

CITY OF SIGNAL HILL

THIRD AMENDMENT TO THE CITY MANAGER EMPLOYMENT AGREEMENT

This THIRD AMENDMENT TO THE CITY MANAGER EMPLOYMENT AGREEMENT (hereinafter referred to as the "THIRD AMENDMENT") is entered into and made effective this 8th day of July, 2025, by and between the CITY OF SIGNAL HILL, a charter city and municipal corporation (hereinafter referred to as the "CITY") and CARLO TOMAINO, an individual (hereinafter referred to as "EMPLOYEE"). For purposes of this THIRD AMENDMENT, CITY and EMPLOYEE may be collectively referred to as the "Parties" or individually as a "Party."

RECITALS

WHEREAS, EMPLOYEE has been serving as the City Manager for CITY under the City Manager Employment Agreement entered into on December 13, 2023 (hereinafter "EMPLOYMENT AGREEMENT"), as amended by the First Amendment to the City Manager Employment Agreement entered into on August 22, 2023 (hereinafter "FIRST AMENDMENT") and the Second Amendment to the City Manager Employment Agreement entered into on September 24, 2024 (hereinafter "SECOND AMENDMENT"); and

WHEREAS, pursuant to Sections 2.2, 2.3 and 5.2 of the EMPLOYMENT AGREEMENT, as amended, the City Council conducted a performance evaluation of EMPLOYEE on June 10, 2025; and

WHEREAS, based on that performance evaluation and EMPLOYEE's service to CITY, CITY and EMPLOYEE now desire to amend the EMPLOYMENT AGREEMENT as amended, as set forth below while leaving all other terms and conditions of employment the same;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the CITY and EMPLOYEE hereby agree to the amendments of the following provisions of the EMPLOYMENT AGREEMENT, FIRST AMENDMENT and SECOND AMENDMENT as follows:

AGREEMENT

2.0 COMPENSATION AND REIMBURSEMENT

2.1 Base Salary. For the services rendered pursuant to this AGREEMENT, EMPLOYEE's annual base salary shall be Three Hundred Nine Thousand Two Hundred Twenty-Three Dollars (\$309,223) ("Base Salary"), retroactive to July 1, 2025 (inclusive of the cost-of-living increase and salary adjustment for 2025), which shall be paid on a pro-rated basis biweekly at the same time as other employees of the CITY are paid. Such Salary shall be subject to normal and proper withholdings as determined by state and federal law. It is the compensation philosophy of the City Council that the City Manager's compensation should be at least Seven and One-Half Percent (7.5%) higher than the next highest paid CITY employee, and therefore the City Council will consider an additional increase to EMPLOYEE's salary, at any time, if another CITY employee's salary is within 7.5% of EMPLOYEE's salary.

2.3 Salary Adjustment. Following the annual performance evaluation set forth in Section 5.2 hereof and the annual Salary review set forth above in Section 2.2, the City Council may increase EMPLOYEE's base salary and benefits package based on the results of those annual reviews. EMPLOYEE shall be eligible for the following increases to base salary: 3% on July 1, 2026; 2% on July 1, 2027, 2% July 1, 2028 and 2% July 1, 2029. These increases are not automatic, and require both a satisfactory evaluation and availability of CITY funding. Any adjustments in the base salary and/or benefits following the annual performance evaluation under Section 5.2 and review under Section 2.2 shall be at the sole discretion of the City Council. EMPLOYEE will also be eligible to receive those salary cost-of-living adjustments, which may be granted by the City Council under the terms of a Memorandum of Understanding with the Signal Hill Employees' Association, upon approval by the City Council. At EMPLOYEE's election, any salary adjustment approved by the City Council as a result of the annual performance evaluation set forth in Section 5.2, as well as any future increases, may be taken as an increase in vacation accrual rather than as a salary increase.

6.0 BENEFITS AND OTHER COMPENSATION

6.2 Management Benefits. For purposes of benefits, in accordance with Resolution 2025-06-6881, as may be amended by the City Council from time to time, the City Manager is considered a "management employee" for purposes of benefits and EMPLOYEE shall receive all benefits provided to other management employees, as they may be amended from time to time, except as those benefits are explicitly amended by the terms of this AGREEMENT. The current benefits include the following:

(a) Sick Leave. EMPLOYEE shall accrue sick leave at the accrual rate of 136 hours per year. Sick leave shall accrue at the rate of 5.23 hours per pay period. Sick leave must be used and deducted from accruals on a minute by minute basis for time missed from normal work hours which for purposes of this section are deemed to be normal City operating hours.

(b) Vacation Leave. EMPLOYEE shall accrue vacation at the accrual rate for management employees who have completed 10 years of employment with CITY (currently 136 hours per year). Vacation shall accrue at the rate of 5.23 hours per pay period. Vacation leave may only be accrued to a maximum of two times the yearly accrual, at which point vacation leave accrual will cease until the accrued hours fall below the maximum. Vacation leave must be used and deducted from accruals on a minute by minute basis for time missed from normal work hours which for purposes of this section are deemed to be normal City operating hours. Upon termination, for any reason, EMPLOYEE shall be entitled to one hundred percent (100%) of the unused vacation leave on the books then existing. Employee shall be eligible, after taking forty (40) hours of vacation leave or executive/personal leave, or a combination thereof during the prior 12 month period, to cash out leave in accordance with City policy.

6.8 Supplemental Benefits. The following additional benefits are provided to EMPLOYEE as the City Manager:

(c.) Sick Leave Sell Back. EMPLOYEE is entitled to sell back (cash out) sick leave up to 150 hours each year in June. EMPLOYEE must have at least 50 hours of sick leave remaining after the cash out.

(d.) Sick Leave Cash Out Upon Termination by City Council. If City Council terminates EMPLOYEE's employment for any reason, one hundred percent (100%) of the accrued sick leave will be cashed out and paid to EMPLOYEE.

IN WITNESS WHEREOF, the City of Signal Hill has caused this THIRD AMENDMENT to be signed and executed on its behalf by its Mayor, and duly attested by its officers thereunto duly authorized, and EMPLOYEE has signed and executed this AGREEMENT, all in triplicate.

CITY OF SIGNAL HILL



Keir Jones
Mayor

EMPLOYEE



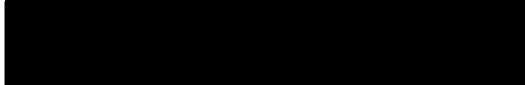
Carlo Tomaino

ATTEST:



Tina Knapp
Assistant City Clerk

APPROVED AS TO FORM:



Best Best & Krieger LLP
City Attorney