

**FIRST AMENDMENT TO CITY MANAGER AT-WILL EMPLOYMENT
AGREEMENT WITH MERRITT PERRY**

THIS FIRST AMENDMENT ("Amendment") is made and entered into this 1st day of July 2022, by and between Merritt Perry ("Employee") and the City of Fortuna ("Employer"), a California municipal corporation, subject to the requirement that the City Council ratify this Amendment.

RECITALS

WHEREAS, pursuant to that written Agreement for City Manager At-Will Employment Agreement with Merritt Perry (the "Agreement"), Employer employs Employee as the City Manager;

WHEREAS, by way of this Agreement, the Employer and Employee desire to amend the Agreement to adjust the annual salary and extend the term through and including July 31, 2027.

NOW, THEREFORE, for valuable consideration, the parties agree as follows:

1. **Amendment of the Agreement.** Section 2 (Term) of the Agreement is hereby replaced in its entirety with the following text:

A. Employee agrees to remain in the exclusive employ of Employer until July 31, 2027 ("Termination Date"), and neither to accept other employment nor to become employed by any other employer until said termination date, unless said termination date is affected as hereinafter provided. Employee may engage in outside consultation with the prior and continuing approval of the City Council and to the extent that such outside consultation does not interfere with the duties and responsibilities set forth in this Employment Agreement. It is specifically understood and agreed that any outside consultation is to be secondary to this employment by the City of Fortuna and shall not conflict or interfere in any way with the full-time nature of this City employment.

B. The term of this agreement may be extended by mutual agreement of the parties in a signed writing.

C. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Council to terminate the services of Employee at any time, subject only to the provisions set forth in Section 3, paragraphs A, B and C, of this Agreement.

D. Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of the Employee to resign at any time from his position with Employer, subject only to the provision set forth in Section 4 of this Agreement.

2. **Amendment of the Agreement.** Section 6 (Compensation) of the Agreement is hereby replaced in its entirety with the following text:

Effective July 1, 2022, Employer agrees to pay Employee for his services rendered pursuant hereto a salary of \$147,685.00 payable in installments at the same time as other Unrepresented Employees of the Employer are paid. In addition, Employer agrees to increase said salary in increments of three percent (3%) per year in conjunction with the performance evaluation, provided that Employee has performed in a satisfactory manner. In addition, the Council agrees to increase benefits as the Council may determine, based on periodic salary review. Said reviews will be conducted on an annual basis during the month of May each year. Nothing in this Agreement limits the right of the Council to conduct more frequent or periodic performance evaluations of Employee, including the performance evaluation described in Section 7 of the Agreement.

Except as hereinafter provided, Employee shall receive such other and further benefits as are accorded other Unrepresented Employees of the Employer, including, but not limited to, holidays, sick and bereavement leaves, and executive leave days. Notwithstanding the foregoing, in no event shall Employee receive cost of living or salary adjustments provided to Unrepresented Employees.

3. **Agreement Continues.** Except as expressly amended by this Amendment, all terms and conditions of the Agreement remain in full force and effect.
4. **Council Ratification.** Employee understands and agrees that this Amendment is subject to ratification by the City Council at the July 18, 2022, Regular Meeting.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the first date above.

EMPLOYEE:



Merritt Perry, City Manager

Digitally signed by Merritt Perry
DN: cn=Merritt Perry, o, ou,
email=mperry@ci.fortuna.ca.us, c=US
Date: 2022.07.13 11:57:45 -07'00'

EMPLOYER:

Sue Long, Mayor of the City of Fortuna