



## **NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO**

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### **SUBJECT**

Napa Valley Transportation Authority (NVTA) Agreement No. 25-C27 for the Position of Executive Director

### **STAFF RECOMMENDATION**

That the Napa Valley Transportation Authority (NVTA) Board approve an Employment Agreement (Agreement No. 25-C27, Attachment 1) with Danielle Schmitz for services as the Agency Executive Director with an annual salary amount of \$250,000 plus benefits.

### **EXECUTIVE SUMMARY**

On June 30, 2025, the current NVTA Executive Director will be retiring, leaving the position vacant. Under the direction of the NVTA Board, a nationwide executive recruitment was initiated in January 2025. The recruitment and interview process has since concluded and the Board wishes to enter into agreement with the selected candidate, Danielle Schmitz. Board approval of Agreement No. 25-C27 will appoint Schmitz as NVTA Executive Director effective July 1, 2025 for a three-year contract.

### **FISCAL IMPACT**

Is there a Fiscal Impact? Yes, the agreement summarizes Ms. Schmitz' salary and benefits, but the approval of this employment agreement will not result in an increase to the NVTA budget.



## NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Kate Miller, Executive Director  
**REPORT BY:** Laura Sanderlin, Board Secretary/Human Resources  
(707) 259-8633/ Email: [lsanderlin@nvta.ca.gov](mailto:lsanderlin@nvta.ca.gov)  
**SUBJECT:** Napa Valley Transportation Authority (NVRTA) Employment Agreement No. 25-C27 for the Position of Executive Director

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### **RECOMMENDATION**

That the Napa Valley Transportation Authority (NVRTA) Board approve an Employment Agreement (Agreement No. 25-C27, Attachment 1) with Danielle Schmitz for services as the Agency Executive Director with an annual salary amount of \$250,000 plus benefits.

### **COMMITTEE RECOMMENDATION**

None

### **BACKGROUND**

At the Special Board Meeting held on April 14, 2025, the NVRTA Board of Directors convened in Closed Session to conduct interviews with candidates for the position of Executive Director. At the subsequent Special Board Meeting on April 16, 2025, the Board again met in Closed Session and selected a finalist for the position. Following deliberation, the Board extended an offer of employment to Danielle Schmitz, the current NVRTA Deputy Executive Director.

Ms. Schmitz has accepted the offer, and approval of Agreement No. 25-C27 will formally appoint her as NVRTA Executive Director, effective July 1, 2025, under a three-year contract.

**ALTERNATIVES**

Without an appointment, the Executive Director position will remain vacant.

**STRATEGIC GOALS MET BY THIS PROPOSAL**

Not applicable

**ATTACHMENTS**

(1) Employment Agreement No. 25-C27

**NAPA VALLEY TRANSPORTATION AUTHORITY**

**EMPLOYMENT AGREEMENT  
(Executive Director)**

**25-C27**

**THIS AGREEMENT** is made and entered into as of this 21<sup>ST</sup> day of May, 2025, by and between the **Napa Valley Transportation Authority**, a joint powers agency organized under the laws of the State of California pursuant to the Joint Powers Act (Government Code section 6500 et seq.), hereinafter referred to as “Employer” or “NVTa”, and **Danielle Schmitz**, hereinafter referred to as “Employee”.

**RECITALS**

**WHEREAS**, the Board of Directors of the Napa Valley Transportation Authority (hereafter “Board”) desires to retain the services of Employee as the Executive Director, as authorized by Section 6.2 of the Napa Valley Transportation Authority Joint Exercise of Powers Agreement; and

**WHEREAS**, Employee is willing to accept such position subject to the benefits and conditions of employment set forth below.

**TERMS**

**NOW, THEREFORE**, in consideration of the mutual covenants set forth in this Agreement, the parties agree as follows:

1. **Scope of Services.** The Employee hereby agrees to perform the functions and duties of the Authority’s Executive Director, overseeing the day-to-day operations of the Authority and being responsible for the executive implementation of the policies and directives of the Board. Employee shall also perform other legally permissible and proper duties and functions consistent with the office of the Executive Director as the Board shall from time to time assign.

1.1 **Hours of Work.** It is recognized by the Parties that the duties of the Executive Director require work outside of normal office hours and Employee agrees to devote such time as may be needed to carry out those duties and, further, to carry out those duties with the highest degree of professionalism possible.

1.2 **Outside Activities.** Employee shall not engage in any outside employment, as a consultant or otherwise, without the prior written approval of the Board. In no event shall any outside activity create a conflict of interest with the Employee’s duties as the Executive Director or give rise to a reasonable perception of such a conflict.

1.3 **Other Terms and Conditions of Employment.** Employer shall have the right, by Resolution, to fix such other terms and conditions of employment relating to the duties, responsibilities and performance of Employee acting as the Executive Director as may be

appropriate provided such terms and conditions are not inconsistent or in conflict with the provisions of this Agreement or any other applicable law.

## **2. Term of the Agreement.**

2.1 Term. Employee's term of employment shall be for a period of three (3) years beginning on July 1, 2025, through June 30, 2028, subject to the conditions contained herein. Nothing in this Employment Agreement shall prevent, limit, or otherwise interfere with the right of the Board to terminate the services of Employee at any time, subject only to the provisions set forth in this Employment Agreement.

2.2 Salary and Benefits to Continue For Duration of Term. In the event a Notice of Termination is issued, all compensation, benefits and requirements of the Agreement shall remain in effect until the Termination Date specified in such Notice of Termination.

2.3 Termination Date. As used herein, the term "Termination Date" means the date on which Employee's employment by Employer terminates under any provision of this Agreement.

## **3. Compensation and Performance Review.**

3.1 Salary. Employer agrees to pay Employee a salary of \$250,000 annually (the "Base Salary"), payable in equal installments at the same time as other Employees of the Employer are paid. Employee shall receive an annual deferred compensation match from Employer up to \$3,500 each year during the term of this Employment Agreement.

### **3.2 Performance Review.**

3.2.1 Review of Performance. The Employer shall work with the Employee to create initial performance objectives and criteria. Review of Employee performance shall be conducted 6 months thereafter. Thereafter, reviews of Employee performance shall take place as often as Employer deems appropriate but not less than once each calendar year. Employer shall advise Employee of the results of that review in writing not later than sixty (60) days following the conclusion of the review. Employer's review and evaluation shall be in accordance with specific criteria developed by Employer from time to time.

3.2.2 Amendments to Agreement. Following any performance evaluation, Employer may, in its sole discretion, increase Employee's compensation or modify other terms of employment by an amendment to this agreement.

### **3.3 Vacation, Sick Leave and Other Benefits.**

3.3.1 In General. Employee shall be entitled to vacation accruals, sick leave benefits, and pension or health benefits as follows: Employee shall be entitled to the same vacation

accruals, sick leave benefits, pension and health benefits that are approved by the NVTB Board for other NVTB management employees.

3.3.2 Expenses Relating to Professional Development. Employer agrees to pay a reasonable amount for the professional dues and subscriptions of Employee necessary for Employee's continued full participation in up to two (2) national, regional, state or local associations/organizations deemed necessary and desirable by Employee for the effective and professional performance of Employee's duties under this Agreement. Such participation shall require Employer's advance consent. Employer also agrees to pay the tuition and reasonable expenses of the Employee for courses, seminars, new executive director training, or conferences deemed necessary by Employer or desirable by Employee for the effective and professional performance of Employee's duties under this Agreement, if prior approval is given by Employer for such expenses.

3.3.3 Travel and Related Expenses. Employee shall be entitled to a \$7,200 annual car allowance, payable in equal monthly installments. Other necessary travel and related expenses of Employee shall be reimbursed in accordance with NVTB's adopted Travel Policy.

3.5 Records. Employee shall keep receipts and accurate records of all expenses and charges claimed to be reimbursable under this Agreement, which records shall be suitable in form and content both for Employer's records and for Internal Revenue Service purposes.

3.6 Tax Withholding. All amounts of base salary and other compensation, if any, payable to Employee under this Agreement shall be reduced by any amounts that Employer is required to withhold with respect to such payments under the then applicable provisions of any state, federal or local income or other tax laws, regulations or statutes of a like nature, or any and all other state, federal or local laws of any kind or nature.

4. **Severance Pay.** Subject to the limit established by Government Code section 53260<sup>i</sup>, should separation occur due to termination or resignation in lieu of termination, the Executive Director shall receive a sum equal to her salary for six months. Such separation must occur for other than the following reasons: (a) death, (b) incapacity due to mental or physical disability to the extent permitted by law, (c) criminal malfeasance, (d) retirement, or (e) gross negligence or recklessness in the performance of her duties.

Prior to the delivery of severance pay, and as a condition of receipt of such severance, the Executive Director shall execute and deliver to NVTB a release provided by NVTB Counsel effective as of the date of separation, releasing the NVTB Board, its officers, employees and agents from all claims the Executive Director may have against NVTB, the Board, its officers, employees and agents, including, without limitation, claims arising out of alleged intentional acts or other misconduct committed by Board members and claims arising under California or Federal law pertaining to equal employment opportunity, discrimination on the basis of sex, race, color, ancestry, religion or religious creed, national origin or ethnic group identification, sexual orientation, marital status, age (over 40), mental disability, physical disability or medical condition.

5. **Insurance to be Provided by Employee.** Employee shall obtain and maintain in full force and effect throughout the term of this Agreement, and thereafter as to matters occurring during the term of this Agreement, the following insurance coverage:

(a) Liability insurance. Employee shall obtain and maintain in full force and effect during the term of this Agreement the following liability insurance coverages, issued by a company licensed (admitted) to transact business in the State of California and/or having a A.M. Best rating of A VII or better:

1. Comprehensive Automobile Liability Insurance. Comprehensive automobile liability insurance (Bodily Injury and Property Damage) on owned, hired, leased and non-owned vehicles used in conjunction with Employee's employment of not less than THREE HUNDRED THOUSAND DOLLARS (\$300,000) combined single limit per occurrence.

(b) Certificates. All insurance coverages referenced in 4(a), above, shall be evidenced by one or more certificates of coverage or, with the consent of Authority's Risk Manager, demonstrated by other evidence of coverage acceptable to Authority's Risk Manager, which shall be filed by Employee with the Authority's Secretary prior to commencement of performance of any of Employee's duties; shall be kept current during the term of this Agreement; shall provide that Authority shall be given no less than thirty (30) days prior written notice of any non-renewal, cancellation, other termination, or material change, except that only ten (10) days prior written notice shall be required where the cause of non-renewal or cancellation is non-payment of premium

(c) Deductibles/Retentions. Any deductibles or self-insured retentions shall be declared to, and be subject to approval by, NVTAs Risk Manager, which approval shall not be denied unless the NVTAs Risk Manager determines that the deductibles or self-insured retentions are unreasonably large in relation to compensation payable under this Agreement and the risks of liability associated with the activities required of Employee by this Agreement. At the option of and upon request by NVTAs Risk Manager if the Risk Manager determines that such deductibles or retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects NVTAs, its officers, employees, agents and volunteers or Employee shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.

6. **Termination by Employer of At Will Status.** Employee is employed at the will of Employer and no express or implied promise has been made to Employee for any form of continued employment. Therefore, nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employer to terminate Employee and this Agreement at any time, with or without cause, by delivery of written notice of such termination to Employee, such notice being given pursuant to Paragraph 14.15 of this Agreement.

7. **Termination by Employee.** Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time as the Executive Director by delivery of written notice of such termination to Employer not less than thirty (30) days in advance of the Termination Date set forth in the notice, unless the parties otherwise agree in writing. In such a case, Employer shall pay to Employee, in full and complete payment of compensation due to Employee under this Agreement, Employee's regular pay and accrued expenses through the Termination Date.

8. **Indemnification.** In addition to any requirements imposed by state and/or local law, Employer shall defend, hold harmless, and indemnify Employee against any tort, professional liability claim or demand or other legal action (collectively the "Claim"), whether groundless or

otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as the Executive Director, except to the extent caused by Employee's gross negligence, recklessness or intentional misconduct or caused by actions of Employee that were outside of the course and scope of Employee's employment as the Executive Director. Employer shall have the right to select and employ counsel to defend the Employer and/or Employee as a result of the filing of any such Claim and to compromise and settle any such Claim and shall pay (directly or through insurance) the amount of any settlement or judgment rendered with respect to such Claim. Employee agrees to cooperate fully with the Employer in its efforts to defend against any such Claims as may be filed whether or not still employed by Employer.

9. **Bonding.** Employer shall bear the full cost of any fidelity or other bonds required of Employee under any law or administrative requirement. Employee shall complete all necessary applications and otherwise cooperate with Employer in applying for and obtaining such bond.

10. **Return of Property.** On the Termination Date, regardless of how or why this Agreement is terminated, or whenever otherwise reasonably requested by Employer, Employee shall immediately return to Employer any or all of Employer's property, tangible or intangible, real, personal or mixed, including, but not limited to, any such property that is in Employee's possession or under Employee's control or which is used, produced or created by Employee in rendering services under this Agreement or otherwise, all of which Employee hereby acknowledges and agrees is and shall be the property of Employer. Notwithstanding the above, Employee may retain a copy of a reasonable amount of work product personally created, but not work product created by the NVTAs staff, for Employee's records and personal use in securing future employment with another employer. Unless otherwise expressly provided in this Agreement, any copyrightable or patentable work created by Employee while functioning as the Executive Director shall be deemed a "work made for hire" for purposes of copyright or patent law and only Employer shall be entitled to claim or apply for the copyright or patent thereof.

11. **Conflict of Interest.** Employee acknowledges that she is aware of the provisions of Government Code sections 1090, et seq. and sections 1125 et seq. relating to conflicts of interest, interests in contracts, incompatible activities and financial conflicts of interest of public officers and employees. Employee further acknowledges that Employee is aware of the common law doctrine of incompatibility of offices. Employee hereby covenants that Employee presently has no interest that is known to Employee, or should be known to Employee, and which has not been disclosed to Employer. Employee further covenants that Employee shall not acquire any interest, direct or indirect, which would conflict in any material manner or degree with the performance of Employee's services hereunder, except to the extent the Employer may consent to in writing prior to the acquisition by Employee of such interest and such acquisition is permitted by law. Employee further warrants that Employee is unaware of any financial or economic interest that any public officer, or employee of any public entity, may have in the execution of this Agreement. Employee agrees that if such financial interest does exist at the inception of this Agreement, Employer may terminate this Agreement immediately upon giving ten days written notice without further obligation by Employer to Employee under this Agreement. Employee further understands that engaging in activities violative of the above statutory or common law provisions will constitute a substantial and material breach in the terms and conditions of this Agreement.

12. **Statement of Economic Interest.** Employee acknowledges that Employee is aware of the provisions of Government Code sections 87100, et seq. Employee further acknowledges and



understands that Employer has developed and approved a Conflict of Interest Code which will require Employee to file with the Elections Division of the Napa County Assessor-Clerk-Recorder “assuming office”, “annual”, and “leaving office” Statements of Economic Interest. Employee agrees to timely comply with all Statements of Economic Interest filing obligations required by California law and by Employer’s Conflict of Interest Code during the duration of Employee’s employment with the Napa Valley Transportation Authority.

13. **Non-Discrimination.** Employee agrees not to discriminate in the performance of Employee’s functions and duties on the ground of, or because of, sex, race, color, ancestry, religion or religious creed, national origin or ethnic group identification, sexual orientation, marital status, age (over 40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS) or any condition related thereto, or the use of family care leave. Employee shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination or harassment. In addition to the foregoing general obligations, Employee shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), the regulations promulgated thereunder (Title 2, California Code of Regulations, section 7285.0, et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (sections 11135-11139.5) and any state or local regulations adopted to implement any of the foregoing, as such statutes and regulations may be amended from time to time. Employee further understands that engaging in such discrimination will constitute a substantial and material breach in the terms and conditions of this Agreement.

14. **General Provisions.**

14.1 Employer Policies. To the extent not inconsistent with the Agreement, Employee acknowledges and agrees that she is bound by all of the Employer’s employment policies as they may be adopted and/or modified by Employer from time to time in its sole discretion. In the event of an inconsistency between the Employer’s employment policies as may be adopted and/or modified, and any provision of this Agreement, the terms of this Agreement shall control.

14.2 Binding Nature of Agreement; Assignment; 3<sup>rd</sup> Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, personal representatives, successors and permitted assigns. Employee acknowledges that the services to be rendered by Employee pursuant to this Agreement are unique and personal. Accordingly, Employee may not assign or transfer any of Employee’s rights or obligations under this Agreement without the prior written consent of Employer (which consent may be withheld by Employer in its sole discretion) and any purported assignment of Employee’s rights or obligations without such written consent shall be void and of no force or effect. Except as expressly provided in this Agreement, no other person or entity is intended to or shall have any rights or benefits under this Agreement, whether as third party beneficiaries or otherwise.

14.3 Amendment. Except as specifically provided herein, this Agreement may be modified or amended only in writing signed by both parties. Therefore, any purported oral agreement to amend any term of this Agreement must be reduced to writing before it can be given effect.

14.4 Governing Law; Choice of Forum. This Agreement is executed, delivered and will be performed in the State of California, and the substantive laws of the State of California (without

reference to choice of law or conflicts of laws principles) shall govern its interpretation and enforcement. The venue for any legal action in state court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Superior Court of California, County of Napa, a unified court, and each of the parties irrevocably consents to jurisdiction and venue in such Court for such purposes. The venue for any legal action in federal court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement lying within the jurisdiction of the federal courts shall be the Northern District of California. The appropriate venue for arbitration, mediation or similar legal proceedings under this Agreement shall be Napa County, California; however, nothing in this sentence shall obligate either party to submit to mediation or arbitration of any dispute arising under this Agreement.

14.5 Relationship Created. The relationship created by this Agreement shall be deemed and construed to be, and shall be, solely that of employer and employee and not of any other type or nature.

14.6 Attorneys' Fees. Should any proceeding or litigation be commenced between the parties concerning the terms of this Agreement, or the rights and duties of the parties under this Agreement, the prevailing party in such proceeding or litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for the prevailing party's attorneys' fees, to be determined by the court, and not by the jury.

14.7 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of each such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and still be legal, valid and enforceable, and this Agreement shall be reformed accordingly.

14.8 Further Assurances. Employee shall execute and deliver all other instruments and documents and shall take all other actions as Employer may reasonably request from time to time, before or after the execution of this Agreement, in order to effectuate the transactions provided for in this Agreement.

14.9 Construction. This Agreement is intended to express the intent of both Parties, and irrespective of the identity of the Party or counsel who prepared this Agreement or any draft of this Agreement, no rule of strict construction shall be applied against any Party. All words used in this Agreement are intended to refer to the appropriate number or gender, regardless of the number or gender stated. Employee acknowledges that she has been advised by Employer prior to execution of this Agreement to consult with legal counsel, should she feel the need to do so, regarding the meaning of the terms and conditions contained herein as the terms of this Agreement will not be construed to apply for or against her in the event of litigation due to the inclusion of this section in the Agreement.

14.10 Indulgences Not Waivers. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such rights, remedies, powers or privileges with respect to any other occurrence.

14.11 Costs and Expenses. Each Party shall bear its own costs, including counsel fees and accounting fees, incurred in connection with the negotiation, drafting and consummation of this Agreement and all matters incident to this Agreement.

14.12 Headings. The captions or headings in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provision hereof. The terms of the Agreement are set out in the text under the headings.

14.13 Recitals. The Recitals made and stated above are hereby incorporated by reference into, and made a part of, this Agreement.

14.14 Authority to Contract. Employee warrants that Employee is legally permitted and otherwise has the ability to enter into and perform this Agreement.

14.15 Notice. All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Alternatively, any notice required or desired to be given may be personally served in the same manner as is applicable to civil judicial practice as of the date such notice is given. Any mailed notice, demand, request, consent, approval or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Any notice personally served shall be deemed given as of the date of personal service. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

EMPLOYER  
NVTa Secretary  
625 Burnell Street  
Napa CA 94559

EMPLOYEE  
Danielle Schmitz  
P.O. Box 204  
Napa CA 94559

Any Party may alter the address or addresses to which communications or copies are to be sent to such Party by giving notice of such change of address in conformity with the provisions of this Section for the giving of notice.

14.16 Prior Approvals. Unless otherwise required by law or expressly stated in this Agreement, in any case where the prior approval of Employer is required to authorize the incurrence of a job-related expense by Employee, the written approval of the Chair of the Board of Directors shall constitute approval by Employer.

14.17 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof.

15. **Counterparts**. This Agreement may be executed simultaneously in two (2) counterparts and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the Chair, as duly authorized by the Board and on behalf of Board, has signed and executed this Agreement and Employee has signed and executed this Agreement, both in duplicate as of the date hereinabove first written.

By \_\_\_\_\_  
DANIELLE SCHMITZ  
“EMPLOYEE”

NAPA VALLEY TRANSPORTATION AUTHORITY, a  
joint powers agency

By \_\_\_\_\_  
MARK JOSEPH  
Chairman of the Board of the Directors  
“EMPLOYER”

Attest: NVTB Board Secretary

Approved as to Form

\_\_\_\_\_  
Laura Sanderlin

\_\_\_\_\_  
Osman I. Mufti, NVTB Counsel

**§ 53260. Employment Contracts**

(a) All contracts of employment between an employee and a local agency employer shall include a provision that provides that regardless of the term of the contract, if the contract is terminated, the maximum cash settlement that an employee may receive shall be an amount equal to the monthly salary of the employee multiplied by the number of months left on the unexpired term of the contract, with the following exceptions:

(1) If the unexpired term of the contract is greater than 18 months, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 18.

(2) In the case of a district superintendent of schools, for contracts of employment executed on or after January 1, 2016, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 12.

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(b) (1) Notwithstanding subdivision (a), if a local agency employer, including an administrator appointed by the Superintendent, terminates its contract of employment with its district superintendent of schools, that local agency employer shall not provide a cash or noncash settlement to its superintendent in any amount if the local agency employer believes, and subsequently confirms, pursuant to an independent audit, that the superintendent has engaged in fraud, misappropriation of funds, or other illegal fiscal practices.

(2) This subdivision applies only to a contract for employment executed on or after January 1, 2016.

(c) The cash settlement formulas described in subdivision (a) are maximum amounts that may be paid by a local agency employer to an employee and not a target or example of the amount of the cash settlement to be paid by a local agency employer to an employee in all contract termination cases.