

AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT

This Amendment No. 2 ("Amendment 2") to that certain Employment Agreement by and between the City of Manhattan Beach, a municipal corporation ("City") and Bruce Moe ("Employee") is entered into on November 5, 2020.

RECITALS

A. City and Employee entered into an employment agreement, with an effective date of February 6, 2018, setting forth Employee's duties and responsibilities as City Manager for the City.

B. On April 2, 2019, City and Employee entered into Amendment No. 1 providing for a three percent merit increase to Employee's base salary and a cell phone allowance in lieu of providing a smart phone.

C. Hereinafter, the agreement, as amended by Amendment No. 1, is referred to as "the Agreement."

D. Unless extended, the term of the Agreement will expire on February 5, 2021.

E. The City Manager has requested an amendment to the Agreement with the following provisions:

- A three year extension of the term of the Agreement
- Reallocation of the existing City deferred compensation contribution of \$17,500 to base salary
- A one-time relaxation of the maximum accrual of 840 hours of leave time by 151 hours to allow Employee to use such additional time within a year to offset his inability to use that leave time during the COVID-19 pandemic.

NOW, THEREFORE, the Parties hereby amend the Agreement as follows:

1. Section 1 (Term) of the Agreement is hereby revised to read

"1. TERM. Employee commenced his service as City Manager on February 6, 2018, which shall also be deemed the effective date of this Agreement ("Effective Date"). Unless sooner terminated as provided in this Agreement, the initial term of this Agreement shall be for three years from the Effective Date, with an expiration date of **February 5, 2024-2021**, unless extended. However, nothing in the Agreement is intended to prevent employee from resigning with at least 60 days' written notice."

2. Section 4(A) (Base Salary) of the Agreement is hereby revised to read:

“A. Base Salary.

(1) Monthly Base Salary and Increases.

a. For the period of February 6, 2018 through April 5, 2019, City shall pay Employee a monthly base salary of \$21,250.

b. Effective April 6, 2019, City shall pay Employee a monthly base salary of \$21,887.50.

c. Effective November 5, 2020, City shall pay Employee a monthly base salary of \$23,345.83.

(2) At its sole discretion, the City Council may consider merit adjustments commensurate with Employee’s performance in accordance with the evaluation process pursuant to Section 5 of this Agreement.

(3) Employee’s salary shall be subject to withholding and other applicable taxes, and shall be payable to Employee at the same time as other employees of City are paid. Employee shall be exempt from the overtime pay provisions of California law (if any) and federal law.”

3. Section 4 B (2) (General Leave) of the Agreement is hereby revised to read:

“(2) General Leave. Employee shall accrue general leave at the rate of 280 hours annually, prorated and credited each pay period. When possible, general leave shall be scheduled with the City Council at least two weeks in advance. Employee may accrue general leave not to exceed a limit of 840 hours. Once Employee’s accrual reaches the 840-hour limit, all further accruals will cease; and Employee will not be eligible for further accruals until his accrued general leave balance falls below the 840-hour limit. Employee may “cash out” accrued leave in accordance with the applicable rules for Management/Confidential employees.

Notwithstanding the foregoing 840 maximum accrual number of general leave hours, effective March 16, 2020, employee may accrue an additional 151 hours above the maximum accrual number of 840. Any general leave accrued above 840 hours is non-cashable and will be placed in a separate bank, which may be used at any time prior to November 5, 2021, on a “use it or lose it” basis.”

4. Section 4 B (11) (General Leave) of the Agreement is hereby revised to read:

(11) Deferred Compensation Plan. Employee shall be entitled to participate, at Employee’s sole expense, in the City’s 457 deferred compensation plan in accord with the terms and conditions of that plan. In addition, City shall ~~contribute an annual amount of \$17,500, incrementally paid on a bi-weekly basis, to a 401(a) and~~ contribute an amount equal to two percent of Employee’s salary to a Retiree Health

Savings Plan in accord with the terms, conditions and procedures of the ~~401(a)~~ plan document and provisions of the Internal Revenue Code, including related regulations.

5. Except as specifically amended by this Amendment No. 2, all terms and conditions set forth in the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment is entered into November 5, 2020.

CITY OF MANHATTAN BEACH

EMPLOYEE

By: _____
Mayor Richard Montgomery

City Manager Bruce Moe

Date: _____

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney