

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment to Employment Agreement between the City of Menifee (“**City**”) and Armando G. Villa (“**Manager**”) (“**First Amendment**”) is made this 20th day of June, 2018.

RECITALS

- A. On or about December 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 commencing on December 18, 2017.
- B. Pursuant to Section 4(a) of the Employment Agreement, City and Manager agreed that “City agrees to pay Manager an annual base salary, exclusive of benefits, in the sum of \$205,000 per year. Council shall conduct a performance evaluation, as described below in Section 7, of Manager at a meeting between May and July of 2018, at which time Manager will be eligible for an increase in salary in Council’s discretion based upon, among other factors, merit, performance, and goals established by the Council.”
- C. On June 6, 2018, the City Council conducted a performance evaluation of Manager and, based upon that performance evaluation, consideration in open session of a potential increase in salary is appropriate.
- D. On June 20, 2018, the City Council considered this First Amendment which authorizes a ten percent (10%) increase in Manager’s base salary, which would yield a compensation level that is commensurate with that of city managers at other nearby cities.

AGREEMENT

NOW, THEREFORE, the parties agree as follows on the terms and conditions of Manager’s employment.

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

Effective June 20, 2018, Section 4(a) of the Employment Agreement is replaced, superseded, and amended in full as follows:

Commencing on June 20, 2018 City agrees to pay Manager an annual base salary, exclusive of benefits, in the sum of \$225,500 per year. Council shall conduct performance evaluations of Manager pursuant to Section 7 of the Employment Agreement, at a minimum, at a meeting between May and July of 2019, and at a meeting between May and July of 2020. 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 any 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.

As used herein, the term "Anniversary Date" shall refer to December 18, 2017.

2. NO OTHER AMENDMENTS TO EMPLOYMENT AGREEMENT

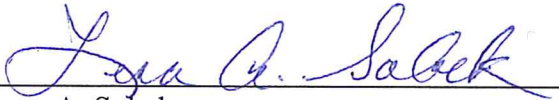
Except as expressly provided in Section 1, above, the remainder of the Employment Agreement shall remain in full force and effect.

3. EFFECTIVE DATE AND TERM

The Effective Date of this First Amendment shall be June 20, 2018.

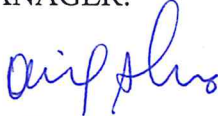
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth hereinabove.

CITY:



Lesa A. Sobek
Mayor Pro Tempore

MANAGER:



Armando G. Villa

Date Agreement ratified by City Council in open session at a regular City Council Meeting

June 20, 2018

ATTEST:



Sarah A. Manwaring
City Clerk

APPROVED AS TO FORM:



Rutan & Fucker, LLP
City Attorney