

## **FIRST AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT**

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT is made and entered into this \_\_\_ day of \_\_\_\_\_, 2016, by and between the City of Merced, a California Charter Municipal Corporation (“Employer” or ”City”), and Steve Carrigan (“Employee”), an individual, (sometimes collectively “the Parties”).

### **RECITALS**

- A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of the City.
- B. On December 7, 2015, the Merced City Council unanimously approved an Employment Agreement with Employee, effective January 25, 2016 (the “Employment Agreement”).
- C. The Parties desire to amend the Employment Agreement to clarify that Employee shall receive the scheduled annual salary increases which are set forth in Section 3 of the Employment Agreement.

NOW, THEREFORE, it is mutually agreed by and between the undersigned Parties as follows:

- 1. Section 3 of the Employment Agreement, “Compensation and Performance Evaluation,” is hereby amended to read as follows:

**“SECTION 3: Compensation and Performance Evaluation.”**

- A. Employer agrees to pay Employee at the rate of an annual base salary of One Hundred Ninety Thousand Dollars (\$190,000.00), subject to deduction and withholding of any and all sums required for federal or state income tax, pension contributions, and all other

taxes, deductions or withholdings required by then current state, federal or local law, prorated and paid on Employer's normal paydays for the City Manager, City Attorney, City Clerk, and any Department Directors not covered by collective bargaining agreements ("Executive Management Employees"). Employer shall also deduct sums Employee is obligated to pay because of participation in plans or programs described in Section 4 of this Agreement. The annual base salary of Employee shall be established by resolution of the City Council. ~~Based on Employee's performance, as determined by City Council in the exercise of its sole discretion,~~ Employee ~~may~~ shall receive salary increases on the first pay period of the fiscal year as follows: in 2016 [Pay Period 14, June 20, 2016 (2.25%)], in 2017 [Pay Period 14, June 19, 2017 (2.50%)], and in 2018 [Pay Period 14, June 18, 2018 (2.75%)].

This Agreement shall be deemed amended whenever the City Council adopts a resolution changing the base salary of Executive Management Employees or the manner (but not the amount) by which Executive Management Employees are paid.

B. Upon a date mutually agreed to by the parties, but no later than ninety (90) days following the effective date of this Agreement, Employee and Employer, by and through the City Council, shall meet to set mutually-agreed upon performance goals and objectives for each year under this Agreement. Thereafter, Employee and Employer, by and through the City Council, shall meet on an annual basis, or at any time or times during the period in which this Agreement remains in effect, in order for the City Council to conduct an evaluation of Employee's performance. The City Council may provide Employee with a written performance evaluation in such format as the City Council may determine.

C. Employee's compensation as discussed under this Section is not tied to the compensation of any other City employee or group of City employees, except as expressly provided in this Agreement.”

2. Except as set forth herein, all remaining terms and conditions of the Employment Agreement shall remain in full force and effect.

3. The effective date of this First Amendment shall be June 20, 2016.

IN WITNESS WHEREOF, the parties have caused this First Amendment to Employment Agreement to be executed on the date first above written.

EMPLOYER  
A California Charter Municipal  
Corporation

BY: \_\_\_\_\_  
Stan Thurston, Mayor

EMPLOYEE

BY: \_\_\_\_\_  
Steve Carrigan

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
City Attorney                      Date

ATTEST:  
CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk