

**THE CITY OF MURRIETA
THIRD AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT**

This Third Amendment to City Manager Employment Agreement (“Employment Agreement”) between the City of Murrieta (“City”) and Kimberley Summers (“Manager”) (“Third Amendment”) is made this 1st day of September, 2020 (“Effective Date”).

RECITALS

- A. On or about June 6, 2017, the 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 Murrieta.
- B. The Employment Agreement authorizes the City Manager to receive post-employment medical benefits.
- C. On or about October 15, 2019, the City and City Manager entered into an Amendment to that “Employment Agreement”, known as the “First Amendment to the City Manager Employment Agreement”.
- D. On or about May 19, 2020, the City and City Manager entered into an Amendment to that “Employment Agreement”, known as the “Second Amendment to the City Manager Employment Agreement”.

AGREEMENT

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

- 1. Section 4.C.(5) of the Employment Agreement is replaced, superseded and amended in full as of the Effective Date as follows:

Health Care Benefits and Life Insurance

The City shall pay one hundred percent (100%) of the premium for group medical and dental care for Employee and dependents, and pay the cost pertaining to a term life insurance policy in an amount two times the amount of Employee’s annual base salary, and contribute the maximum annual amount allowed by law in tax year 2017 for employees under the age of 50 years into a deferred compensation plan of the Employee’s choice. The amount of deferred compensation will adjust to the maximum annual amount allowed by the IRS. In addition, Employee may voluntarily contribute to the City’s deferred compensation program to the same extent allowed by the IRS, for employees.

- 2. Section 5.C of the Employment Agreement is replaced, superseded and amended in full as of the Effective Date as follows:

Severance Pay

- (1) In the event the City Manager is terminated by the City Council during the time this Agreement is in effect, then in that event the City agrees to pay the City Manager a lump sum cash payment equal to nine (9) months base salary. The City also agrees to pay City Manager a lump sum cash payment equal to one (1) month's salary for each complete year of service under this Agreement, up to a maximum of an additional three (3) months. Total severance shall not exceed twelve (12) months base salary. Notwithstanding the foregoing, the maximum cash settlement that the City Manager may receive shall be an amount equal to the monthly base salary of the City Manager multiplied by the number of months left on the unexpired term of the Agreement, pursuant to Government Code section 53260. This does not include payment for any accrued leave owed to the City Manager.
 - (2) The City shall pay City Manager a lump sum cash payment for the value of the accumulated leave pursuant to sections 4(C)(2) and 4(C)(3) of this Agreement.
3. Section 5.D of the Employment Agreement is replaced, superseded and amended in full as of the Effective Date as follows:

Separation for Cause

- (1) Notwithstanding the provisions of 5(C) above, the City Manager may be terminated for cause. "Cause" shall include conviction of a felony (including a plea of nolo contendere thereto) or a finding by the City Council that the City Manager has engaged in fraud, misappropriation of funds, or other illegal fiscal practices. If City Manager is removed for cause, the City shall not be obligated to pay the severance cash payment designated in section 5(C), or any payment other than those expressly required by law, with the exception of medical and dental care.
 - (2) In the Event the City terminates the City Manager for cause, the City and the City Manager shall prepare a joint press release, which is mutually agreeable to both Parties. The joint press release shall not contain any text or information that would be disparaging to either Party.
4. Section 5.E of the Employment Agreement is added as of the Effective Date as follows:

Health Care Benefits after Separation

- (1) Upon separation, with less than two years of service as City Manager, the City shall extend to the City Manager the right to continue health insurance as may be required by and pursuant to the terms and conditions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) and/or the California Continuation Benefits Replacement Act (Cal-COBRA).
- (2) Upon separation, after two or more years of service as City Manager, the City shall pay one hundred percent (100%) of the premium for group medical and dental care for Employee and dependents, until the City Manager becomes Medicare eligible or accepts employment with another public agency.

All other terms and conditions remain unchanged.

IN WITNESS WHEREOF, the City has caused the Agreement to be signed and duly executed on its behalf by its Mayor, and duly attested by its City Clerk, and Employee has signed and executed this Agreement, in triplicate, the day first written above.

CITY OF MURRIETA

CITY MANAGER

By: Gene Wunderlich
Gene Wunderlich
Mayor

By: Kim Summers
Kimberley Summers

ATTEST:

By: Stephanie D. Smith
Stephanie D. Smith, MMC, City Clerk