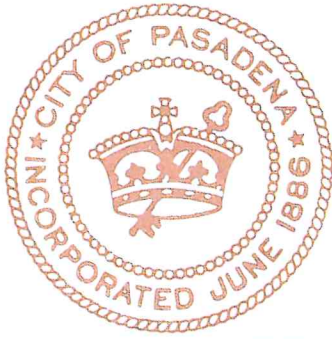




Agenda Report

November 24, 2025

TO: City Council

FROM: Mayor Victor M. Gordo

SUBJECT: APPROVE A THIRD AMENDMENT TO EMPLOYMENT AGREEMENT FOR CITY MANAGER

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action in the agenda report is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15061(b)(3) "Common Sense" exemption; and
2. Approve a third amendment to the employment agreement for City Manager Miguel Márquez to provide an increase to salary and the classification's salary control rate, increase the monthly auto allowance amount, and change the Management Time Off bank to a soft cap. It is further recommended that the Mayor be authorized to sign the third amendment to the employment agreement to reflect City Council-approved changes.

BACKGROUND:

On July 11, 2022, the City entered into an employment agreement (Contract No. 23,680) with Miguel Márquez as City Manager. The agreement commenced on August 29, 2022 and was modified twice on November 13, 2023 (Contract No. 23,680-1) and October 21, 2024 (Contract No. 23,680-2). As a result of the City Manager's recently completed performance evaluation covering 2024-2025, the Council recommends approving the attached third contract amendment (Contract No. 23,680-3) for Miguel Márquez with the following modifications:

1. Compensation/Salary – Effective July 14, 2025, the City Manager will be paid a base annual salary of \$436,339 representing a 3% general wage increase, and the salary control rate for the City Manager classification shall also be \$436,339. This aligns with the effective date and salary increase other non-represented employees received as part of the non-represented Salary Resolutions.

2. Bonus Pay – The City Manager will receive a one-time, lump sum payment of approximately \$43,634 (10% of salary) in recognition of his superior performance and accomplishments during this evaluation period.
3. Auto Allowance – The City Manager will receive a \$100 increase to the auto allowance amount, currently \$600 per month.
4. Management Time Off (MTO) Hours – The City Manager will receive a one-time allotment of 40 hours in addition to the City Manager's regular MTO allotment.
5. Management Time Off (MTO) Bank Cap – Excess hours exceeding the cap shall be cashed out.

COUNCIL POLICY CONSIDERATION:

Approval of the amendment to the employment agreement supports the City Council's strategic goals of maintaining fiscal responsibility and stability by periodically reviewing and updating the salaries of City employees.

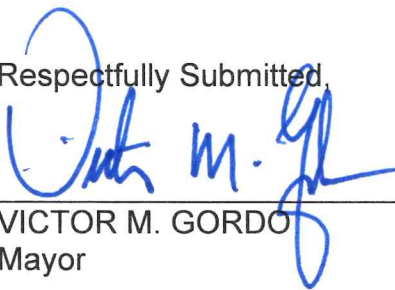
ENVIRONMENTAL ANALYSIS:

The proposed action is exempt from the CEQA pursuant to State CEQA Guidelines Section 15061 (b) (3), the "common sense" provision of CEQA (formerly the general rule), which applies to projects which may have the potential for causing a significant effect on the environment. The proposed action will not result in any new development or physical changes.

FISCAL IMPACT:

The approval of the amendment to the employment agreement for the City Manager is estimated to have an overall FY 2026 fiscal impact of \$66,000 which includes a one-time cost of \$52,025. This position is budgeted to the General Fund (101), and the City Manager Department's FY 2026 Operating Budget includes appropriations for anticipated wage increases. However, staff will monitor personnel expenses and request additional appropriations during the fiscal year if necessary.

Respectfully Submitted,



VICTOR M. GORDO
Mayor

Prepared by:



Tiffany Jacobs-Quinn
Human Resources Director

Attachment:

Attachment A – Third Amendment to City Manager Employment Agreement