



2016

THIRD AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

(Employee: Jose Pulido)

THIS THIRD AMENDMENT ("Third Amendment") to that certain agreement entitled "Employment Agreement for the Position of City Manager," dated as of August 6, 2014 by and between the CITY OF CUDAHY ("City") and JOSE PULIDO, an individual ("Employee") is made and entered into this 14<sup>th</sup> day of November 2016 ("Effective Date"). For purposes of this Third Amendment, the capitalized term "Parties" shall be a collective reference to both City and Employee. The capitalized term "Party" may refer to either City or Employee as appropriate.

RECITALS

WHEREAS, the Parties executed and entered into an agreement dated August 6, 2014 and entitled "Employment Agreement for the Position of City Manager" (the "Master Agreement"); and

WHEREAS, Section 9.4 (Amendments) of the Master Agreement allows the Parties to amend the Master Agreement provided such amendments are memorialized in the form of a written amendment approved by the Parties; and

WHEREAS, the Cudahy City Council ("City Council"), in anticipation of the pending expiration of the Master Agreement on August 10, 2016, approved a First Amendment instrument to the Master Agreement (hereinafter, the "First Amendment") which extended the term of the Master Agreement to September 7, 2016 to allow the City Council time to refine and finalize the terms of a longer term extension to the Master Agreement; and

WHEREAS, the First Amendment was approved by the City Council at its regular meeting of August 8, 2016 in open session; and

WHEREAS, the City Council, in anticipation of the pending expiration of the Master Agreement, as amended, on September 7, 2016, approved a Second Amendment instrument to the Master Agreement, as amended (hereinafter, the "Second Amendment"), which extended the term of the Master Agreement, as amended, on a month-to-month basis for a maximum of three (3) months (through November 30, 2016 at the latest) to allow the City Council time to refine and finalize the terms of a longer term extension to the Master Agreement, as amended; and

WHEREAS, the Second Amendment also provided that the City Council may terminate the City Manager's employment on thirty (30) days' notice for convenience during such month-to-month period; and

WHEREAS, the Second Amendment was approved by the City Council at its regular meeting of August 29, 2016 in open session; and

WHEREAS, the Master Agreement, as amended by the First Amendment and Second Amendment, is attached hereto as **Exhibit “A”**; and

WHEREAS, on September 26, 2016, the City Council continued consideration of a Third Amendment to the City Manager’s Master Agreement, as amended, to allow for approval of the City’s Fiscal Year 2016-2017 budget; and

WHEREAS, this Third Amendment now reflects the long term agreement between the Parties; and

WHEREAS, the amendments to the Master Agreement, as amended, as embodied in this Third Amendment, include an extension of the Term for an additional three (3) years as well as an increase in the Employee’s annual base compensation; and

WHEREAS, the amendments to the Master Agreement, as amended, as embodied in this Third Amendment, also include modified language intended to reflect the City Council’s desire that Employee be available to participate in meetings, events and functions that may occur outside of the City’s normal business hours as requested by the City Council or as circumstances may reasonably prescribe; and

WHEREAS, notwithstanding the preceding recital, the City Council recognizes that Employee should be afforded reasonable flexibility in scheduling his work day; and

WHEREAS, execution of this Third Amendment was approved in open session at the City Council’s regular meeting of November 14, 2016 as required under Government Code Section 53262.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

**SECTION 1.** Subsection 1.3.1 of Section 1.3 (Term; At-will) of the Master Agreement as amended by way of the First Amendment and Second Amendment is hereby amended by the addition of the following sentence which shall follow the first sentence of Subsection 1.3.1:

***The foregoing notwithstanding, the Term is extended by an extension term of three (3) years commencing November 14, 2016.***

The extension to the Term of the Master Agreement, as amended, as set forth in this Third Amendment shall supersede and replace the extension set forth in the Second Amendment.

**SECTION 2.** The text of Section 1.5 (Hours of Work) of the Master Agreement is hereby deleted, repealed and replaced in its entirety by the following:

***Work Schedule. Throughout the Term of this Agreement and any extension term, PULIDO shall devote the time reasonably necessary to adequately perform his duties as City Manager and shall also devote time reasonably necessary to effectively and competently manage City staff and oversee the day-to-day business operations of the City. In furtherance of the foregoing, PULIDO shall maintain a reasonably substantial onsite presence at Cudahy City Hall during the City’s regular work week and during the City’s***

*regular business hours which are currently set at a schedule of Monday through Thursday with a ten (10) hour workday. The foregoing notwithstanding, PULIDO shall also be available and present at Cudahy City Hall and at other locations in the City of Cudahy during non-business hours as requested by the City Council from time to time or as reasonably necessary to participate in City Council meetings or to engage with individual members of the City Council, members of the community and community stakeholder groups. The position of City Manager shall be deemed an exempt position under state and federal wage and hour laws. PULIDO's compensation (whether salary or benefits or other allowances) is not based on hours worked and PULIDO shall not be entitled to any compensation for overtime.*

**SECTION 3.** The text of Subsection 2.1 (Base Salary) of the Master Agreement is hereby deleted, repealed and replaced in its entirety by the following:

*PULIDO shall receive an annual salary of One Hundred and Ninety-Five Thousand Dollars (\$195,000) paid incrementally according to the payroll schedule in place for City employees paid bi-weekly.*

The amendment to Subsection 2.1 (Base Salary) set forth in this Section 3 shall become operative on November 14, 2016 and shall be applied prospectively.

**SECTION 4.** With respect to Section 5.1.3 of the Master Agreement, as amended, detailing the severance Employee is entitled to receive, the Parties acknowledge and agree that Employee has been employed continuously with the City beyond August 11, 2015 and is therefore eligible to receive six (6) months' severance subject to the terms, conditions, restrictions and limitations set forth under Section 5 of the Master Agreement.

**SECTION 5.** Except as otherwise set forth in this Third Amendment, the Master Agreement, as amended by the First and Second Amendments, shall remain binding, controlling and in full force and effect. The provisions of this Third Amendment shall be deemed a part of the Master Agreement, as amended. Except as otherwise provided under this Third Amendment, the Master Agreement as amended, and all provisions contained therein, shall remain binding and enforceable. In the event of any conflict or inconsistency between the provisions of this Third Amendment and the provisions of the Master Agreement, as amended, the provisions of this Third Amendment shall govern and control, but only in so far as such provisions conflict with the Master Agreement, as amended, and no further.

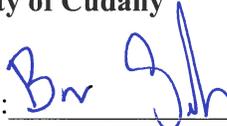
**SECTION 6.** The Master Agreement, as amended by way of this Third Amendment, and previous amendments constitute the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between City and Employee prior to the execution of this Third Amendment. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification, or supplement to the Master Agreement, as amended by this Third Amendment or previous amendments, shall be valid and binding unless in writing and duly executed by the Parties in the form of a written contract amendment.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this Third Amendment to be executed on the day and year first appearing above.

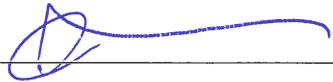
**CITY:**

City of Cudahy

By:   
Baru Sanchez  
Mayor

**EMPLOYEE**

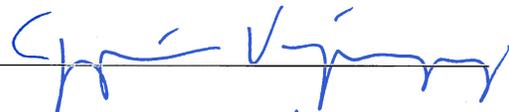
Jose Pulido, an individual:

By: 

Name: Jose Pulido

Title: City Manager

**APPROVED AS TO FORM**

By: 

Name: Joaquin Vazquez

Title: Deputy City Attorney