

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Council

FROM: Peter M. Thorson, City Attorney

DATE: December 13, 2022

SUBJECT: Approve Amendment No. 5 to City Manager Aaron Adams' Employment Agreement

RECOMMENDATION: That the City Council approve the Amendment No. 5 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 and May 10, 2022. At the closed session on November 29, 2022, Council directed the City Attorney to prepare an amendment to Mr. Adams' employment agreement changing certain terms.

The following modifications to the term and severance payment provisions will be made to Mr. Adams' Employment Agreement by Amendment No. 5:

1. **Term (Section 2 of Agreement).** The term of the Agreement is extended to December 30, 2026.
2. **Severance Pay (Section 6 of Agreement).**
 - A. In the event Mr. Adams is terminated by the City Council by a unanimous vote, of the full City Council, City shall pay Mr. Adams a lump sum severance benefit equal to twelve (12) months of his then-monthly salary, or such time as is remaining on the term of the Agreement, whichever is less,-subject to the provisions of Section 6.C. of the Agreement.
 - B. In the event Mr. Adams is terminated by the City Council without a unanimous vote of the full City Council, City shall pay Mr. Adams a lump sum severance benefit equal to eighteen (18) months of his then-monthly salary, or such time as is remaining on the term of the Agreement, whichever is less,-subject to the provisions of Section 6.C. of the Agreement.
 - C. Section 6.C of the Agreement provides, and will continue to provide, that Mr. Adams shall not receive severance payments in the event that: (1) Mr. Adams is terminated because of his conviction of a felony or the filing of a criminal charge against him alleging a felony which subsequently results in his conviction of a felony; or (2) Mr. Adams has engaged in corrupt or willful misconduct in office, including any illegal act involving personal gain.

- D. In the event Chapter 2.12 or other provisions of the Municipal Code relating to the city manager form or government are amended without the consent of Mr. Adams, and such amendment is inconsistent with the terms of the Agreement, then Mr. Adams shall have the right to give the City Council 30 days' notice that such amendment constitutes involuntary resignation. Mr. Adams shall then be entitled to resign and City shall pay Mr. Adams a lump sum severance benefit equal to eighteen (18) months of his then-monthly salary, or such time as is remaining on the term of the Agreement, whichever is less.

FISCAL IMPACT: If the proposed Employment Agreement is approved, there could be additional costs for severance payments depending on the grounds for termination or involuntary resignation, the Council vote, and the City Manager's salary and benefits at the time of the termination or involuntary resignation.

ATTACHMENTS:

1. Proposed Amendment No. 5 to Employment Agreement for Aaron Adams
2. Original Employment Agreement for Aaron Adams with Amendments 1 to 4