

**THIRD AMENDMENT TO CITY MANAGER  
EMPLOYMENT AGREEMENT**

This THIRD AMENDMENT to the EMPLOYMENT AGREEMENT dated August 24, 2015 ("Agreement") between the City of Redwood City, a Charter City and Municipal Corporation of the State of California ("City"), and Melissa Stevenson Diaz ("Employee") is entered into as of the 15<sup>th</sup> day of October, 2018.

WHEREAS, in conformance with its performance review and compensation program for its appointees, the City Council has evaluated salary survey data of comparable positions in benchmark cities, and wishes to adjust Employee's salary accordingly as well as acknowledge Employee's performance.

WHEREAS, it is now the mutual desire and intent of the parties to amend the Agreement to increase Employee's annual salary to \$295,006.

NOW THEREFORE, in consideration of the mutual covenants contained in the original Agreement and as provided herein, the Agreement is AMENDED to read as follows:

1. Section 3 of the Agreement, entitled "**Compensation & Benefits**," is hereby deleted and replaced with Section 3 below.

**3. COMPENSATION & BENEFITS**

- A. Employee shall be paid two hundred and ninety-five thousand and six dollars (\$295,006) per year, payable in installments at the same time other City executive management employees are paid. Hereafter, the City Council may adjust Employee's salary by resolution.
- B. The City Council shall conduct an annual evaluation each year and may also conduct quarterly evaluations. The evaluation process shall address goals and objectives set for the past twelve-month period and establish goals and objectives for the upcoming 12-month period. The City Council shall provide employee with its written comments, if any, during its annual evaluation of Employee, and may discuss its evaluation with Employee. At the time of evaluation, the City Council will consider performance-based salary adjustments. The City Council shall also provide an informal mid-year performance review of the Employee after her first six months of employment.
- C. Employee shall be entitled to the benefits specified in City of Redwood City Executive Management Summary of Benefits (Dated July 1, 2018), as it may be amended from time to time, and which is attached hereto as **Exhibit A** and incorporated herein by reference, except that Employee's annual professional development allowance shall be two thousand four hundred dollars (\$2,400). Employee's annual

professional development allowance may be adjusted hereafter by Council resolution. In addition, Employee shall receive:

- i) An initial vacation bank of eighty (80) hours, and an initial sick leave bank of forty (40) hours. Vacation accrual will be at the rate granted to executive management employees with twenty-four (24) years of service. Vacation shall not be accumulated in excess of two (2) years of accrued vacation leave computed to the 31<sup>st</sup> of December, except upon written authorization of the City Council.
- ii) A Cell phone allowance of \$75 per month, as compensation for the regular use of a personal cell phone in the course of work.

D. The City Council agrees to budget for and pay the professional dues, subscriptions, courses, institutes, seminars and travel expenses of Employee for participation in professional activities required by law or authorized by City Council. This includes the International City/County Management Association (ICMA), League of California Cities, and Urban Land Institute. To the extent provided for in the City's annual budget, the City Council encourages Employee to attain positions of leadership in national, state, regional and local associations and organizations relevant to Employee's profession. Subject to budgetary limitations imposed by the City Council, the City Council agrees to pay for travel and subsistence expenses necessary to discharge Employee's official duties for such associations and organizations.

E. Subject to the Brown Act (Cal. Gov't Code Section 54950, and following) Employee and City agree that no later than Employee's first year anniversary of employment with City, they will discuss potential relocation and housing assistance so that Employee may move to Redwood City.

2. Effect of Amendment. Except to the extent the Agreement is modified by this Third Amendment, the remaining terms and provisions of the Agreement, as modified by the First and Second Amendments, shall remain unmodified and in full force and effect.
3. Counterparts. This Third Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Third Amendment.

*[Signature Page Follows]*

This Third Amendment has been executed by the parties on the dates noted below.

**EMPLOYEE:**

Melissa Stevenson Diaz  
**MELISSA STEVENSON DIAZ**

Dated: 12/5/18

**CITY OF REDWOOD CITY:**

Ian Bain  
**IAN BAIN, MAYOR**

Dated: 12/10/18

**ATTEST:**

Pamela Aguilar  
**PAMELA AGUILAR, CITY CLERK**

Dated: 12.11.18

**APPROVED AS TO FORM:**

Veronica Ramirez  
**VERONICA RAMIREZ, CITY ATTORNEY**

Dated: 12/7/18

