

**AMENDMENT NO. 4 TO CITY MANAGER EMPLOYMENT AGREEMENT
BETWEEN AARON ADAMS AND CITY OF TEMECULA**

The Employment Agreement (“Agreement”) by and between the City of Temecula, a California Municipal Corporation (“City” or “Employer”), and Aaron Adams, an individual (“Employee”), made and entered into as of June 1, 2013, as previously amended, is hereby further amended as provided in this Amendment No. 4. This Amendment No. 4 is effective May 10, 2022, except as otherwise indicated. In consideration of the mutual covenants hereinafter contained the parties agree as follows:

1. **Recitals.** This Agreement is made with respect to the following purposes and facts that each party acknowledges to be true and correct:

A. The Parties previously entered into the Agreement as of June 1, 2013, as amended by Amendment No. 1, approved February 4, 2017; Amendment 2, approved May 9, 2017; and Amendment No. 3, approved June 1, 2019.

B. Pursuant to its terms, the Agreement, as amended, expires June 30, 2024, provided it is not sooner terminated, as set forth in Amendment No. 3.

C. City and Employee desire to amend the Agreement according to the terms of this Amendment No. 4, as provided below.

2. **Salary.** Section 4 (Salary), as previously amended by Amendments No. 1, No. 2, and No. 3, is further amended to read as follows:

A. Paragraph A is amended to read: “Except as otherwise expressly provided in the Agreement or this amendment, effective July 1, 2021, Employee shall receive a 6% raise in salary, to \$274,206.”

B. Paragraph B is amended to read:

“Effective July 1, 2022, and each July 1 thereafter, unless otherwise provided herein, Employee shall be entitled to the higher of either: 1) a cost of living adjustment (“COLA”) in base salary as described in subsection B.1; or 2) an increase such that Employee’s base salary as City Manager is at least 10% higher than the top step of the base salary range of the City’s next highest paid classification as described in subsection B.2.

1. The COLA shall be the lower of either the percentage change in the Annual Consumer Price Index (CPI) for Urban and Clerical Workers for Riverside-San Bernardino-Ontario, CA for the prior calendar year as compared to the Annual CPI of two calendar years prior, or 3%, but not less than 0%. For example, the July 1, 2022 COLA will be the percentage change between the 2021 Annual CPI and the 2020 Annual CPI, subject to a minimum of 0% and a maximum of 3%.

2. Consistent with the City's Classification and Compensation plan, the Employee, as City Manager, shall be the highest paid employee of the City. The annual base salary of the City Manager shall never be less than 10% higher than the top step of the base salary range of the City's next highest paid classification. Any change to the City Manager's salary in order to comply with this provision shall not be effective until adopted by the City Council during an open session of a duly noticed public meeting and included on a publically available pay schedule. Except as mutually agreed, such increase will be retroactive to the date of the increase for the next highest paid employee that required action under this Paragraph."
3. The City and Employee shall revisit and review this Agreement prior to December 31, 2022.
4. Except as expressly modified in this Amendment No. 4, all provisions of the Agreement, as previously amended, shall remain in full force and effect.

IN WITNESS WHEREOF the parties have executed this Amendment No. 4.

CITY OF TEMECULA

Matt Rahn
Mayor

EMPLOYEE

Aaron Adams
City Manager

ATTEST:

Randi Johl, JD, MMC
City Clerk

5-2-22

APPROVED AS TO FORM:

Peter M. Thorson
City Attorney