN
THE CITY OF HERCULES AND J. PATRICK TANG**

This Agreement of Employment (“**Agreement**”) is entered into effective on the 24th day of March, 2026 (the “**Effective Date**”), by and between the City of Hercules, a California municipal corporation, and the City of Hercules as Successor to the Redevelopment Agency, hereinafter collectively referred to as the “**City**,” and J. Patrick Tang, hereinafter referred to as the “**Interim City Manager**,” and collectively the “**Parties**.”

RECITALS

WHEREAS, the City desires to appoint an Interim City Manager to serve on a limited term basis, as it conducts a recruitment for a permanent City Manager; and

WHEREAS, pursuant to Government Code sections 7522.56(c) and 21221(h), the City finds that specialized knowledge, skills, and training are necessary to render the services necessary to do the work contemplated under this Agreement; and

WHEREAS, the City has determined that J. Patrick Tang, a California Public Employees’ Retirement System (CalPERS) retiree, is qualified by his training and experience to render such services; and

WHEREAS, J. Patrick Tang desires to provide such services; and

WHEREAS, the public interest will be served by this Agreement; and

NOW, THEREFORE, the Parties hereto do mutually agree as follows:

Section 1. Duties

The City agrees to employ J. Patrick Tang to serve as the Interim City Manager of the City of Hercules to perform the functions and duties as specified by the ordinances of the City of Hercules as such ordinances may be amended from time to time, and to perform other legally permissible and proper duties and functions as the City Council shall from time to time assign. The Interim City Manager agrees that, to the best of his ability and experience, he will, at all times, loyally and conscientiously perform all of the duties and obligations required of him, either expressly or implicitly by the terms of the Agreement.

Section 2. Term

Subject to earlier termination as provided for in this Agreement, the Interim City Manager shall be appointed by the City to perform the duties described in Section 1 above for a period commencing on March 24, 2026, and ending when a permanent City Manager assumes office; and agrees to remain in the employ of the City during the term of this Agreement.

Section 3. At-Will

During the term of this Agreement, Interim City Manager understands and acknowledges that he is an at-will employee of the City and therefore may be terminated by the City without cause in accordance with the termination provision set forth in Section 4 below.

Section 4. Termination

Termination By City. Termination of this Agreement shall require three affirmative votes of the City Council of the City, and upon giving 14 days' prior notice to the Interim City Manager.

A. Termination By Interim City Manager or Expiration of Term. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Interim City Manager to resign at any time from his position, provided however, he shall endeavor to give at least 14 days' prior written notice to the City.

B. In no event shall Interim City Manager continue to perform services for the City under this Agreement beyond the Agreement's expiration, as set out in Section 2 above.

Section 5. Salary

The City agrees to pay the Interim City Manager for his services rendered **a monthly salary of twenty three thousand and four hundred dollars (\$23,400.00)**, which equates to an hourly rate of **one hundred thirty-five dollars (\$135.00)** for an average of 40 hours per week worked, payable in installments at the same time as other employees of the City are paid. Consistent with the requirement of Government Code sections 21221(h) and 7522.56(d), this hourly rate is not more than the maximum, nor less than the minimum, monthly base salary paid to other previous employees performing comparable duties as listed on a publicly available pay schedule for the City Manager position, divided by 173.333.

Section 6. Sick Leave, Holidays and Vacation; Public Employees Retirement System

The Interim City Manager acknowledges and agrees that during the term of this Agreement, he will not accrue nor be entitled to vacation, sick, or administrative leave. Nor shall he accrue retirement, pension system contributions or health care benefits, including coverage under the California Public Employee Retirement System, or other fringe benefits provided to City employees. The Interim City Manager recognizes that Government Code section 21221(h) provides that a retired person appointed to a vacant position pursuant to that subdivision may not receive any benefits, incentives, compensation in lieu of benefits, or any other forms of compensation in addition to the hourly rate.

Section 7. Business Expenses

The City agrees to budget and allocate sufficient funds to pay for City-related business expenses of the Interim City Manager. This shall include, but not necessarily be limited to, Interim City Manager's necessary travel expenses while representing the City for such official meetings and/or travel as are reasonably necessary for the Interim City Manager to carry out his professional responsibilities.

Section 8. Indemnification

Except as set forth in Paragraphs 13 and 14 below, the City shall defend, hold harmless and indemnify the Interim City Manager against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring during the course and scope of the performance of the Interim City Manager's duties.

Section 9. Bonding

The City shall bear the full cost of any fidelity or other bonds required of the Interim City Manager under any law or ordinance.

Section 10. Abuse of Office

If the City provides (i) paid leave salary to the Interim City Manager pending an investigation, or (ii) funds for the legal criminal defense of the Interim City Manager, then in the event the Interim City Manager is convicted of a crime involving an abuse of his office or position as defined in California Government Code Section 53243.4, all such sums paid by the City to the Interim City Manager or for the City Manager's benefit shall be fully reimbursed to the City by the Interim City Manager.

Section 11. Certification Regarding Prior Unemployment Benefits

In accordance with Government Code section 7522.56(e)(1), the Interim City Manager certifies and warrants to the City that he has not received any unemployment insurance payments for retired annuitant work for any public employer within the twelve months prior to his appointment date under this Agreement.

Section 12. Adequate Retirement Period

In accordance with Government Code section 7552.56(f), the Interim City Manager warrants to City that a period of 180 days or more has passed since the date of his most recent retirement with CalPERS.

Section 13. Effect of Agreement on CalPERS Retirement Benefits

The City makes no representation on the impact, if any, this Agreement shall or may have upon the Interim City Manager's CalPERS retirement benefits, status, duties and/or obligations. The Interim City Manager acknowledges that in entering into this Agreement, he has not relied upon any such representations in assessing the CalPERS-related impact of his employment. Therefore, the Interim City Manager releases the City from any and all CalPERS-related claims or liabilities that may arise in connection with his employment pursuant to this Agreement.

Section 14. Work Restrictions

Due to his status as a CalPERS retiree, the Interim City Manager may not work more than 960 hours for all public agencies contracting with CalPERS within the fiscal year(s) occurring during the term of this Agreement without impacting his retirement benefits and having to be reinstated in CalPERS as an active employee. Accordingly, under no circumstances may the Interim City Manager work more than 960 hours during any fiscal year, defined as the period beginning July 1st and ending June 30th of each year, including any service to other CalPERS employers. The Interim City Manager shall keep accurate time records of his hours worked to ensure that he does not exceed 960 hours within any fiscal year that occurs during the term of this Agreement and for payroll purposes. The Interim City Manager further represents that he will not perform work for any other public agency member of CalPERS during the term of this Agreement. If a controversy arises between the Interim City Manager and CalPERS regarding the impact of this Agreement and the services provided for herein on the nature of CalPERS

retirement terms or benefits, the City shall have no obligation to intervene in or to defend or prosecute such dispute.

Section 15. Other Terms and Conditions of Employment

The City Council, in consultation with the Interim City Manager, shall fix any such other terms and conditions of employment as it may determine from time to time, relating to the performance of the Interim City Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, City ordinances, or any other law.

Section 16. No Reduction of Salary

The City shall not, at any time during the term of this Agreement, unilaterally reduce the salary of the Interim City Manager.

Section 17. Notices

Notices pursuant to Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid. Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice, or as the Parties may agree in writing. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 18. Mediation

The Parties agree that, if a dispute arises between them that in any way relates to this Agreement, the terms of this Agreement, or the performance by either party under this Agreement, such dispute shall, after the claims procedures that may be applicable under the California Government Tort Claims Act are exhausted, be submitted to mediation. If such dispute proceeds to litigation, each party shall be responsible for their own attorney fees, costs and expenses. The exclusive venue for any legal action taken pursuant to this Agreement shall be the State of California Superior Court for the County of Contra Costa or the United States District Court for the Northern District of California.

Section 19. Entire Agreement; Modifications

This Agreement constitutes the complete agreement between the Parties and supersedes any and all other agreements, either oral or in writing, between the Parties with respect to the subject matter of this Agreement. No other agreement, statement or promise relating to the subject matter of this Agreement not contained in this Agreement shall be valid or binding. This Agreement may be modified or amended only by a written document signed by representatives of both Parties with appropriate authorization.

This Agreement is executed by the Parties as of the date noted below and effective as of the Effective Date set forth above.

Approved as to Form:

By: _____
Christie Crowl, City Attorney

Date: _____

CITY OF HERCULES

By: _____
Chris Kelley, Mayor

Date: _____

INTERIM CITY MANAGER

By: _____
J. Patrick Tang

Date: _____