

**THIRD AMENDMENT TO
CITY MANAGER EMPLOYMENT AGREEMENT**

This THIRD AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT (hereinafter “Third Amendment”) is made and entered into as of the day of October 25, 2022, by and between the CITY OF HERMOSA BEACH, a California general law city and municipal corporation (hereinafter “City”) and SUJA LOWENTHAL(hereinafter “Employee”).

RECITALS

A. City and Employee entered into a City Manager Employment Agreement (hereinafter the “Agreement”) as of August 28, 2018 providing for employment of Employee as City Manager of City.

B. Pursuant to Section 5 of the Agreement, the City Council conducted an annual performance evaluation of Employee following her third and fourth full years of employment and further evaluated her salary to determine whether modifications are appropriate.

C. The parties now desire to modify the Agreement in order to increase Employee’s salary for the fourth and fifth years of her employment and make other modifications to the terms of the Agreement.

NOW, THEREFORE, in consideration of the foregoing, the parties agree to amend the Agreement as follows:

1. **Section 2 of the Agreement is amended in its entirety to read:**

“Term. This Agreement is effective and Employee shall commence her employment on September 17, 2018 and shall continue in effect until September 16, 2027, unless sooner terminated by either party as provided in Section 3 herein.”

2. Section 3.B of the Agreement is amended in its entirety to read:

“Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to terminate this Agreement for breach by the City, provided that Employee provides thirty (30) days prior written notice of breach to the City and provides the City with a reasonable opportunity to cure.”

3. Section 5 of the Agreement is amended in its entirety to read:

“5. Compensation. City agrees to pay Employee for the services required by this Agreement a monthly base annual salary of Two Hundred Fifty-Seven Thousand Four Hundred Ninety-Six Dollars (\$257,496) from August 28, 2021 through August 27, 2022, and Two Hundred Sixty-Five Thousand Two Hundred Twenty-Four Dollars (\$265,224) from August 28, 2022 through August 27, 2023, payable in installments at the same time as other employees of the City are paid. Employee shall not be entitled automatically to receive cost of living adjustments afforded to City’s classified employees or department head level executives, but the City Council may in its discretion take the cost of living index into consideration when adjusting Employee’s compensation.

At the time of her annual performance evaluation, or at any other time desired by the City Council, City agrees to evaluate Employee’s salary and/or any other benefits Employee receives under this Agreement and to make modifications in such amounts and to such an extent (whether in the nature of a cost of living adjustment, merit increase, bonus or other

compensation enhancement or otherwise) as City Council in its discretion may determine that it is desirable to do so based on Employee's performance and such other information as Employee may submit as Employee deems relevant to this determination, including evidence of salaries paid to city managers in comparable cities. Commencing with Employee's 2022/2023 work year, Employee may be given exceptional performance recognition in the form of a one-time check up to ten percent (10%) of base salary for exceptional performance during the prior fiscal year. Such bonus, if provided, may be paid as regular pay (non-PERSable), converted to deferred compensation (401A or 457 Plan, HSA or other allowed City plan) to the extent allowed by law or some other mechanism mutually agreed by the parties."

4. **Section 6 of the Agreement is amended in its entirety to read:**

"6. Hours of Work. Employee shall generally work at City Hall or within the City when City Hall is open for business as determined by the City Council, unless attending City-related meetings at venues located outside the City . As of the effective date of this Agreement, City Hall operates on a 4/10 schedule and is closed on Fridays; however, the City Council reserves the right in its discretion to modify the 4/10 work schedule and nothing in this Agreement entitles Employee to a four-day work week. In addition, Employee's duties may involve expenditures of time in excess of forty (40) hours per week, and will also include time outside normal office hours such as attendance at City Council and other meetings. Employee shall be exempt from paid overtime compensation and from Fair Labor Standard Act work hours restrictions and may modify her schedule within reason to adjust for attendance at meetings at night and during other times outside of ordinary business hours."

5. The salary adjustments provided for by this Third Amendment shall take effect commencing August 28, 2021.

Except as modified above, in all other respects the Agreement is hereby reaffirmed and in full force and effect.

IN WITNESS THEREOF, the parties have executed this Third Amendment as of the day and year first above written.

CITY OF HERMOSA BEACH

Michael Detoy

MICHAEL DETOY
MAYOR

ATTEST:

gll

MYRA MARAVILLA
CITY CLERK

EMPLOYEE

Suja Lowenthal

SUJA LOWENTHAL
CITY MANAGER