

**EMPLOYMENT AGREEMENT  
FOR  
CITY MANAGER  
(Second Amendment)**

THIS SECOND AMENDMENT TO EMPLOYMENT AGREEMENT FOR CITY MANAGER (“Second Amendment”) was made and entered into on November 15, 2022, (the “Effective Date”) by and between the City of San Juan Bautista, a California general law city, hereinafter referred to as “City,” and Don Reynolds, hereinafter referred to as “Employee” or as “City Manager,” as follows:

**Recitals**

A. The City requires the services of a City Manager. Don Reynolds, applied for the position, was interviewed by Council Members in May of 2019, his resume and qualifications were reviewed and references were considered. The City Council determined that Don Reynolds is trained, experienced and competent to properly perform the special services of City Manager specified herein.

B. At the public session of the regular meeting of June 18, 2019, the City Council, by Resolution 2019-31, approved the appointment of Don Reynolds to serve in the capacity of City Manager, approved the terms for compensation and the Mayor was authorized to execute a contract (the “2019 Employment Agreement”) for City Manager services on the terms set forth therein.

C. The effective date of the 2019 Employment Agreement was July 2, 2019, and it provided for a term of three years.

D. Don Reynolds has served as City Manager since 2019 and has received performance reviews in 2019, in July 2020, July 2021, and November 2022.

E. Following his performance review in 2021, the City Council agreed to amend the 2019 Employment Agreement to increase the City Manager’s benefits and on September 1, 2021, City Manager and the City entered into the First Amendment to the 2019 Employment Agreement to reflect the changes authorized in 2021.

F. On June 30, 2022, by Resolution 2022-56 adopted at a special meeting the City Manager and the City entered into Amendment No. 1 to the 2019 Employment Agreement to extend its term by six months, to provide for a term of service of three years and six months from July 2, 2019 to December 31, 2022.

G. Following the City Manager’s performance review, at a regular meeting held on November 15, 2022, Employee and the City Council agreed to further amend the 2019 Employment Agreement to increase the City Manager’s benefits and to again extend its term, The Second Amendment amends the 2019 Employment Agreement, as amended by the 2021 First Amendment and by the 2022 Amendment No. 1, to include changes authorized on September 1, 2021 and on June 30 and November 15, 2022.

## Terms and Conditions

In consideration of the mutual provisions contained herein, City and Employee agree to the following terms and conditions:

1. Scope of Services. Employee is hereby hired and retained by the City to serve, at will, as the City Manager.

a) The City Manager shall be the chief executive officer of the City and shall be responsible to the City Council for the proper administration of the affairs of the City.

b) The City Manager shall perform all of the duties of the City Manager as set forth in the City of San Juan Municipal Code, Chapter 2-2, Article 1 and as otherwise legally required. The City Manager shall also perform other legally permissible and proper duties and functions as the City Council may assign from time to time.

c) The City Council also designates the City Manager as the chief executive of any other City-related legal entities.

d) The City Manager shall administer and enforce policies established by the City Council and promulgate rules and regulations as necessary to implement City Council policies.

e) The City Manager is required to attend all meetings of the City Council, unless excused by the Mayor, and take part in the discussion of all matters before the City Council.

f) The City Manager shall review all agenda documents before preparing the agenda for any regular or special meeting of the City Council.

g) The City Manager shall direct the work of all City employees.

h) The City Manager shall exercise control of City government in emergencies as authorized by the Municipal Code and California law.

2. Term. Employee commenced work on the services to be provided hereunder on July 2, 2019 and shall serve for a term of five years and six months, that is, until December 31, 2024, unless this contract is otherwise terminated as herein set forth.

3. Compensation.

a) For the services to be performed under this Agreement, City shall pay Employee:  
1. A Salary of one hundred and sixty-five thousand five hundred and seventy-five dollars (\$165,575.00) per year, effective November 15, 2022;

2. Three (3) weeks of paid vacation;

3. Eight (8) hours per month of Management Compensation time; and
4. Contribution of three (3)% of salary to the City's Deferred Compensation Plan, as provided in Resolution 2019-21.
5. Health benefits, equal to the health benefits received by full-time employees.
6. A one-time bonus of five thousand dollars (\$5,000.00), payable as of September 1, 2021

b) The City Council shall meet in Closed Session with the Employee on or before the first meeting in January of 2020 for a first performance review. Thereafter, prior to the end of each fiscal year, the City Council shall review the performance of the Employee and determine whether to retain or increase the compensation amount(s).

c) City acknowledges that participation in local, state and regional municipal city manager organizations by the Employee benefits the City and provides professional development. The City agrees to pay Employee's professional dues, subscriptions and memberships in such organizations necessary for Employee to maintain professional relationships. The City also agrees to provide Employee with an annual allocation to cover reasonable travel, conference registration, lodging, meals and meeting expenses of the League of California Cities' City Manager's Department Meeting (Spring Meeting), subject to reasonable budgetary limitations, as approved by the City during the budget process. The Employee shall make an effort to minimize cost to the City.

d) Employee shall be classified as exempt under the Fair Labor Standards Act and shall be a confidential employee for all purposes. Employee shall receive ten (10) sick days per year and shall have the right to thirteen (13) paid holidays, such as provided to all employees and two floating holidays to be used in that year and not to be accrued on a yearly basis.

#### 4. Termination, Resignation and Severance Pay.

a) This agreement may be terminated by either party, without cause, and if the City Council seeks to terminate the City Manager it will adhere to the requirements of the City of San Juan Municipal Code Section 2-2-130.

b) In the event this agreement is terminated by the City without cause, City shall pay Employee a lump sum cash payment severance as follows: four months of salary, with benefits.

c) If Employee's employment is terminated for cause by the City Council, or for any of the reasons set forth below, Employee shall not be entitled to severance pay:

1. Intentional or willful failure to perform his lawful duties as set forth herein;
2. his death;

3. his incapacity or inability to perform his essential duties due to physical or mental disabilities;
4. willful destruction, theft, misappropriation or misuse of City property;
5. intoxication on duty, whether by alcohol, marijuana or non-prescriptive drugs;
6. inexcusable absence;
7. conviction of a felony or misdemeanor involving breach of the public trust;
8. dishonest, fraud or misconduct in office;
9. violation of Government Code Section 1090, or violation of any conflict of interest laws or regulations which a court or administrative agency finds resulted in Employee or his immediate family receiving actual economic gain; and
10. fraud or dishonesty in having secured his employment.

d) Employee agrees that in the event Employee's employment is terminated, under no circumstances will Employee be able to contest the nature of Employee's at-will employment status, nor will Employee be entitled to raise the remedy of reinstatement in any administrative or legal forum. Employee agrees that the sole issue for resolution upon termination of Employee's employment agreement will be the amount of payment for services already rendered which are due Employee. Employee shall have no other right of action against the City as it relates to termination and/or any severance.

5. Indemnification. The City shall defend, hold harmless and indemnify the City Manager against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of any alleged act or omission occurring in the performance of duties to the City. In its sole discretion, the City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered there from. The parties hereto acknowledge and agree that California Government Code Sections 53243-53243.4, inclusive, could under certain circumstances require the Employee fully to reimburse City for funds provided, pursuant to this Agreement or otherwise, by the City to Employee

6. Personnel System Rules. Except as modified by this Agreement, Employee shall be subject to and comply with the City Personnel System Rules, and with any modified Personnel Rules.

7. Modification. This Agreement is not subject to amendment or modification except by a writing signed by the parties hereto.

8. Entire Agreement. The 2019 Employment Agreement as amended by the First Amendment, Amendment No.1, and this Second Amendment contains the entire agreement of the parties with respect to the matters covered by those agreements, and no other agreement, statement or promise made by or to any party or by or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.

9. Attorney's Fees. In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

10. Employee's Examination of Agreements. Employee acknowledges that Employee has had the right to examine the 2019 Employment Agreement and its amendments, has been advised that Employee may wish to consult with an attorney prior to entering into this Second Amendment and has read and understands all of the provision of this Second Amendment.

11. Severability. If any provision or any portion thereof contained in the 2019 Employment Agreement as amended is held to be unconstitutional, invalid, or unenforceable, the remainder of the 2019 Employment Agreement as amended or portion thereof, shall be deemed to be severable and shall remain in full force and effect.

IN WITNESS WHEREOF, Employee and the City of San Juan Bautista, by its duly authorized representative, have executed this Second Amendment on the date hereinbelow set forth at San Juan Bautista, California.

CITY OF SAN JUAN BAUTISTA

EMPLOYEE

By \_\_\_\_\_  
Leslie Q. Jordan  
Mayor

\_\_\_\_\_  
Don Reynolds

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
City Attorney