

**SECOND AMENDMENT TO
CITY MANAGER EMPLOYMENT
AGREEMENT**

**between the
City of Grand Terrace
and
G. Harold Duffey, City Manager**

1. PARTIES AND DATE

This Amendment ("Amendment No 2") to the City Manager Employment Agreement ("Agreement") is entered into as of June 27, 2017 by and between the City of Grand Terrace, California, a municipal corporation (the "City"), and G. Harold Duffey, an individual (the "City Manager"). The City and the City Manager are sometimes individually referred to as a "Party" and collectively as "Parties."

- A. The City requires the services of a City Manager.
- B. The City Manager has the necessary education, experience, skills and expertise to serve as the City's City Manager; and
- C. The City Council of the City (the "City Council") employed the City Manager to serve as City Manager commencing on June 1, 2015 at a base salary of \$180,000; and
- D. The Agreement was for an initial term of three years terminating, unless extended, on May 31, 2018;
- E. The Agreement was amended on August 23, 2016 with a First Amendment that adjusted the base salary to \$206,400.00.
- F. The City Manager has commenced, pursuant to City Council direction, a comprehensive economic development program in the City of Grand Terrace that will take several more years to complete;
- G. The Parties desire to execute this Amendment No. 2 pursuant to the authority of and subject to the provisions of Government Code Section 53260 et seq.; and
- H. In consideration of these Recitals and the performance by the Parties of the promises, covenants, and conditions herein contained, the Parties agree as provided in this Agreement.

2. COMPENSATION

- a) Sub-subsection "1" "a" (Base Salary) of Subsection "A" (Compensation & Required Employer Costs) of Section "4" (Compensation) of the Agreement is hereby amended to read as follows:

The annual salary for the position of City Manager shall be \$215,000.00 commencing July 1, 2017. An annual salary increase for cost of living and an increase based on merit will be considered by the City Council if the City's financial position makes such an increase feasible.

- b) Sub-subsection "(a)" (Health Benefits) of Subsection "B " (Basic Benefits) of Section "4" (Compensation) of the Agreement is hereby amended in its entirety to read as follows:

1. Employer Paid Medical: Commencing July 1, 2017 and for the remainder of the Term of the Agreement as amended, City shall provide full family coverage in an amount equal to employees' current medical plans, full family coverage for dental and full family coverage for vision in an amount not to exceed \$17,000.00 per year.

2. Benefit Allowance: Commencing on July 1, 2017 the Benefit Allowance shall be a 3% of base salary in the amount of \$6,450.00 per year. Commencing on July 1, 2018 the Benefit Allowance shall be changed to a 6% of base salary in the amount of \$12,900.00 per year. Commencing on July 1, 2019 the Benefit Allowance shall be changed to a 9% of base salary in the amount of \$19,350.00 per year.

- c) Sub-subsection "(c)" (Vehicle Allowance) of Subsection "B " (Basic Benefits) of Section "4" (Compensation) of the Agreement is hereby amended in its entirety to read as follows:

Vehicle Allowance: \$5,000.00 per year, Commencing July 1, 2017.

- d) Paragraph 4 of Sub-subsection "(f)" (Leave Allowance) of Subsection "B " (Basic Benefits) of Section "4" (Compensation) of the Agreement is hereby amended with the addition of the following sentence at the end of the paragraph:

Effective immediately upon execution of this Amendment No. 2, City Manager shall be entitled to a one-time cash out of 80 hours of vacation time at the current salary rate. Said cash out must be exercised by City Manager before July 1, 2017.

3. MISCELLANEOUS PROVISIONS

Subsection "A" of Section "6" (Miscellaneous Provisions) is hereby amended in its entirety to read as follows:

Term of this Agreement, which commenced on June 1, 2015, for an initial term of three years ending on May 31, 2018 is hereby extended to June 30, 2020 ("Termination Date").

4. REMAINING PROVISIONS OF AGREEMENT.

All other terms, conditions, and provisions of the Agreement, to the extent not modified with this AMENDMENT NO. 2 shall remain in full force and effect.

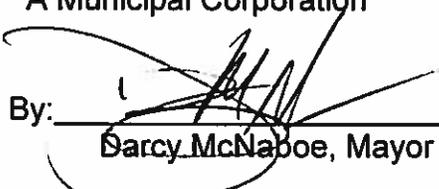
5. Execution

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

"City"

"City Manager"

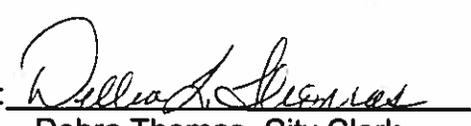
CITY OF GRAND TERRACE
A Municipal Corporation

By: 

Darcy McNaboe, Mayor

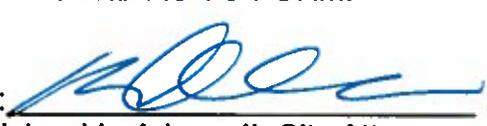

G. Harold Duffey, City Manager

ATTEST:

By: 

Debra Thomas, City Clerk

APPROVED AS TO FORM:

By: 

Richard L. Adams II, City Attorney