

EMPLOYMENT AGREEMENT BETWEEN

THE CITY OF SALINAS

AND

RENE L. MENDEZ

1. Parties. The parties to this Employment Agreement (Agreement) are the City of Salinas ("City") and Rene L. Mendez ("Mendez" or "City Manager").

2. Purpose. The purpose of this Agreement is to provide for the employment of Mendez as City Manager of the City.

3. Duties. The City hereby agrees to employ Mendez to perform the functions and duties of the City Manager for the City as specified in the Salinas City Charter and Municipal Code, the Job Description, and any other applicable Ordinances, Resolutions, or Policies and to perform such other legally permissible and proper duties and functions as the City Council shall from time-to-time assign.

Mendez agrees that to the best of his ability and experience, he will at all times loyally and conscientiously perform all the duties and obligations required of him either expressly or implicitly by the terms of this Agreement. Mendez agrees that he will not, so long as he is employed by the City, take any employment or perform any consulting duties that will interfere with or be inconsistent with the performance of his duties as City Manager for the City.

4. Term of Agreement. This Agreement is effective upon the date it is adopted by the City Council until May 28, 2027, unless it is terminated earlier in accordance with the provisions of this Agreement, at which time it shall expire. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate the services of the City Manager at any time provided that such termination shall be subject to the provisions of the City Code and Section 5 below.

5. Separation from Employment/Severance Payment.

5.1 The City Council may, subject to the provisions set forth below and applicable provisions of the City Code and the City's personnel rules and regulations, terminate the services of Mendez at any time, it being expressly understood and agreed between the parties that Mendez serves as an **at-will** employee of the City.

5.1.1 The City may terminate Mendez's employment and this Agreement at any time without cause and regardless of reason or for no reason ("Not-for-Cause"). Subject to Sections 5.4–5.7,

below, in the event Mendez is terminated Not-for-Cause while he is still willing and able to perform the duties of City Manager, the City shall provide Mendez with fourteen (14) days' written notice, upon the conclusion of which Mendez will be eligible to receive a lump sum payment of up to twelve (12) months of base salary as severance payment, paid pursuant to the terms of the severance agreement described in Section 5.4 below. Regardless of the provisions of 5.1.1, in no event may Mendez be terminated without Cause within ninety (90) days after any municipal election for the selection or recall of one or more of the members of the City Council.

5.1.2 The City may immediately terminate this Agreement at any time for Cause by providing Mendez written notice of his termination. For purposes of this Agreement, "Cause" for termination means "cause" or "improper conduct" as defined in the City's personnel rules and regulations or in its City Code and as determined by the City Council. In the event Mendez is terminated for Cause, Mendez shall not be entitled to and the City shall have no obligation to pay any severance payment.

5.2 Subject to applicable provisions of the City Code and the City's personnel rules and regulations, Mendez may terminate his employment for any reason, and at any time, with or without cause, by providing the City with fourteen (14) days' advance written notice. The City shall have the option, in its complete discretion, to make Mendez's termination effective at any time prior to the end of such period, provided the City pays Mendez all compensation due and owing him through to the last day actually worked, plus an amount equal to the base salary Mendez would have earned through the balance of the above 14-day notice period, together with any amounts that would be due to an employee upon termination of employment.

5.3 In accordance with California Government Code section 53261, a cash severance payment made pursuant to this Agreement shall not include any other non-cash item except health benefits payable to or on behalf of Mendez.

5.4 The severance payment described above will release the City from any further obligations under this Agreement, and any claims of any nature that Mendez might have against the City by virtue of his employment or termination thereof. Contemporaneously, with the delivery of the severance payment and in consideration therefore, Mendez agrees to execute and to deliver to the City a release releasing the City of all claims that Mendez may have against the City.

Initials

RM

5.5 Mendez shall not be entitled to a severance payment in the following events:

5.5.1 The City Council elects not to renew this Agreement.

5.5.2 Mendez is terminated for Cause or because of his conviction of a felony or misdemeanor involving moral turpitude, or is convicted of any illegal act involving personal gain to himself.

5.5.3 Mendez dies or becomes disabled as provided in Section 6 and the City Council terminates his employment.

5.5.4 Mendez resigns or otherwise terminates his employment as provided in Section 5.2 above.

5.6 In the event Mendez resigns his position as City Manager, he shall not be entitled to a severance payment.

5.7 Section 5 of this Agreement shall be construed in accordance with all legal authority, including but not limited to, Government Code section 53260, which explicitly limits contractual severance cash settlements payable by a local agency employer.

6. Disability or Death. If Mendez is permanently disabled to the extent that he cannot perform the full range of the essential functions of his position as determined by his treating physician or is otherwise unable to perform the full range of the essential functions of his position because of sickness, accident, injury, mental incapacity, or other health reasons for a period of twelve (12) successive weeks beyond the exhaustion of all general leave, the City Council shall have the option to terminate this Agreement, subject to compliance with all provisions of law. If during the Term of this Agreement, or an extension of this Agreement (if any), the City Manager dies, his estates shall receive any owed salary and benefits for the City Manager's worked time. However, consistent with provision 5.5.3 above, his estate shall not be entitled to any additional compensation or payment, including severance.

7. Compensation and Benefits.

7.1 City agrees to pay for Mendez for services rendered pursuant hereto an annual salary at the base rate of three hundred thousand dollars (\$300,000.00) payable on a bi-weekly basis in the same manner as other employees of the City are paid.

7.2 The City shall make contributions on Mendez's behalf to an Internal Revenue Code (IRC) 457 or 401(a) compensation plan commencing at the biweekly rate of \$562.50, or \$14,624.00 annual rate.

Mendez's determinations as to participation in either the IRC 457 or 401(a) plan shall be governed by the specific regulations for that plan.

7.3 **Auto Allowance.** The City agrees to pay Mendez a monthly auto allowance of seven hundred fifty dollars (\$750.00) unless he elects an assigned City vehicle for his use. In the event Mendez elects an assigned City vehicle, such use shall be limited by and subject to Administrative Memorandum 78-05 "Use of City-Owned and Private Vehicles."

7.4 **Professional Organizations.** The City shall pay for memberships for Mendez in the following professional organizations: ICMA, CCMF, California League of Cities.

7.5 The City agrees to provide Mendez with City paid Life Insurance in the amount of \$150,000, the City-paid Medical, Dental, Vision and Disability Insurance in the same amounts provided to City Department Directors.

7.6 Mendez shall participate in the California Public Employees Retirement System (CalPERS) consistent with applicable Classic or PEPRAs eligibility requirements.

7.7 Mendez shall receive 30 days per year Annual Leave at a biweekly accrual rate of 9.23 hours per pay period. At the start of his employment, Mendez shall receive a one-time sum of 40 banked hours of Annual Leave effective May 28, 2024.

Cap: 768 hours

The maximum Annual Leave accrual cap shall be 768 hours. Once the employee reaches the maximum Annual Leave accrual cap the employee will not accrue additional Annual Leave until the Annual Leave balance is below the maximum accrual cap; accrued unused Annual Leave will be paid at separation.

7.8 Any other benefits not specifically mentioned in this Agreement shall be provided in accordance with standards applicable to all City Department Directors.

8. **Performance Evaluation:** The City Council shall review and evaluate the performance and compensation of Mendez on at least an annual basis. The City Manager, in consultation with the City Council, shall define such goals and performance objectives that they determine to be necessary for the proper day-to-day management of the City. In attainment of the City Council's adopted performance objectives, the City Council, in consultation with Mendez, shall further establish a relative priority among the various goals and objectives, and reduce said goals and objectives to writing.
9. **General Expenses:** The City recognizes that certain expenses of a non-personal, but job-related nature are incurred by Mendez and the City agrees to reimburse or to pay these reasonable expenses consistent with City policy. The City shall also provide employee a cell phone and/or iPad and laptop computer for Mendez's exclusive business use.
10. **Notice:** Notices pursuant to this Agreement shall be given by mail or personal delivery. Notice shall be deemed given as of the date of personal service or forty-eight (48) hours after deposit in the mail. Notices shall be addressed as follows:

10.1 Notice to Mendez shall be sent to:

Rene L. Mendez
P.O. Box 1568
Gonzales, CA 93926

10.2 Notice to the City shall be sent to:

Mayor
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

With a copy to:

City Clerk
City of Salinas
200 Lincoln Avenue
Salinas, CA 93901

11. General Provisions:

11.1 The Agreement shall be binding and inure to the benefit of the heirs at law and executors of Mendez.

11.2 If any provision, or any portion therefore, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement shall be deemed severable and shall remain in full force and effect.

11.3 The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

11.4 This Agreement constitutes the entire agreement between the parties and supersedes any previous Agreements, oral or written. This Agreement may be modified, or provisions waived only by subsequent mutual written agreement executed by the City and Mendez.

11.5 This Agreement shall be interpreted as though prepared by both parties.

11.6 This Agreement is entered into and is to be performed in Monterey County, California.

CITY OF SALINAS

Date: March __, 2024

By: _____
Kimbly Craig, Mayor

Rene L. Mendez

Date: March 13, 2024

By:  _____
Rene L. Mendez

APPROVED AS TO FORM:

Che Johnson, Esq.
Liebert Cassidy Whitmore