

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is entered into this 17th day of March 2020, by and between the CITY OF COVINA ("CITY"), a California City, and Christopher Marcarello ("Marcarello"), an individual.

RECITALS

WHEREAS, the City Council desires to: (1) secure and retain the services of Marcarello; (2) have Marcarello perform all the regular functions of the City Manager position as specified in the City's Municipal Codes; (3) provide inducement to Marcarello to maintain such employment; and (4) establish the terms and conditions of Marcarello's services to the City pursuant to this agreement;

WHEREAS, Marcarello has the required skills and expertise to fulfill such position and desires to accept employment from the City;

NOW THEREFORE, in consideration of the mutual covenants contained herein, including the Recitals which are made a part hereof, City and Marcarello hereby agree as follows:

AGREEMENT

1. Employment:

The City hereby employs Marcarello as the City Manager of the City, and Marcarello hereby accepts that employment effective March 18, 2020.

2. Duties:

Marcarello shall perform those duties and have those responsibilities that are commonly assigned to a city manager of a general law city in California, and as set forth in Chapter 2.08 of the City's Municipal Code. Marcarello shall perform such other legally permissible and proper duties and functions consistent with the office of the City Manager as the City Council shall from time to time assign.

3. Term:

A. The term of Marcarello's employment as City Manager shall be for an indefinite term pursuant to Section 2.08.070 of the City's Municipal Code.

B. Marcarello acknowledges that he is an at-will employee. Except as set forth in Paragraph 3.C., the City Council may remove Marcarello as City Manager at any time by a majority vote. Marcarello shall have no right to appeal a decision by the City Council to remove him as City Manager.

C. Marcarello may not be removed as City Manager during the ninety (90) calendar days following any general municipal election held in the City in which one or more members of the City Council are elected.

D. Marcarello may resign from his employment as City Manager at any time during the term of this Agreement upon giving thirty (30) days written notice to the City Council.

4. Devotion to City Business:

A. Marcarello's position as City Manager is considered a full-time position. Marcarello shall focus his professional time, ability, and attention on City business during the term of the Agreement. Marcarello shall not spend significant time in any other non-employer connected business activities without prior approval from the City Council.

B. Marcarello shall not engage, without the express prior written consent of the City Council, in any other business duties or pursuits whatsoever or, directly or indirectly, render any services of a business, commercial, or professional nature to any other person or organization, whether for compensation or otherwise, that is or may be competitive with the City, that might cause a conflict of interest with the City or that otherwise might interfere with the business or operation of the City or the satisfactory performance of Marcarello's duties as City Manager.

5. Salary:

A. City agrees to pay Marcarello for services rendered, beginning with an annual base salary of Two Hundred Five Thousand Dollars (\$205,000). Said amount shall be payable at the same time and in the same manner as other employees of the City are paid. Marcarello's base salary shall be adjusted upward at the same percentage rates for salary increases for Executive Staff as outlined in Section 3.1 (Base Salary Ranges) of the 2019 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council and at any time in the sole discretion of the City Council as delineated in paragraph B of this Section 5.

B. Marcarello's salary may be adjusted by resolution of the City Council at a regular meeting of the City Council and without further amending this Agreement, not more than once annually, after the first anniversary of the effective date of this Agreement. Any such adjustment shall be paid starting the first pay period after an annual performance evaluation is completed and the salary adjustment is approved by the City Council, in an amount subject to negotiation between City and Marcarello.

C. The City Council shall evaluate Marcarello's performance each calendar year. Following the completion of the evaluation, the City Council may in its sole discretion grant Marcarello a performance bonus in any amount from Zero Dollars (\$0) to a maximum of Fifteen Thousand (\$15,000) or any sum in between.

6. Retirement:

A. City agrees to maintain Marcarello's enrollment as a member of the California Public Employees Retirement System (CalPERS) in accordance with rules set forth by CalPERS. Marcarello shall make contributions to CalPERS in the amounts described in the 2019 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council.

B. The City will contribute an amount equal to three and one half percent (3.5%) of Marcarello's annual base salary per year to Marcarello's deferred compensation plan, also known as a 457 Plan, selected by the City. Said amount shall be payable in monthly or bi-weekly installments at the same time and in the same manner as other employees of the City are paid. The City also agrees that it will continue to administer a 457 Plan in which Marcarello may participate during his employment with the City.

7. Health and Medical Benefits Insurance:

City shall provide Marcarello with the same health and medical benefits plan or plans which are provided to other City executive employees under the 2019 Executive Compensation Rules, including and revisions thereto, or successor rules which may be adopted from time to time by the City Council.

8. Leaves:

Marcarello shall receive vacation, holiday, and sick leave according to the terms of the 2019 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council. Marcarello shall be credited with eighty (80) hours of administrative leave immediately upon his start date, and vacation accrual shall be at the rate of 13.67 hours per month.

9. Miscellaneous Benefits and Insurances:

In addition to the compensation and benefits set forth herein, Marcarello shall be entitled to all other non-salary benefits and insurance set forth in the 2019 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council, unless any such benefits and/or insurances are or become prohibited by law. Should Marcarello opt out of the City's CalPERS medical plan and provide proof of and sign an attestation that he has minimum essential health insurance coverage, he shall be entitled to receive the full unused monthly flexible benefit contribution allowance as taxable income or deferred compensation, to the extent legally permissible and consistent with 2019 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council.

10. Equipment:

A. Marcarello shall be provided with appropriate technology, such as a cellular phone and laptop computer, as needed to conduct City business. Marcarello agrees that he shall be required to return any such equipment immediately upon separation from employment with the City and that such equipment shall be subject to inspection by the City at any time, with or without notice. If Marcarello elects to use his personal cellular phone to conduct City business, then he shall be reimbursed for the expenses associated with his City business use of the phone subject to appropriate IRS reporting requirements. The City agrees that Marcarello may request City staff to provide necessary maintenance and repairs to personal devices that Marcarello uses to conduct City business, e.g. cell phones and laptop computers. Marcarello acknowledges that electronic data that is stored on any personal electronic devices he uses to conduct City business, including but not limited to cellular phones and computers, may be subject to disclosure under the California Public Records Act and Marcarello therefore agrees to make any such personal electronic devices available to the City for inspection and retrieval of any public records.

B. Marcarello will receive an automobile allowance of six hundred dollars and zero cents (\$600) to be used for leasing/purchasing, maintaining and/or insuring a personal vehicle which Marcarello may use from time to time in conducting City business. Marcarello shall maintain all statutorily required liability insurance thereon and is responsible for all expenses and/or liabilities incurred in connection with the vehicle, including maintenance, operating, insurance, and repair expenses, including those which may exceed the monthly automobile allowance provided for herein.

11. Professional and City Business Expenses:

A. City agrees to pay the professional dues and subscriptions which are necessary for Marcarello's continuation or full participation in regional, state, or local associations and organizations necessary and desirable for Marcarello's continued professional participation, growth and advancement, or for the good of the City in an amount up to three thousand dollars (\$3,000) per year. Furthermore, the City shall budget and pay for the professional dues and subscriptions to such additional organizations as may be approved by the City Council.

B. City agrees to pay the travel and subsistence expenses of Marcarello for official travel, meetings and occasions reasonably adequate to continue the professional development of Marcarello, and for Marcarello's reasonable pursuit of necessary official and other functions for the City including, but not limited to, regional, state, and local conferences, governmental groups, and committees upon which Marcarello serves as a member. Notwithstanding the above, the number of conferences or meetings the City will pay for each year and attendance at out-of-state conferences and meetings shall be at the discretion of the City Council as set forth in the City's budget.

12. Taxes:

Marcarello shall be responsible for his federal, state, local, or other taxes resulting from any compensation or benefits provided to him by the City. The City shall withhold from any compensation or benefits provided under this Agreement all federal, state, local or other taxes as may be required pursuant to law or governmental regulation or ruling. The City shall not be liable (except in cases of City errors or omissions) for any state or federal tax consequences to Marcarello or to any designated beneficiary hereunder, the heirs, administrators, executors, successors, and assigns of Marcarello. Marcarello shall assume, sole liability for any state or federal tax consequences of this Agreement or any related agreement and agrees to indemnify and hold the City harmless from such tax consequences.

13. Work Product:

All data, studies, reports, and any other documents prepared by Marcarello while performing his duties during the term of this Agreement shall be furnished to and become the property of the City, without restriction or limitations on their use. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Marcarello in connection with the performance of this Agreement shall be held confidential by written consent of the City Council, and shall not be used by Marcarello for any purposes other than the performance of his duties. Nor shall such materials be disclosed to any person or entity not connected with the performance of services under this Agreement, except as required by law.

14. Severance Compensation in the Event Marcarello is Removed as City Manager without Cause:

The City Council may terminate Marcarello as City Manager with or without cause. If City terminates this Agreement (thereby terminating Marcarello's employment) without cause, and if Marcarello signs, delivers to the City Council, and does not revoke, the General Release Agreement ("Release Agreement") in the form attached hereto as Exhibit "A", City shall pay Marcarello severance pay in an amount equal to six (6) months of his monthly base salary on the effective date of his removal to be paid in one lump sum subject to the statutorily mandated tax withholdings. After one year of service, Marcarello's severance pay shall be increased by one month for every full year of service, up to a maximum of nine (9) months of his monthly base salary, subject to the limitations in Government Code Section 53260. In no event shall Marcarello receive more than nine (9) months severance pay.

15. No Severance Compensation in the Event Marcarello is Removed as City Manager with Cause:

A. City may terminate Marcarello for cause. Cause shall include, but not be limited to the following:

- (i) Abuse of office of position as described in Paragraph 17.E., below;

- (ii) Violation of state or federal law exposing the City to liability;
- (iii) Conviction on a misdemeanor or felony charge.

B. In order to determine whether cause for termination exists, the City shall in good faith investigate any charges brought forward by a member of the City Council and provide Marcarello with reasonable opportunity to be heard prior to taking any action.

C. In the event that Marcarello is terminated for cause, City shall inform Marcarello in writing of the cause and no severance pay will be due to Marcarello.

16. Conflicts of Interest:

A. During the term of this Agreement, Marcarello shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict in any manner, with the proper discharge of Marcarello's duties under this Agreement. Marcarello shall comply with all requirements of law, including, but not limited to, Section 87100 *et seq.*, Section 1090, and Section 1126 of the Government Code, and all other similar statutory and administrative rules. Whenever any potential conflict arises or may appear to arise, the obligation shall be on Marcarello to seek to legal advice concerning whether such conflict exists and Marcarello's obligations arising therefrom.

B. Marcarello is responsible for submitting to the Fair Political Practices Commission the appropriate Conflict of Interest Statements within thirty (30) days of appointment, annually thereafter, and at the time of separation from the position.

17. Reimbursement to City:

Notwithstanding anything to the contrary in the Agreement, if Marcarello is convicted of a crime involving an abuse of his office or position, Marcarello shall fully reimburse the City as follows:

A. For any paid leave salary provided by the City pending an investigation. (See Government Code Section 53243).

B. For any funds provided by the City for the legal criminal defense of Marcarello. (See Government Code Section 53243.1).

C. For any such cash settlement provided by the City related to the termination of Marcarello's employment. (See Government Code Section 53243.2).

D. For any of the aforementioned types of payments described above that may be paid by the City in the absence of a contractual obligation to do so. (See Government Code Section 53243.3).

E. For purposes of this Agreement, "abuse of office or position" means either of the following:

(i) An abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority. (See Government Code Section 53243.4(a)).

(ii) A crime against public justice, including, but not limited to, a crime described in Title 5 (commencing with Section 67), Title 6 (commencing with Section 85), or Title 7 (commencing with Section 92) of Part 1 of the Penal Code. (See government Code Section 53243.4(b)).

18. Surety Bond:

Pursuant to Covina Municipal Code Section 2.08.030, Marcarello may be required to secure a corporate surety bond to be approved by the City Council, in such sum as may be determined by the City Council, conditioned on the faithful performance of the duties imposed on the City Manager by Chapter 2.08 of the Covina Municipal Code. The fee for such bond shall be paid by the City.

19. Notices:

Any notices to be given hereunder by either party to the other in writing may be effected either by personal delivery or by mail. Mailed notices shall be addressed to the parties as set forth below, but each party may change its address by written notice given in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated and received as of five (5) calendar days following the date of mailing:

CITY: City of Covina
Attention: Mayor
125 E. College Street
Covina, CA 91723-2199

MARCARELLO: Christopher Marcarello
Please use address listed on file with City

20. Modifications:

Any modifications to this Agreement shall be effective only if in writing and signed by both of the parties hereto.

21. Effect of Waiver:

The failure of either party to insist upon strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power

at any one time or times be deemed a waiver or relinquishment of that right or power for all or *any* other times.

22. Partial Invalidity:

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provision shall nevertheless continue in full force without being impaired or invalidated in any way.

23. Governing Law:

This Agreement shall be governed by and construed in accordance with the laws of the State of California in full force and effect as of the date of execution.

24. Indemnification:

Except for an act of misappropriation of public funds, an indictment, the filing of an information, a plea of guilty or nolo contendere for a crime involving moral turpitude, or an abuse of office or position as defined herein, the City agrees that it shall defend, hold harmless and indemnify Marcarello from any and all demands, claims, suits, actions, and legal proceedings, to the maximum extent permitted by law, brought against Marcarello in his individual capacity for acts arising out of or omissions in the scope of his employment or as agent and employee of city. If a legal conflict of interest arises with regard to defense of claims between the legal position of Marcarello and that of City, Marcarello may engage his own legal counsel, in which event the City shall indemnify Marcarello, including direct payment of all such reasonable costs related thereto.

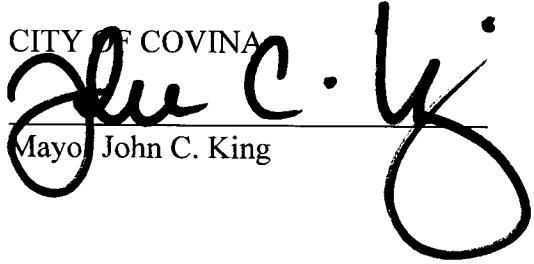
25. Written Authorizations:

Any salary adjustment, performance bonus, longevity pay, education incentive, or other benefit authorized for Marcarello pursuant to this Agreement or approved by the City Council shall require the written authorization or signature of the Mayor or the Mayor Pro Tem.

26. Entire Agreement:

This Agreement represents the entire agreement between the parties and supersedes any and all other agreements, either oral or in writing, between the parties with respect to the employment of Marcarello by City, and contains all of the covenants and agreements between the parties with respect to that employment. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by either party, or anyone acting on behalf of either party, which are not embodied herein, and that no other employment agreement, statement or promise not contained in this Agreement shall be valid or binding upon either party.

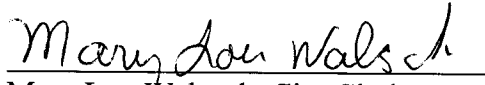
This Agreement is entered into this day of March 17, 2020.

CITY OF COVINA


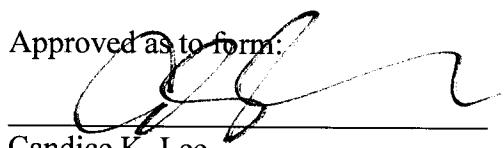
Mayor John C. King

MARCARELLO


Christopher Marcarello

Attest:


Mary Lou Walczak, City Clerk

Approved as to form:


Candice K. Lee
City Attorney

EXHIBIT "A"

GENERAL RELEASE AGREEMENT

This General Release Agreement ("Release Agreement") is entered into by and between CHRISTOPHER MARCARELLO ("Manager") and CITY OF COVINA("City"), in light of the following facts:

- A. Manager's employment with City concluded on _____.
- B. Certain disputes have arisen between City and Manager.
- C. City and Manager each deny any liability whatsoever to the other.
- D. City and Manager wish to fully and finally resolve any and all disputes they may have with each other.

E. Manager is hereby informed that he has twenty-one (21) days from receipt of this Agreement to consider it. City hereby advises Manager to consult with his legal counsel before signing this Agreement.

F. Manager acknowledges that for a period of seven (7) days following the signing of this Agreement ("Revocation Period"), he may revoke the Agreement. This Agreement shall not become effective or enforceable until the day the Revocation Period has expired.

G. Manager acknowledges that the Salary Payment referenced in paragraph 1 of this Agreement represents all compensation, including salary, accrued benefit balances and reimbursed expenses, due and payable to him through the date of employment termination. Manager also acknowledges that City has made this Salary Payment without regard to whether he signs this Agreement. The Salary Payment does not constitute consideration for this Agreement.

1. Receipt of Salary Payment. Manager hereby acknowledges receipt of a check or checks for all compensation owing to him/her, including salary, accrued benefit balances and reimbursed expenses ("Salary Payment") from City.

2. Severance. Within five (5) days following Manager's signing, delivering to the City, and not revoking this Agreement, City shall pay Manager the gross amount provided for

in Section 14 of the attached Employment Agreement, less applicable deductions, and shall provide the months of medical benefits as provided in that same Section 14. Manager acknowledges that the Severance is in excess of all amounts due and owing him as a result of his employment by City.

3. General Release. In consideration of the Severance to be paid and provided to Manager, and other good and valuable consideration, Manager hereby releases and discharges City and its past and present City Council Members, employees, representatives and agents, from all rights, claims, causes of action, and damages, both known and unknown, in law or in equity, concerning and/or arising out of his employment by City which he now has, or ever had, including but not limited to any rights, claims, causes of action or damages arising under Title VII of the Civil Rights Act of 1964, the Vocational Rehabilitation Act of 1973, the Employee Retirement Income Security Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers Benefits Protection Act, the Family and Medical Leave Act of 1993, the Domestic Partners Act of 2003, the California Labor Code, the Private Attorneys General Act of 2004, the California Moore-Brown-Roberti Family Rights Act, the California Unruh Civil Rights Act, the California Fair Employment and Housing Act, any other federal, state, or local employment practice legislation, or any federal or state common law, including wrongful discharge, breach of express or implied contract, or breach of public policy. Manager hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of California. Manager understands and acknowledges the significance and consequences of this specific waiver of Section 1542. Section 1542 of the Civil Code of California states as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of City and its past and present City Council Members, employees, representatives and agents, Manager expressly acknowledges that this

**FIRST AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT
BETWEEN THE CITY OF COVINA AND CHRISTOPHER MARCARELLO**

The Employment Agreement (“Agreement”) by and between the City of Covina, a California Municipal Corporation (“City”) and Christopher Marcarello, an individual (“Marcarello”) made and entered into on March 17, 2020 is hereby amended as provided in this First Amendment (“First Amendment”). This First Amendment is effective on June 7, 2021. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

This First Amendment is made with respect to the following facts and purposes:

a. On March 17, 2020, the City and Marcarello entered into that certain Employment Agreement (“Agreement”).

b. The parties now desire to amend Section 5 and Section 14 of the Agreement regarding salary and severance compensation.

1. Subsection A of Section 5 of the Agreement entitled “Salary” is hereby amended to read as follows:

“A. City agrees to pay Marcarello for services rendered, beginning with an annual base salary of Two Hundred Twenty-Five Thousand Dollars (\$225,000). Said amount shall be payable at the same time and in the same manner as other employees of the City are paid. Beginning with Fiscal Year 2022-23, Marcarello's base salary shall be adjusted upward at the same percentage rates for salary increases for Executive Staff as outlined in Section 3.1 (Base Salary Ranges) of the 2021 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council and at any time in the sole discretion of the City Council as delineated in paragraph B of this Section 5.”

2. Section 8 of the Agreement entitled “Leaves” is hereby amended to read as follows:

“8. Leaves:

Marcarello shall receive vacation, holiday, and sick leave according to the terms of the 2021 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council. Marcarello shall continue to accrue vacation leave at the level of Employees with six (6) to ten (10) years of service. In addition, during Fiscal Year 2021-22 only, Marcarello shall receive an additional one-time allotment of one hundred (100) hours vacation leave.”

3. Section 14 of the Agreement entitled “Severance Compensation in the Event Marcarello is Removed as City Manager without Cause” is hereby amended to read as follows:

“14. Severance Compensation in the Event Marcarello is Removed as City Manager without Cause:

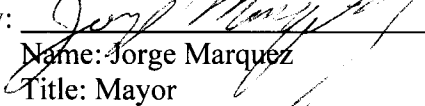
The City Council may terminate Marcarello as City Manager with or without cause. If City terminates this Agreement (thereby terminating Marcarello's employment) without cause, and if Marcarello signs, delivers to the City Council, and does not revoke, the General Release Agreement ("Release Agreement") in the form attached hereto as Exhibit "A", City shall pay Marcarello severance pay in an amount equal to nine (9) months of his monthly base salary on the effective date of his removal to be paid in one lump sum subject to the statutorily mandated tax withholdings. After one year of service, Marcarello's severance pay shall be increased by one month for every full year of service, up to a maximum of twelve (12) months of his monthly base salary, subject to the limitations in Government Code Section 53260. In no event shall Marcarello receive more than twelve (12) months severance pay."


4. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

The parties, through their duly authorized representatives, are signing this First Amendment on the date stated in the introductory clause.

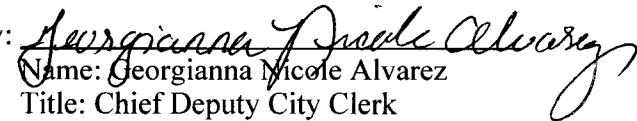
City:

City of Covina,
a California municipal corporation

By: 
Name: Jorge Marquez
Title: Mayor


By: _____
Name: Christopher Marcarello

ATTEST:

By: 
Name: Georgianna Nicole Alvarez
Title: Chief Deputy City Clerk

**SECOND AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT
BETWEEN THE CITY OF COVINA AND CHRISTOPHER MARCARELLO**

The Employment Agreement ("Agreement") by and between the City of Covina, a California Municipal Corporation ("City") and Christopher Marcarello, an individual ("Marcarello") made and entered into on March 17, 2020 is hereby amended as provided in this Second Amendment ("Second Amendment"). This Second Amendment is effective as of July 1, 2022. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

This Second Amendment is made with respect to the following facts and purposes:

- a. On March 17, 2020, the City and Marcarello entered into that certain Employment Agreement ("Agreement").
- b. The City and Marcarello executed a First Amendment to the Agreement, effective June 7, 2021, to amend Sections 5, 8 and 14 of the Agreement regarding salary, leaves, and severance compensation.
- c. The parties now desire to further amend Sections 5, 8, 9 and 14 of the Agreement regarding salary, leave, miscellaneous benefits and severance compensation.

1. Subsection A of Section 5 of the Agreement entitled "Salary" is hereby amended to read as follows:

"A. City agrees to pay Marcarello for services rendered, beginning with an annual base salary of Two Hundred Thirty-One Thousand Seven Hundred and Fifty Dollars (\$231,750). Said amount shall be payable at the same time and in the same manner as other employees of the City are paid. Beginning with Fiscal Year 2023-24, Marcarello's base salary shall be adjusted upward at the same percentage rates for salary increases for Executive Staff as outlined in Section 3.1 (Base Salary Ranges) of the 2021 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council and at any time in the sole discretion of the City Council as delineated in paragraph B of this Section 5."

2. Section 8 of the Agreement entitled "Leaves" is hereby amended to read as follows:

"8. Leaves:

Marcarello shall receive vacation, holiday, and sick leave according to the terms of the 2021 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council. Marcarello shall continue to accrue vacation leave at the level of Employees with six (6) to ten (10) years of service. In addition, during Fiscal Year 2022-23 only, Marcarello shall receive an additional one-time allotment of one hundred (100) hours vacation leave."

3. Section 9 of the Agreement entitled "Miscellaneous Benefits and Insurances" is hereby amended to read as follows:

"9. Miscellaneous Benefits and Insurances:

In addition to the compensation and benefits set forth herein, Marcarello shall be entitled to all other non-salary benefits and insurance set forth in the 2021 Executive Compensation Rules, including any revisions thereto, or successor rules which may be adopted from time to time by the City Council, unless any such benefits and/or insurances are or become prohibited by law. Should Marcarello opt out of the City's CalPERS medical plan and provide proof of and sign an attestation that he has minimum essential health insurance coverage, he shall be entitled to receive the full unused monthly flexible benefit contribution allowance as taxable income or deferred compensation, to the extent legally permissible."

4. Section 14 of the Agreement entitled "Severance Compensation in the Event Marcarello is Removed as City Manager without Cause" is hereby amended to read as follows:

"14. Severance Compensation in the Event Marcarello is Removed as City Manager without Cause:

The City Council may terminate Marcarello as City Manager with or without cause. If City terminates this Agreement (thereby terminating Marcarello's employment) without cause, and if Marcarello signs, delivers to the City Council, and does not revoke, the General Release Agreement ("Release Agreement") in the form attached hereto as Exhibit "A", City shall pay Marcarello severance pay in an amount equal to twelve (12) months of his monthly base salary on the effective date of his removal to be paid in one lump sum subject to the statutorily mandated tax withholdings. After one year of service, Marcarello's severance pay shall be increased by one month for every full year of service, up to a maximum of fifteen (15) months of his monthly base salary, subject to the limitations in Government Code Section 53260. In no event shall Marcarello receive more than fifteen (15) months severance pay."

5. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

The parties, through their duly authorized representatives, are signing this First Amendment on the date stated in the introductory clause.


City:

City of Covina,
a California municipal corporation

By: 
Name: Patricia Cortez
Title: Mayor

By: 
Name: Christopher Marcarello

ATTEST:

By: 
Name: Evelyn Leach
Title: Interim Chief Deputy City Clerk