EXHIBIT A

AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT

City Manager

This Amendment No. 2 is dated this 12th day of December, 2017, between the City of Santa Rosa ("City") and Sean McGlynn, ("City Manager" or "employee").

RECITALS

WHEREAS, the City and the City Manager entered into an Employment Agreement dated August 5, 2014; and

WHEREAS, on August 30, 2016, the council approved by resolution revised Amendment No. 1 to Employment Agreement; and

WHEREAS, the City Manager's Employment Agreement, as amended, that "The City Manager's compensation shall change by the percentage of the cost of living salary adjustment, if any, and benefits adjustment, if any, paid to City's executive management in the current fiscal year, unless the Council fixes some different amount for the City Manager in advance of July 1st"; and

WHEREAS, on July 18, 2017, the Council approved, by resolution, for the City's executive management, a 3% cost of living salary increase and a City contribution for the 2017-2018 fiscal year equal to 0.25% of base wage to employee Retiree Health Savings Plan, and these benefits took effect on July 9, 2017.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual benefit to be derived by the parties, it is agreed to amend the Employment Agreement for the City Manager as follows:

1. <u>Section 3. Salary:</u>

The parties hereby agree to amend Section 3 Salary, as previously amended, to read as follows:

"3. <u>Salary</u> The City Manager's annual compensation, including salary and benefits, shall be fixed from time to time by ordinance adopted by the City Council as required under the City Charter. Effective July 9, 2017, the base monthly salary shall be \$19,365.00. The City

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Manager's compensation shall change by the percentage of the cost of living salary adjustment, if any, and benefits adjustment, if any, paid to City's executive management in the then current fiscal year, unless the Council fixes some different amount for the City Manager in advance of July 1st. In setting the City Manager's annual compensation, the Council recognizes that the City Manager's salary should be set at a reasonable differential higher than executive management employees that report directly to the City Manager, giving consideration for the comprehensive responsibilities of managing the entire city operation."

2. <u>Section 9. Benefits</u>

b. Retiree Health Savings Plan (RHS)

The parties hereby agree to amend Section 9 Benefits, subsection b. Retiree Health Savings Plan (RHS) to read as follows:

b. Retiree Health Savings Plan (RHS)

A Retiree Health Savings Plan (RHS) shall be provided as provided to other executive management employees. Participation is mandatory and currently requires the employee to make the following monetary contributions: (1) an ongoing contribution equal to 0.5% of base salary, (2) an annual contribution equal to the value of 25% of sick leave that was earned but unused in the immediate past fiscal year earned, and (3) upon separation, 50% of unused vacation. Effective July 9, 2017, the City will contribute for the 2017-2018 fiscal year one-quarter percent (0.25%) of the City Manager's base salary to his Retiree Health Savings Plan.

3. Except as set forth herein, all other terms of the Employment Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 as of the day and year first above written.

MAYOR

CITY MANAGER

By:

By:

Chris Coursey

Sean McGlynn

APPROVED AS TO FORM:

City Attorney