

FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT

This Fourth Amendment to Employment Agreement between the City of Menifee (“**City**”) and Armando G. Villa (“**Manager**”) (“**Fourth Amendment**”) is made this 21st day of August, 2024.

RECITALS

- A. On or about December 18, 2017, City and Manager entered into that certain “**Employment Agreement**” pursuant to which City hired Manager to serve as the City Manager of the City of Menifee.
- B. On or about June 20, 2018, City and Manager entered into that certain “First Amendment to Employment Agreement” (“**First Amendment**”).
- C. On or about August 21, 2019, City and Manager entered into that certain “Second Amendment to Employment Agreement” (“**Second Amendment**”).
- D. On or about February 16, 2022, City and Manager entered into that certain “Third Amendment to Employment Agreement” (“**Third Amendment**”). The Employment Agreement, together with the First Amendment, the Second Amendment, and the Third Amendment are referred to hereinafter as the “**Existing Agreement**”
- E. On August 7, 2024, the City Council conducted a performance evaluation of Manager and, based upon that performance evaluation, on August 21, 2024, the City Council considered in open session revisions to the Existing Agreement that would (1) extend the duration of the Existing Agreement through December 31, 2029, (2) provide Manager with a five percent (5%) merit adjustment increase in his salary , and (3) provide Manager with 80 additional hours per year of administrative leave.

AGREEMENT

NOW, THEREFORE, the parties agree to the following modifications to the Existing Agreement.

1. AMENDMENT TO SECTION 2 OF EMPLOYMENT AGREEMENT

Section 2 of the Employment Agreement is replaced, superseded, and amended in full as follows:

On or before July 1, 2029, and in the event, Agreement is not earlier terminated, Manager shall notify Council of the provisions of Section 2 of this Agreement, and within 90 days thereafter Manager and Council shall meet to discuss whether Agreement shall be renewed or not renewed, and if renewed, upon such terms as the parties may mutually agree to.

2. AMENDMENT TO SECTION 4(a) OF EMPLOYMENT AGREEMENT

Section 4(a) of the Employment Agreement is replaced, superseded, and amended in full as follows:

Commencing on August 21, 2024, City agrees to pay Manager an annual base salary, exclusive of benefits, in the sum of \$322,358.40 per year. In addition to the foregoing, Manager's base salary shall be increased to reflect cost of living increases in the same amounts as are made generally available to the City's Management employees. Council shall conduct performance evaluations pursuant to Section 7 of the Employment Agreement, at a minimum, at a meeting between May and July of each year during the term of this Employment Agreement. If, during any performance evaluation, a majority of the Council deems Manager to have successfully performed up to the date of such review, the Council may in its sole discretion grant Manager an increase in base salary based upon, among other factors, merit, performance, goals established by the Council, and consistency with the City's compensation policy in effect at the time of said increase.

Council may, in its discretion, reduce the salary of Manager due to budgetary constraints, on condition that any such reduction shall not exceed the average reduction applicable to all management employees of the City at the time of reduction in Manager's salary. Furthermore, Manager, in his sole discretion may elect not to receive a salary increase that may be granted hereunder; provided, however, if Manager elects not to receive a salary increase provided hereunder, said salary increase shall be subsequently implemented, on a prospective basis only, upon written request of Manager.

3. AMENDMENT TO SECTION 5(d) OF EMPLOYMENT AGREEMENT

Section 5(d) of the Employment Agreement is replaced, superseded, and amended in full as follows:

Manager shall accrue administrative leave up to 160 hours per year (6.16 hours per pay period), with a maximum amount of administrative leave of 160 hours. Manager may, twice per year, "cash out" administrative leave at an hourly rate based on his base salary. Administrative leave may not be "cashed out" upon cessation of employment.

4. NO OTHER AMENDMENTS TO EMPLOYMENT AGREEMENT

Except as expressly provided in this Fourth Amendment, the remainder of the Employment Agreement shall remain in full force and effect.

5. EFFECTIVE DATE AND TERM

The Effective Date of this Fourth Amendment shall be August 21, 2024.

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment as of the date first set forth hereinabove.

CITY:

MANAGER:

Bill Zimmerman
Mayor

Armando G. Villa

Date Agreement approved by City Council in open session at a regular City Council Meeting
August 21, 2024.

ATTEST:

Stephanie Roseen
City Clerk

APPROVED AS TO FORM:

Rutan & Tucker, LLP
City Attorney