

CITY ATTORNEY'S OFFICE

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CITY COUNCIL STAFF REPORT

<u>MEETING:</u> JUNE 17, 2025

<u>Subject</u>:

Agreement of Separation, Severance, and General Release By and Between the City of Cupertino and City Manager Pamela Wu

Recommended Action

Staff recommends that the City Council take the following actions: Ratify the Agreement of Separation, Severance, and General Release By and Between the City of Cupertino and City Manager Pamela Wu (the "Separation Agreement")

Background

In Closed Session on June 3, 2025, the City Council approved a draft Agreement of Separation, Severance, and General Release. City Manager Wu had been on administrative leave since May 2, 2025. Mayor Chao and Councilmembers Fruen, Mohan and Wang voted in favor, and Vice Mayor Moore voted against the action.

On June 6, 2025, again in Closed Session, the City Council approved the revised, final Separation Agreement, which had been executed by Pamela Wu. Mayor Chao and Councilmembers Mohan and Wang voted in favor, and Vice Mayor Moore voted against. Councilmember Fruen was absent. The motion passed, thereafter the Mayor executed the Separation Agreement, dated June 6, 2025.

Salient Agreement Terms

The Separation Agreement includes the following salient terms:

- 1. Pamela Wu will receive 8 months' severance, settlement and release payments, including administrative leave through June 6 and certain other benefits totaling \$311,089.53 in the form of a check payable to Ms. Wu, as well as 8 months' of Consolidated, Omnibus, Budget Reconciliation Act (COBRA) payments.
- 2. Ms. Wu, City elected officials, and the appointed City Attorney and City Manager agree to refrain from making any statements that libel, slander, or disparage the other.

- 3. The City has suspended all investigations into Ms. Wu's conduct as City Manager.
- 4. The City and Ms. Wu generally released all claims against the other, whether such claims are currently known or unknown, pursuant to a standard general release.

Reasons for Recommendation

The City Council voted in closed session to approve the Separation Agreement. The recommended action would ratify the action taken by Council in closed session.

Sustainability Impact

No sustainability impact.

Fiscal Impact

The City must remit \$311,089.53 to Ms. Wu and cover the cost of 8 months of the COBRA, which includes the costs of Health, Dental, Vision and Employee Assistance Program (EAP). The City will use salary savings in the City Manager's Office from a vacant Assistant City Manager position to cover these additional costs. No budget adjustment is necessary.

City Work Program Item and Item Description

N/A

Council Goal

N/A

California Environmental Quality Act

N/A

<u>Prepared by:</u> Floy Andrews, Interim City Attorney

Approved for Submission by: Tina Kapoor, Acting City Manager

Attachments:

A. – Agreement of Separation, Severance, and General Release By and Between the City of Cupertino and City Manager Pamela Wu