

THIRD AMENDMENT TO THE CITY MANAGER EMPLOYMENT AGREEMENT

THIS THIRD AMENDMENT to the City Manager Employment Agreement (“Third Amendment”) is made and entered June 21, 2023, by and between the CITY OF SANTA PAULA, a general law city and municipal corporation (“City”), and DANIEL SINGER, an individual (“Employee”).

SECTION 1: Recitals. This amendment to the agreement is made with reference to the following facts:

- A. On December 4, 2019, the City and Employee entered into that certain City Manager Employment Agreement (“Original Agreement”) providing for the performance of City Manager services to the City.
- B. On November 4, 2020, the Original Agreement was amended to extend the term through June 30, 2024, and to synchronize Employee’s annual performance evaluation to correspond to the City’s fiscal year (“First Amendment”).
- C. On July 7, 2021, the City and Employee entered into that certain Second Amendment to the City Manager Employment Agreement (“Second Amendment”) to increase the Employee’s salary by two steps, with the second step of \$202,883.20 going into effect July 31, 2022. The Original Agreement as amended by the First Amendment and Second Amendment is referred to hereafter as the “Agreement.”
- D. The parties now desire by this Third Amendment to amend the Agreement by extending its term to June 30, 2027, applying cost of living adjustments to Employee’s base salary equal to those awarded to the Executive Management bargaining unit for the next two fiscal years, increasing City’s percent contribution into Employee’s 457 plan from 3% to 4%, modifying Employee’s cafeteria benefits to be the same as those awarded to the Executive Management bargaining unit for the next two fiscal years, and incorporating limitations to the City Manager’s removal codified in Santa Paula Municipal Code § 31.10(E).
- E. This Third Amendment is authorized pursuant to Section 21.F. of the Agreement.

SECTION 2: Amendment.

1. Section 2 of the Agreement, entitled “Term”, is amended to read as follows:

“2. Term. This Agreement commences on December 9, 2019 and shall continue to June 30, 2027, unless terminated by either party as provided in Section 3 herein.”

2. A new Subsection C., entitled “Cost of Living Adjustment”, is added to Section 5 of the Agreement to read as follows:

“C. Cost of Living Adjustment. Effective the first full pay period following July 1, 2023, Employee will receive a five percent (5%) cost of living adjustment to his base salary, and effective the first full pay period following July 1, 2024 he will receive a four percent (4%) cost of living adjustment. These cost of living adjustments are in parity with those given to the Executive Management bargaining unit pursuant to City Council Resolution No. 7463.”

3. Section 7 of the Agreement, entitled “Deferred Compensation”, is amended to read as follows:

“7. Deferred Compensation. Effective the first full pay period following July 1, 2023, Employee will be eligible to contribute to the 401(a) or 457 plans offered by the City. The City will contribute 4% of the Employee’s base salary into Employee’s 401(a) or 457 plan each year.”

4. Subsection B, entitled “Medical Insurance”, of Section 12 of the Agreement, is amended to read as follows:

“B. Medical Insurance. For the first year of employment, City will provide Employee \$978.11 to be applied towards a cafeteria plan for purchase of medical, dental, and vision insurance at Employee’s election. This sum will be increased annually by the amount of the increase in premium cost, if any, awarded to the Executive Management bargaining unit. Notwithstanding the foregoing, effective the first full period in December 2023, City will provide Employee \$1350.00 towards a cafeteria plan, and effective the first full pay period in December 2024 that amount will increase to \$1450.00. The Employee may exercise the rights in any cafeteria plan provisions set forth in an Executive Management bargaining unit agreement or a governing City Council resolution, as applicable, then in effect. For the year of employment coinciding with Fiscal Year 2026/2027, the amount of City’s contribution to Employee’s cafeteria plan will be determined at the time of Employee’s annual evaluation in 2026.”

5. A new Subsection F, entitled “Limitation on Removal”, is added to Section 3 of the Agreement to read as follows:

“F. Limitation on Removal. Notwithstanding any contrary provision in this Agreement, Employee shall not be removed from office, other than for misconduct in office, during or within a period of 120 days next succeeding any general municipal election held in the city at which election a member of the City Council is elected or when a new Council member is appointed; the purpose of this provision is to allow any newly elected or appointed member of the City Council to observe the actions and ability

of Employee in the performance of the powers and duties of his/her office. After the expiration of said 120 day period aforementioned, the provisions of this section as to the removal of Employee shall apply and be effective.”

6. The effective date of this Third Amendment shall be July 1, 2023.

7. This Third Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together shall constitute one instrument executed on the same date.

8. Except as modified by this Third Amendment, all other terms and conditions of the Agreement will remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this Third Amendment on the day and year first hereinabove written.

CITY OF SANTA PAULA,
a general law city.

DANIEL SINGER,
an individual.

for *Luis Cornejo*
Andy Sobel,
Mayor

Daniel Singer
Daniel Singer

ATTEST:

Julie Hatshaw
Julie Hatshaw,
City Clerk



APPROVED AS TO FORM:

[Signature]
Monica Castillo,
Interim City Attorney

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Monica Castillo, Interim City Attorney

Subject: THIRD AMENDMENT TO THE CITY MANAGER EMPLOYMENT AGREEMENT

Date: June 21, 2023

Agenda Item: 12.G

RECOMMENDATION:

Staff recommends that the City Council:

1. Approve the Third Amendment to the City Manager Employment Agreement with Dan Singer.
2. Direct the Interim City Attorney to prepare a side letter agreement, or similar mechanism, to apply a cost-of-living adjustment ("COLA") to Mr. Singer's base salary in parity with the COLA City grants to the Executive Management bargaining unit, if any.

Presented by: Monica Castillo, Interim City Attorney

BACKGROUND:

On December 4, 2019, the City entered into an employment agreement with Dan Singer for the provision of City Manager services (the "Original Agreement"). The Original Agreement was amended on November 4, 2020, to extend the term through June 30, 2024, and to synchronize future performance evaluations with the City's fiscal year (the "First Amendment").

On July 7, 2021, the City again amended the Original Agreement to increase Mr. Singer's salary by two steps, with the second step of \$202,883.20 going into effect July 31, 2022 (the "Second Amendment"). The Original Agreement as amended by the First Amendment and Second Amendment are referred to hereafter as the "Agreement."

The City Council held closed sessions for Mr. Singer's annual performance evaluation in 2022. No direction was given to amend the Agreement at that time.

Section 17 of the Agreement requires the Council to, at minimum, review Mr. Singer's performance on or about July 1, 2020, and each year thereafter. As part of that evaluation, under Section 5.B., Council must also review Mr. Singer's base salary and consider whether it may be increased in its sole discretion.

Council held a closed session on April 5 to kick off Mr. Singer's performance evaluation, with subsequent closed sessions held May 10, May 31, and June 8. During the June 8 closed session, the City Council concluded Mr. Singer's annual review, unanimously expressing its desire to continue working with Mr. Singer.

ANALYSIS:

On June 8, 2023, City Council discussed in closed session Mr. Singer's performance over the prior year. After discussion concluded, the Council directed the Interim City Attorney to bring forward a Third Amendment to the Agreement (Attachment A) with the following changes:

1. Extend the employment term through June 30, 2027 (currently ending June 30, 2024).
2. Instead of a salary increase, increase the City's percentage contribution into Mr. Singer's 457 (retirement) plan from 3% to 4%.
3. Modify Mr. Singer's cafeteria benefits to match those awarded to the Executive Management bargaining unit for the next two fiscal years (FY 23/24 and 24/25), with benefits for Fiscal Year 25/26 to be determined at the time of the City Manager's 2026 annual review.
4. Incorporate the limitations to the City Manager's removal, codified in Santa Paula Municipal Code Section 3.10(E), prohibiting removal during or within a 120-day period following (i) a municipal general election when a new member of City Council is elected or (i) the appointment of a new member.

Council is currently in negotiations with the City's bargaining units. Those negotiations will determine employment terms that will apply for the next two fiscal years. During the June 8th closed session, Council directed the Interim City Attorney to prepare a side letter agreement that would adjust Mr. Singer's base salary according to the same cost-of-living adjustment ("COLA") for the next two fiscal years, if any, awarded to the Executive Management bargaining unit. This side letter agreement, or similar mechanism to effectuate the COLA, will be prepared after labor negotiations conclude.

It should be noted that a side letter agreement is utilized to amend a Memorandum of Understanding (MOU) previously entered into with a bargaining unit. The City Manager position is a unique position and is not part of the Executive Management bargaining unit; City Manager terms of employment are governed by a contract approved by City Council and independent of any agreement with the Executive Management group. Furthermore, the Executive Management group's terms of employment are dictated, in part, by a resolution adopted by Council after each cycle of labor negotiations.

Therefore, it is recommended that, instead of a side letter agreement, Council direct the Interim City Attorney to amend the Third Amendment to include language that would entitle the City Manager to the same COLA awarded to the Executive Management bargaining unit, if any, after negotiations have concluded. A proposed alternative Third Amendment with this language will be provided at the time of Council's consideration of this item.

STRATEGIC PLAN:

The City Manager annual review process and approval of the proposed Third Amendment to the City Manager Agreement promotes Goal G (Operational Excellence) of the 2021-2023 Strategic Plan: "Provide excellent service to the community in a cost-effective manner with an

engaged workforce with a focus on continuous improvement and outstanding customer service."

FISCAL IMPACTS:

Approval of the Third Amendment will increase City's percentage contribution into Mr. Singer's retirement plan to 4% and impact the City's budget. In addition, approval of the yet-to-be-determined cost-of-living adjustment will have a fiscal impact on the City's budget. The latter's specific impact will not be known until labor negotiations with the Executive Management bargaining unit concludes.

OPTIONS:

In addition to the recommended action, Council may:

1. Provide additional direction to staff relative to the Third Amendment, side letter agreement, or both; or
2. Take no action. Doing so, however, would allow Mr. Singer's employment agreement to expire June 30, 2024 and would require Council to act before that date to extend the agreement.

ATTACHMENTS:

[ATTACHMENT A - Third Amendment to Singer Employment Agreement](#)