

**CITY OF TEMECULA  
AGENDA REPORT**

**TO:** City Council

**FROM:** Peter M. Thorson, City Attorney

**DATE:** June 13, 2023

**SUBJECT:** Approve Amendment No. 6 to City Manager Aaron Adams' Employment Agreement

---

**RECOMMENDATION:** That the City Council approve Amendment No. 6 to City Manager Aaron Adams' Employment Agreement.

**DISCUSSION:** On June 11, 2013 the City Council approved the Employment Agreement for Aaron Adams as the City Manager. The Employment Agreement was amended on February 14, 2017, July 1, 2017, June 11, 2019, May 10, 2022, and December 13, 2022.

Section 4.B of the Employment Agreement provides that each year on July 1 for the term of the Agreement, beginning July 1, 2022, the City Manager's annual base salary would be increased by the *higher* of:

- 1) A Cost of Living Adjustment not to exceed 3%, as defined; *or*
- 2) A compaction adjustment necessary to keep the annual base salary of the City Manager 10% higher than the top step of the base salary range of the City's next highest paid classification, subject to an amendment to the Agreement.

On June 13, 2023, the City Council will consider approving an 8.7% cost of living increase for all City employees effective July 1, 2023 as negotiated with Teamsters 911 in the current Memorandum of Understanding. Since this amount is more than the 3% increase described in Section 4.B.1) and a salary adjustment is necessary to maintain the 10% salary differential provided in Section 4.B.2), the Council will need to increase the City Manager's salary. Section 4.B of the Employment Agreement provides that any salary adjustment of more than a 3% cost of living increase or the salary compaction adjustment must be approved by the Council through an amendment to the Employment Agreement.

The only change to the City Manager's Employment Agreement by Amendment No. 6 is to increase his salary to \$334,237.72 effective July 1, 2023 to reflect the 8.7% cost of living increase for all City employees as outlined in the Memorandum of Understanding.

**FISCAL IMPACT:** If the proposed Amendment No.6 is approved, the City Manager's salary will increase by 8.7%.

**ATTACHMENTS:**

1. Proposed Amendment No. 6 to Employment Agreement for Aaron Adams
2. Original Employment Agreement for Aaron Adams with Amendments 1 to 5.