

**AMENDED AND RESTATED CITY MANAGER EMPLOYMENT AGREEMENT
BY AND BETWEEN
THE CITY OF CANYON LAKE AND ARRON BROWN**

1. EMPLOYMENT.

This Amended and Restated City Manager Employment Agreement (“Agreement”) is entered into by and between the City of Canyon Lake (“City”), a general law city, and Arron Brown (“City Manager”). Under this Agreement, the City offers, and City Manager accepts, employment as City Manager of the City. This Agreement has been approved by the City Council on November 13, 2024 and shall be effective being fully executed by all parties following approval.

2. DUTIES.

The City Manager shall be the chief executive officer of the City and be responsible to the City Council for the proper administration of all affairs of the City, except those duties imposed on another officer of the City by state law or the Canyon Lake Municipal Code. The City Manager shall administer and enforce policies established by the City Council and promulgate rules and regulations as necessary to implement City Council policies. The City Manager 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 may be further set forth in the Canyon Lake Municipal Code. The City Manager shall perform such other legally permissible and proper duties and functions consistent with the office of City Manager, as the City Council shall from time-to-time assign.

3. DEVOTION TO CITY BUSINESS.

The position of city manager is a full-time position, and as such, the City Manager agrees to devote the necessary productive time, ability and attention to the City's business during the term of this Agreement. The City Manager may, without the prior approval of the City Council, undertake limited outside activities in teaching, writing, consulting, or other business pursuits, provided that such activities do not in any way interfere with or adversely affect his employment with the City or the performance of his duties as provided herein. The parties recognize that the City Manager must devote a great deal of time to the business of the City outside of the City's customary office hours. In consideration of the above, the City Manager's schedule of work each day and week may vary in accordance with the work required to be performed, so long as the City Manager is reasonably available to City staff, officers, and members of the City Council. The City Manager shall spend sufficient hours on site while City Hall is open to the public to perform the City Manager's duties; however, City Manager has discretion over the City Manager's work schedule.

4. TERM.

The City Manager's at will employment under this Agreement will commence October 20, 2024, and shall continue until June 30, 2028, or the date of earlier termination in accordance with provisions in this Agreement (the “Initial Term”). In the event that this Agreement is not earlier terminated, then this Agreement shall automatically expire at the

end of the Initial Term unless the parties mutually agree, by written amendment of this Agreement approved by the City Council and executed by City Manager and City's Mayor, to extend the term for a further stated period of time. At least 180 days prior to the expiration of the Initial Term, the City Council shall provide notice to City Manager of its intention to extend the term of this Agreement by a subsequent term of three (3) years, or such other term as mutually agreeable to the Parties.

5. CITY COUNCIL COMMITMENTS.

5.1 Subordinates.

Except for the purpose of inquiry, members of the City Council shall deal with all subordinate City employees, officers, contractors, and consultants solely through the City Manager or the City Manager's designee, and no member of the City Council shall give direction to any subordinate of the City Manager, either publicly or privately.

5.2 Appointment/Removal.

No member of the City Council will order the appointment or removal of any person to any office or employment under the supervision and control of the City Manager.

5.3 Interference.

No members of the City Council shall interfere with the execution of the powers and duties of the City Manager, as specified in the City's Municipal Code, this Agreement, or any other lawfully adopted and authorized document.

5.4 Direction and Authority.

The City Manager shall take orders and instructions from the City Council only when it is sitting as a body in a lawfully held meeting. Nothing above shall be construed as restricting the ability of the City Council, when sitting as a body in a lawfully held meeting, from exercising any power or authority granted to it under state law or the City's Municipal Code.

6. TERMINATION; GENERAL RELEASE; SEVERANCE.

6.1 Termination Without Cause.

Upon thirty (30) days written notice, the City Council may terminate this Agreement, and thereby terminate City Manager's at will employment, without cause by the affirmative votes of a majority of the members of the City Council at a regular or special meeting of the City Council. In lieu of the thirty (30) day written notice, the City may instead immediately terminate the employment of the City Manager, and in such case, shall pay City Manager a cash payment equal to one (1) month of the City Manager's then Base Salary, and shall provide one (1) month of health (medical, dental, and vision) benefits continuing under the benefit plans in which City Manager and his dependents are then enrolled.

Termination, as used in this section, shall also include request that the City Manager resign, a reduction in salary or other financial benefits of the City Manager (unless voluntary, or as part of a general City employee salary reduction, or by mutual agreement by City Manager and City Council), a material reduction in the powers and authority of the City Manager, or the elimination of the City Manager position. Any such notice of termination or act constituting termination shall be given at or effectuated at a meeting of the City Council.

So long as City Manager executes the release described below, City pay City Manager a severance payment ("Severance Payment") equal to six (6) months Base Salary, less applicable deductions together with any accrued benefits and leave to which City Manager is entitled to receive under this Agreement or by law. These amounts shall be paid in one lump sum payment pursuant to the terms of the release agreement described below. City Manager shall be entitled to participate in any extension of benefits required under federal or California law. In exchange for the Severance Payment, City Manager shall sign a full release, releasing CITY, its council members, officers, employees, independent contractors, and agents from liability for any employment or contract related claim or any other claim on whatever basis and City Manager agrees that he will not file, initiate, or cause to be filed or initiated any action in any federal or California court or agency for wrongful termination or other causes action such as, but not limited to, discrimination. A copy of the form of the release agreement is attached hereto as Exhibit A.

6.2 Termination With Cause.

The City Council may terminate this Agreement, and thereby terminate City Manager's employment, with cause, by the affirmative votes of a majority of the members of the City Council at a regular or special meeting of the City Council. City Manager shall not be entitled to any additional compensation or payment, including Severance, but shall be entitled only to accrued Base Salary and vacation pay, and any other accrued and unused benefit allowances according to their terms ("Accrued Salary and Benefits"). As used in this Agreement, Cause shall only mean any of the following:

- A. Conviction of, or plea of guilty or nolo contendere to, any crime or offense (other than minor traffic violations or similar offenses) which is likely to have a material adverse impact on the City or on the City Manager's reputation;
- B. Failure of the City Manager to observe or perform any of his duties and obligations, or failure to carry out a directive of the City Council, if that failure continues for a period of thirty (30) days from the date of his receipt of notice from the City Council specifying the acts or omissions deemed to amount to that failure;
- C. Conviction of any crime involving an "abuse of office or position," as that term is defined in Government Code Section 53243.4;

D. Any negligent action or inaction by City Manager that materially and adversely: (a) impedes or disrupts the operations of City or its organizational units; (b) is detrimental to employees or public safety; or (c) violates City's properly established rules or procedures.

6.3 Elections.

In no event may City Manager be terminated without cause under Subsection 6.1. above, within thirty (30) days before or ninety (90) days after any municipal election for the selection or recall of one or more of the members of the City Council. This provision does not affect the ability of the City Council to terminate this Agreement under any other provision, including but not limited to, the with cause provisions of Section 6.2 above.

6.4 Death.

If, during the Term or any extended Term, City Manager dies, City Manager's estate shall receive Accrued Salary and Benefits, but shall not be entitled to any additional compensation or payment, including Severance.

6.5 Disability.

In the event City Manager is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, or mental incapacity for a period of three consecutive months beyond any provided sick leave, the City may terminate City Manager's employment and this Agreement.

6.6 Resignation.

City Manager may resign from his employment at any time, upon giving forty-five (45) days written notice to the City Council.

7. COMPENSATION AND ANNUAL EVALUATION.

7.1 Initial Salary.

The City Manager's initial annual Base Salary shall be set at \$265,000 per year effective upon the first City pay period beginning on or after October 20, 2024, or the day this Agreement is fully executed, whichever comes later. 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.

7.2 Reserved.

7.3 Performance Evaluation.

The City Council intends to conduct performance evaluations of the City Manager on an annual basis. However, the City Council may, in its complete and sole discretion, elect to conduct performance evaluations more or less frequently if deemed necessary. These evaluations may be conducted at any time and in any manner determined by the City Council. The purpose of such evaluations will be to review and assess the City Manager's

performance, to provide feedback, and to establish goals and objectives for the upcoming evaluation period. The City Manager agrees to participate in the evaluation process as directed by the City Council.

7.4 Separation.

The annual base salary of the City Manager shall never be less than 110% of the base salary of the City's next-highest paid employee.

7.5 COLA and Annual Increase.

Effective the first full pay period on or after July 1 of each year during the term of this Agreement, the City Manager's Base Salary shall be adjusted by an amount equal to the lesser of: (a) four percent (4%) of the then-current Base Salary; or (b) the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the Riverside, California area, as published by the U.S. Bureau of Labor Statistics for the most recent 12-month period available prior to the adjustment date. Notwithstanding the foregoing, the Base Salary shall never decrease as a result of this adjustment.

7.6 Reserved.

7.7 Citywide Reduction in Salaries.

The City Council may reduce the City Manager's Base Salary as part of a City-wide reduction in City employee salaries. If the City reduces the Base Salary or any other financial benefit of the City Manager in a percentage that is greater than the average reduction of all employees, such action shall constitute a termination of this Agreement without Cause under Section 6.1. of this Agreement, and City Manager shall be entitled to Severance.

8. DEFERRED COMPENSATION.

As part of City Manager's annual compensation, the City Manager may participate in the deferred compensation plan pursuant to Section 401 and Section 457 of the Internal Revenue Code as established by the City. The City will match City Manager's contribution to the 457 Plan by placing matching money in the 401(a) account with a two to one City matching contribution. The City shall not exceed payment of \$25,000 per year into the 401(a) account. The City match shall vest with the City Manager immediately. The City shall be responsible for all expenses associated with the 457 and 401 accounts during the term of this Agreement, including but not limited to administrative services fees and commissions.

9. RETIREMENT.

City agrees to maintain City Manager as a member of the State of California Public Employees Retirement System (CalPERS) at his currently existing formula as an employee. City shall make, on City Manager's behalf, all payments that represent the City's contribution as a member of CalPERS. The City does not participate in Social Security, so no deduction shall be taken from the City Manager's salary for this purpose.

10. HEALTH AND MEDICAL BENEFITS INSURANCE.

City shall pay one hundred percent (100%) of the premium for group health insurance, dental and vision care for City Manager and dependents. City Manager may choose from any of the plans offered to City employees.

11. LIFE INSURANCE.

The City agrees to pay for a term life insurance policy in an amount equal to two times the amount of City Manager's annual base salary with a carrier selected by the City. City Manager shall designate the beneficiaries of the policy. City Manager shall also be entitled to participate in any group life or disability insurance programs approved by the City Council for all employees.

12. PHYSICAL EXAMINATION.

Each calendar year, City shall provide City Manager with an executive physical examination, at a cost not to exceed One Thousand Dollars (\$1,000.00) by a qualified physician or medical facility, of City Manager's choice, within reasonable proximity to City.

13. AUTOMOBILE ALLOWANCE.

City Manager's duties require him to be available and to respond to the demands of City business at all times and outside of regular business hours, including weekends. City shall pay City Manager Six Hundred Dollars (\$600.00) per month to reimburse the City Manager for the use and maintenance of his personal vehicle on City business.

14. EQUIPMENT.

As the City Manager is expected to be available by cell phone, email and text, the City shall provide City Manager a cell phone and internet allowance in the amount of One Hundred Fifty Dollars (\$150.00) per month to reimburse City Manager for the business use of such devices and services.

15. BUSINESS AND PROFESSIONAL EXPENSES.

15.1 Expense Reimbursement.

City recognizes that City Manager may incur expenses of a non-personal, job-related nature that are reasonably necessary to City Manager's service to City. City agrees to either pay such expenses in advance or to reimburse the expenses, so long as the expenses are incurred and submitted according to City's normal expense reimbursement procedures or such other procedure as may be designated by the City Council. To be eligible for reimbursement, all expenses must be supported by documentation meeting City's normal requirements and must be submitted within time limits established by City. City Manager shall also be issued a City credit card to be used only for the payment of those sums that would otherwise qualify for reimbursement and subject to all applicable policies as adopted by the City Council. The City Council, or a duly appointed committee comprised of its members, reserves the right to review the City Manager's

reimbursements or credit card statements at any time at its sole discretion.

15.2 Professional Dues.

City agrees to pay the professional dues and subscriptions on behalf of City Manager which are necessary for City Manager's continuation or full participation in international, national, regional, state, or local associations and organizations necessary and desirable for City Manager's continued professional participation, growth and advancement, or for the good of the City, in an amount not to exceed Four Thousand Five Hundred Dollars (\$4,500.00) per year.

15.3 Travel Dues.

City agrees to pay City Manager's travel and subsistence expenses for official travel, meetings, and occasions reasonably necessary to continue City Manager's professional development, and for City Manager's reasonable participation in necessary official and other functions for the City; including, but not limited to, national, regional, state, and local conferences, and governmental groups and committees on which City Manager serves as a member. Notwithstanding the above, the number of conferences or meetings 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.

16. VACATION AND SICK LEAVE.

16.1 Vacation Leave.

City Manager shall accrue vacation leave at the same rate provided to the City's full-time employees with ten or more years of service, in addition to recognized City holidays. During the Term of this Agreement City Manager may accumulate vacation leave up to a maximum of four hundred forty (440) hours. At any time during the Term of this Agreement City Manager shall be entitled to cash out accrued but unused vacation hours, provided that at least eighty (80) accrued but unused vacation leave hours remain available. The amount paid City Manager shall be based on City Manager's annual Base Salary at the time the vacation leave is paid. Upon termination or resignation from employment or the non-renewal of this Agreement, City Manager shall be paid for all accrued and unused vacation time.

16.2 Sick Leave.

City Manager shall accrue sick leave at the same rate provided to the City's full-time employees. City Manager may accumulate a maximum of five hundred seventy (570) hours of sick leave. Upon City Manager's retirement, disability, death or termination under Sections 6.1 [Termination Without Cause] or 6.6 [Resignation], City shall purchase City Manager's accrued and unused sick leave at a value of twenty-five percent (25%) after City Manager has served with the City until at least January 1, 2026, fifty percent (50%) after January 1, 2027, or seventy-five percent (75%) after January 1, 2028. The CITY shall purchase such accrued and unused sick leave at City Manager's base salary rate at the time of such payout.

16.3 Administrative Leave.

City Manager shall be entitled to a maximum of 120 hours of administrative leave as of the effective date of this agreement. Thereafter, the City Manager shall receive 120 hours of administrative leave on each July 1 during the term of this Agreement. The City Manager may accumulate administrative leave not to exceed a maximum of 240 hours. Upon City Manager's retirement, disability, death or termination under Sections 6.1 [Termination Without Cause] or 6.6 [Resignation], City shall purchase City Manager's accrued and unused administrative leave at a value of twenty-five percent (25%) after City Manager has served with the City until at least January 1, 2026, fifty percent (50%) after January 1, 2027, or seventy-five percent (75%) after January 1, 2028. The CITY shall purchase such accrued and unused administrative leave at City Manager's base salary rate at the time of such payout.

17. ABUSE OF OFFICE OR POSITION.

If City Manager is convicted of a crime involving an abuse of his office or position, all of the following shall apply: (a) if City Manager is provided with administrative leave pay pending an investigation, City Manager shall be required to fully reimburse City such amounts paid; (b) if City pays for the criminal legal defense of City Manager (which would be in its sole discretion, as it is generally not obligated to pay for a criminal defense), City Manager shall be required to fully reimburse City such amounts paid; and (c) if this Agreement is terminated, any Severance Pay and Severance Benefits related to the termination that City Manager may receive from City shall be fully reimbursed to City or shall be void if not yet paid to City Manager. For purposes of this Section, abuse of office or position means either: (a) an abuse of public authority, including waste, fraud, and violation of the law under color of authority; or (b) a crime against public justice.

18. ENFORCEMENT OF THIS AGREEMENT.

The prevailing party in any action brought to enforce this Agreement or to resolve any dispute or controversy arising under its terms and conditions, shall be entitled to payment of his/his/its reasonable attorneys' fees and costs.

19. COMMUNICATIONS UPON CITY MANAGER'S SEPARATION.

In the event the City terminates the City Manager pursuant to Subsection 6.1. above, the City and the City Manager agree that no member of the City Council, the City Management staff, nor the City Manager, shall make any written, oral or electronic statement to any member of the public, the press, or any city employee concerning the City Manager's termination except in the form of a joint press release or statement, the content of which is mutually agreeable to the City and the City Manager. The joint press release or statement shall not contain any text or information that is disparaging to either party. Either party may verbally repeat the substance of the joint press release or statement in response to any inquiry. The sole remedy to any aggrieved party for a violation of this Section shall be the payment to aggrieved party by the other party of One Thousand Dollars (\$1,000) per occurrence.

20. INDEMNIFICATION.

Consistent with the California Government Code, City shall defend, hold harmless, and indemnify City Manager using legal counsel of City's choosing, against expense or legal liability for acts or omissions by City Manager occurring within the course and scope of City Manager's employment under this Agreement. Legal representation, provided by City for City Manager, shall extend until a final determination of the issues including any and all losses, damages, judgments, interest, settlements, fines, court costs, and the reasonable costs and expenses of legal proceedings, including appeals, and including attorneys' fees, and expert witness fees and all other trial and appellate costs, and other liabilities incurred, imposed upon, or suffered by City Manager in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened. In the event there is a conflict of interest between City and City Manager such that independent counsel is required for City Manager, the City shall reasonably provide for separate legal counsel, which shall be paid for by the City.

21. NOTICES.

Any notices to be given hereunder by either party to the other in writing may be effected either by personal delivery, mail, or email. Mailed notices shall be addressed to the parties as set forth below, but each party may change his/his/its address by written notice given in accordance with this Section. Notices delivered personally or by email will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated and received as of three (3) calendar days following the date of mailing.

CITY:	CITY MANAGER:
City of Canyon Lake	Arron Brown
Attention: Mayor	31516 Railroad Canyon Road
31516 Railroad Canyon Road	Canyon Lake, CA 92587
Canyon Lake, CA 92587	

22. CONFLICT WITH CITY MUNICIPAL CODE.

The City personnel ordinances, resolutions, rules and policies shall apply to City Manager in the same manner as applied to other employees, provided, however, in the event of a conflict between the provisions of this Agreement and the Municipal Code, the Municipal Code shall prevail over this Agreement.

23. 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 City Manager 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 by 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.

24. MODIFICATIONS.

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

25. 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.

26. PARTIAL INVALIDITY.

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

27. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

[Signature Page Follows]

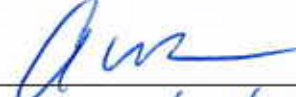
**AMENDED AND RESTATED CITY MANAGER EMPLOYMENT AGREEMENT
BY AND BETWEEN
THE CITY OF CANYON LAKE AND ARRON BROWN**

CITY OF CANYON LAKE
Mayor Dale Welty

By: 

Dated: 11/13/24

CITY MANAGER
Arron Brown

By: 

Dated: 11/13/24

APPROVED AS TO FORM
City Attorney Steven Graham Pacifico

By: 

ATTEST
City Clerk Sheryl Garcia

By: 

ATTACHMENT "A"
GENERAL RELEASE AGREEMENT

This General Release Agreement ("Release Agreement") is entered into by and between Arron Brown ("EMPLOYEE") and City of Canyon Lake ("CITY"), in light of the following facts:

- A. EMPLOYEE's employment with CITY concluded on _____ [Date].
 - B. Certain disputes have arisen between CITY and EMPLOYEE.
 - C. CITY and EMPLOYEE each deny any liability whatsoever to the other.
 - D. CITY and EMPLOYEE wish to fully and finally resolve any and all disputes they may have with each other.
 - E. EMPLOYEE is hereby informed that EMPLOYEE has twenty-one (21) days from receipt of this Agreement to consider it. CITY hereby advises EMPLOYEE to consult with EMPLOYEE's legal counsel before signing this Agreement.
 - F. EMPLOYEE acknowledges that for a period of seven (7) days following the signing of this Agreement ("Revocation Period"), EMPLOYEE may revoke the Agreement. This Agreement shall not become effective or enforceable until the day the Revocation Period has expired.
 - G. EMPLOYEE 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 EMPLOYEE through the date of employment termination. EMPLOYEE also acknowledges that CITY has made this Salary Payment without regard to whether EMPLOYEE signs this Agreement. The Salary Payment does not constitute consideration for this Agreement.
1. Receipt of Salary Payment. EMPLOYEE hereby acknowledges receipt of a check or checks for all compensation owing to EMPLOYEE, including salary, accrued benefit balances and reimbursed expenses ("Salary Payment") from CITY.
 2. Severance. Within seven (7) days following EMPLOYEE's signing, delivering to the CITY, and not revoking this Agreement, CITY shall make the lump sum payment to EMPLOYEE in the amounts provided for in Subsection 6.1. of the attached Employment Agreement, less applicable deductions. EMPLOYEE acknowledges that the Severance is in excess of all amounts due and owing EMPLOYEE as a result of EMPLOYEE's employment by CITY.
 3. General Release. In consideration of the Severance to be paid and provided to EMPLOYEE, and other good and valuable consideration, EMPLOYEE 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 EMPLOYEE's employment by CITY which EMPLOYEE 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.

EMPLOYEE hereby waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of California. EMPLOYEE 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 that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

_____ (EMPLOYEE INITIALS)

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, EMPLOYEE expressly acknowledges that this General Release is intended to include in its effect, without limitation, all claims which he does not know or suspect to exist in his favor.

EMPLOYEE further acknowledges that EMPLOYEE has read this General Release and that EMPLOYEE understands that this is a general release, and that EMPLOYEE intends to be legally bound by the same.

4. Fees and Costs. EMPLOYEE and CITY agree that in the event of litigation relating to this Release Agreement, each party shall bear their own attorneys' fees and costs.

EMPLOYEE

CITY OF CANYON LAKE
