CITY OF MONTEREY PARK
CITY MANAGER EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into on the 17th day of January 2024, by and between the CITY OF MONTEREY PARK, a municipal corporation and general law city ("CITY") and INEZ ALVAREZ, an individual ("EMPLOYEE"). CITY and EMPLOYEE agree as follows:

1. **RECITALS**. This Agreement is entered into with the following understandings and objectives:

A. CITY desires to employ EMPLOYEE as City Manager as provided by California law and CITY's past practice.

B. It is CITY's desire to provide certain benefits, establish certain conditions of employment and set working conditions of EMPLOYEE.

C. It is CITY's desire to secure and retain EMPLOYEE and to provide inducement to remain in such employment; deter against malfeasance or dishonesty for personal gain on EMPLOYEE's part; and permit a reasonable means of terminating EMPLOYEE's services.

D. EMPLOYEE desires to accept employment as City Manager, pursuant to the terms and conditions herein set forth.

2. **DUTIES**: EMPLOYEE is appointed as CITY's City Manager. CITY agrees to employ EMPLOYEE to perform the functions and duties specified by statute and relevant CITY ordinances and resolutions for a City Manager, and to perform such other legally permissible and proper duties and functions as CITY may from time to time assign.

3. **TERM**:

A. This Agreement will become retroactively effective on November 15, 2023 and, except as otherwise provided, terminate on November 14, 2026. Unless terminated or amended at least 60 days before November 14, 2026, this Agreement will renew on November 15, 2026 for one additional year.

B. Except as otherwise provided in this Agreement, nothing prevents, limits, or otherwise interferes with the right of the City Council to terminate the services of EMPLOYEE at any time.

C. Nothing in this Agreement prevents, limits, or otherwise interferes with the right of EMPLOYEE to resign at any time from her position with CITY in accordance with this Agreement.

D. Except as otherwise provided EMPLOYEE agrees to remain in the exclusive employ of CITY and not become employed by any other employer until this Agreement lapses or is terminated. Notwithstanding the foregoing, EMPLOYEE may, with the City Council's prior approval, undertake limited outside activities for teaching, writing, or other City Council approved activity, not to exceed four hours per week, if performed outside of normal working hours and provided that such activities do not in any way interfere with or adversely affect her employment as City Manager or the performance of her duties as provided herein.

4. **TERMINATION AND SEVERANCE PAY**:

A. EMPLOYEE serves at the City Council's pleasure and may be terminated at any time, with or without cause.

B. Except as otherwise provided in this Agreement, in the event EMPLOYEE and/or this Agreement is terminated by the City Council during such time that EMPLOYEE is willing and able to perform duties of City Manager such that the termination date would occur before November 14, 2026 (or, if renewed, November 14, 2027), and EMPLOYEE delivers a fully executed copy of the Separation and Release Agreement attached as Exhibit "A," and incorporated by reference, within 30 days of termination then, in that event, CITY agrees to pay EMPLOYEE a lump sum amount equal to the lesser of (i) the amount of base pay that EMPLOYEE would have earned through November 14, 2026 (or, if renewed, November 14, 2027); or (ii) six months of EMPLOYEE's base salary.

C. Should EMPLOYEE be terminated for cause including, without limitation, the willful breach or habitual neglect of the duties that EMPLOYEE is required to perform under the terms of this Agreement; conviction of any felony; conviction of any crime involving moral turpitude; or removal from office by the Grand Jury; then, in that event, CITY has no obligation to pay any severance designated in this Section except benefits which otherwise vested in EMPLOYEE.

D. Upon any termination of this EMPLOYEE's employment, CITY will pay EMPLOYEE upon the effective date of such termination, an amount equal to the value of the employee's accumulated, but unpaid and unused vacation and sick time in accordance with the vacation and sick time cash out policies applicable to the executive management employees.

E. In the event CITY, at any time during the employment term, reduces the salary or other financial benefits of EMPLOYEE in a greater percentage than an applicable across-the-board reduction of all CITY employees, or in the event CITY refuses, following written notice, to comply with any other provision benefiting EMPLOYEE herein, or EMPLOYEE resigns following a

formal written request by a majority of the City Council that she resign; then, in that event, EMPLOYEE may, at her option, be deemed "terminated" at the time of such reduction, or after the next City Council meeting after such suggestion is made, in which case, EMPLOYEE is entitled to be paid severance pay and receive the other severance benefits described in this Section.

F. CITY may not terminate EMPLOYEE during the 120-day period following a general or special election for City Council or following the appointment of a new Council, except for willful misconduct.

G. In the event EMPLOYEE voluntarily resigns her position with CITY before expiration of the aforesaid term of employment, EMPLOYEE must give CITY a minimum of 30 calendar days prior written notice to the Mayor or the City Attorney. In that event, EMPLOYEE is not entitled to severance.

5. **HOURS OF WORK**: EMPLOYEE is expected to work at least 40 hours per week, including devoting necessary time outside normal office hours to the business of CITY. To that end EMPLOYEE can adjust her hours of work as may be appropriate under the circumstances.

6. **FRINGE BENEFITS**:

A. *Separation of Benefits*. The Parties intend that EMPLOYEE's fringe benefits be separate from that of the Executive Management Team as identified in Resolution No. 12236, adopted April 21, 2021. Accordingly, while this Agreement incorporates certain sections of Resolution No. 12236 by reference, it is not linked to any amendments to Resolution No. 12236 or subsequently adopted resolutions. All substantive sections of Resolution No. 12236 are incorporated by reference except Sections 1, 2, 3, 4, 15, 22, and 24. **Section 9 of Resolution No. 12236 will survive termination of this Agreement unless EMPLOYEE is terminated for cause or is paid a severance as anticipated above.**

B. *Automobile Expense Allowance.* CITY will provide EMPLOYEE with an automobile expense allowance of $600 per month. EMPLOYEE must provide her own automobile for her use in the performance of her duties and be responsible for all maintenance, repair, fuel and insurance expenses for said vehicle. CITY must be named as an additional insured on EMPLOYEE's personal automobile insurance for liability purposes.

C. *Dues and Subscriptions*: To the extent feasible, CITY agrees to budget and to pay the professional dues and subscriptions of EMPLOYEE necessary for her continuation and full participation in national, regional, state, and local associations and organizations necessary and desirable for her

continued professional participation, growth, and advancement, and for the good of CITY.

D. *Professional Development*:

i. To the extent feasible, CITY agrees to budget and pay the travel and subsistence expenses of EMPLOYEE for professional and official travel, meetings, and occasions adequate to continued professional development of EMPLOYEE and to adequately pursue necessary official and other functions for CITY including, without limitation, the International City Managers Association Conference, the League of California Cities, and regional, state, and local governmental groups and committees thereof on which EMPLOYEE serves as a member. Such reimbursement must be according to such travel reimbursement policies as are then in effect for other CITY employees. The parties intend that this will cover one national conference and two state conferences annually.

ii. CITY also agrees that, to the extent feasible, and with City Council approval, it will budget and pay for the travel and subsistence expenses for EMPLOYEE for short courses in institutes and seminars that are necessary for her professional development and for the good of CITY.

E. *Vacation.* As of November 15, 2023, EMPLOYEE is credited with 577.68 hours of vacation leave. Thereafter, she will accrue vacation leave at 200 hours per year up to a cap of 600 hours, i.e., EMPLOYEE cannot accrue vacation leave over 600 hours.

7. **SALARY**:

A. Beginning November 15, 2023, CITY agrees to pay EMPLOYEE for her services rendered pursuant to this Agreement an annual salary of $265,000 which is payable to EMPLOYEE in equal installments at the same time as other employees of CITY are paid.

B. Subject to a one-year performance evaluation, or if no evaluation is conducted within 30 days of EMPLOYEE's request, January 1, 2025 CITY will pay EMPLOYEE for her services rendered pursuant to this Agreement an annual salary comparable to the median salary of city managers in similarly sized cities which is payable to EMPLOYEE in equal installments at the same time as other CITY employees are paid.

C. Nothing in this Section prevents CITY's City Council from increasing or decreasing EMPLOYEE's salary to a different amount following an evaluation and written amendment to this Agreement.

8. **CHANGES**: This Agreement may be changed or amended by the mutual written consent of CITY and EMPLOYEE. Any benefits to EMPLOYEE under this Agreement may be increased or added to by motion of the City Council without formal amendment to the Agreement.

9. **BONDING**: CITY will pay for the cost of fiduciary bonds required of EMPLOYEE as a consequence of the exercise of her duties under this Agreement.

10. **INDEMNIFICATION**:

A. CITY must indemnify and defend EMPLOYEE from any and all claims, demands, actions, losses, or charges arising out of, related to, or as a consequence of EMPLOYEE performing her duties as City Manager. Further, CITY must pay all expenses, costs and attorney's fees arising out of or related to the same.

B. The Parties agree that this Section will survive the termination of this Agreement and EMPLOYEE's employment. CITY's obligations under this Section apply whether EMPLOYEE is or is not employed by the CITY at the time any such claim, demand, action, loss or charge is made or occurs, as the case may be so long as the action giving rise to the claim occurred during the time EMPLOYEE was employed by CITY.

11. **CITY MANAGER DUTIES AND ETHICS CODE**: The City Council will not intervene with the execution of the City Manager's powers and duties as provided by the Monterey Park Municipal Code or other applicable law. EMPLOYEE is expected to conform to the ICMA Code of Ethics.

12. **PERFORMANCE EVALUATION**: The City Council may evaluate EMPLOYEE at any time and must provide a written evaluation of EMPLOYEE's performance on an annual basis (on or before the anniversary date of this Agreement). Such evaluations will become a part of EMPLOYEE's personnel file. For any such evaluation, EMPLOYEE or the City Council may require that CITY contract with a third-party consultant to interview individual City Councilmembers regarding EMPLOYEE's performance and prepare a report for the entire City Council to use in evaluating EMPLOYEE's performance.

13. **ASSEMBLY BILL 1344 (GOVERNMENT CODE § 53243, ET SEQ.) COMPLIANCE**: To the extent CITY provides: (i) paid leave to EMPLOYEE pending an investigation; (ii) funds for the legal criminal defense of the EMPLOYEE; and/or (iii) a cash settlement to EMPLOYEE related to the termination of the EMPLOYEE, pursuant to this AGREEMENT and Government Code § 53243, *et seq*., EMPLOYEE must fully reimburse the City for any and all amounts paid by the City which fall within subsections (i) through (iii) in the event that the EMPLOYEE is convicted of a crime involving the abuse of her office or position.

14. **WAIVER OF BREACH**: No waiver of the breach of any of the covenants, agreements, provisions, or conditions of this Agreement by either party will be construed to be a waiver of any succeeding breach of the same or other covenants, agreements, provisions or conditions of this Agreement. No delay or omission of CITY or EMPLOYEE in exercising any right, power, or remedy herein provided in the event of default will be construed as a waiver thereof, or acquiescence therein.

15. **ENTIRE CONTRACT**: This Agreement contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this instrument will be of no force or effect excepting a subsequent modification in writing signed by CITY and EMPLOYEE.

16. **PARTIAL INVALIDITY**: Partial invalidity of this Agreement will not affect the remainder.

17. **VENUE:** This Agreement will be interpreted in accordance with California law and venue is in Los Angeles County.

18. **BINDING EFFECT**: This Agreement is binding upon and inures to the benefit of the parties and their successors, heirs, agents and personal representatives.

19. **SEVERABILITY**: Each portion of this Agreement is separate and if any portion is found to be invalid by a court of competent jurisdiction, the remaining portions must each remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and executed this 29th day of January 2024.

City of Monterey Park,
a municipal corporation.

_____
Jose Sanchez, Mayor

_____
Inez Alvarez

ATTEST:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM

_____
Karl H. Berger, City Attorney

EXHIBIT A

SEPARATION AND RELEASE AGREEMENT

This Separation, Severance and General Release Agreement ("AGREEMENT") is made and executed as of _____, by and between INEZ ALVAREZ ("EMPLOYEE") and the CITY OF MONTEREY PARK ("CITY"). The Parties agree as follows:

1. RECITALS

A. EMPLOYEE commenced employment with the CITY as city manager on or about November 14, 2023. Pursuant to an employment agreement executed on or about January __, 2024 (the "Employment Agreement"), the Parties agreed that EMPLOYEE would be paid a lump sum amount for severance if terminated for convenience and after executing this AGREEMENT.

B. This AGREEMENT is made to amicably resolve all matters between EMPLOYEE and the CITY regarding EMPLOYEE's employment and the cessation of employment.

C. The parties understand and agree that a material purpose of this AGREEMENT is to resolve any disputes and CLAIMS arising from or relating to EMPLOYEE's employment with CITY, if any, and provide for a separation payment for EMPLOYEE.

2. CONSIDERATION

A. In exchange for EMPLOYEE's execution, faithful performance and compliance with this AGREEMENT including, without limitation, the granting of the releases set forth herein, and in full satisfaction and settlement of EMPLOYEE's CLAIMS, if any, the CITY will pay EMPLOYEE a lump sum equivalent to six months of her then base salary or the remaining term of her Employment Agreement, whichever is less ("SEVERANCE PAYMENT") in the form of a check made payable to Inez Alvarez, to be delivered within 10 days of the EFFECTIVE DATE of this AGREEMENT. Required tax withholdings and deductions will be made from the SEVERANCE PAYMENT. EMPLOYEE understands and agrees that the employee's portion of any federal, state or local taxes, if any, that may be owed or payable on the SEVERANCE PAYMENT are the sole and exclusive responsibility of EMPLOYEE.

B. EMPLOYEE and the CITY will bear their own attorney fees and costs incurred in connection with any disputes and this AGREEMENT.

C. Except as otherwise provided, the parties agree that no other monies or benefits are due, owing or unpaid by reason of EMPLOYEE's employment or association with CITY and that no other monies or benefits will be paid or maintained by CITY to/for EMPLOYEE, in EMPLOYEE's name, or on EMPLOYEE's behalf. EMPLOYEE expressly agrees that the SEVRANCE PAYMENT supersedes and is substitution for any payments or benefits under any employment agreement(s), business agreement(s) or arrangement(s), oral or written promises, or severance policy or plan respecting or regarding her employment or association with CITY.

3. **Release of Claims:** As consideration for the agreements described above, EMPLOYEE releases and discharges CITY and/or any of its current or former officials, officers, executives, agents, assigns, executors, directors, representatives, affiliates, employees, attorneys, insurers and successor-in-interest, and all persons acting by, through, under or in concert with CITY, past or present, and each and all of them (collectively "Released Parties"), from any and all charges, complaints, lawsuits, claims, liabilities, claims for relief, obligations, promises, agreements, contracts, interests, controversies, injuries, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, liens, judgments, indebtedness, and expenses (including attorney's fees and costs actually incurred), of any nature whatsoever, whether in law or in equity, KNOWN OR UNKNOWN, suspected or unsuspected, actual or potential, which EMPLOYEE now has, owns or holds, or claims to have, owns, or holds against each or any of the Released Parties, at common law or under any statute, rule, regulation, order or law, whether federal, state, or local, or on any grounds whatsoever, with respect to any act, omission, event, matter, claim, damage, loss, or injury arising out of the employment of and/or the termination of such employment between CITY and EMPLOYEE and/or with respect to any other claim, matter, or event arising before execution of this Agreement by the Parties, including, without limitation, claims under the California Fair Employment and Housing Act (California Government Code §12940 et seq.), the California Family Rights Act (California Government Code §12945.2, 19702.3 et seq.), California Government Code §11135, the Unruh and George Civil Rights Acts (California Civil Code §51 et seq.), the California Labor Code, including, but not limited to, all provisions of the California Labor Code section 1194 and any related Wage Orders or similar directives/authorities issued by any Federal or State authority having enforcement powers, Fair Labor Standards Act any related Wage Orders or similar directives/authorities issued by any Federal or State authority having enforcement powers, the Constitution of the United States, the Constitution of the State of California, Title VII of the Civil Rights Act of 1964 (42 U.S.C. §2000e et seq.), the Equal Pay Act (29 U.S.C. §206(d)), the Rehabilitation Act of 1973 (29 U.S.C. §793 et seq.), the Family and Medical Leave Act (29 U.S.C. §2901 et seq.), the Employee Retirement Income Security Act of 1974, also known as "ERISA" (29 U.S.C. §1001 et seq.), and/or Sections 1981, 1983, 1985, 1986 or 1988 of Title 42 of the United States Code (42 U.S.C. 1981 et seq.), the Americans with Disabilities Act (42 U.S.C. §12101 et seq.), Claims of Retaliation (California Labor Code §1102.5 et seq.), Claims of "Whistle-blowing," California Workers' Compensation Act (Labor Code §3201 et seq.), claims for breach of any type of contract, including written, oral or implied contracts, breach of any

covenant, promise, or representation pertaining to your employment, whether express or implied, claims for negligent hiring, retention, supervision, investigation, wrongful termination, discrimination of any type, interference with economic relations, failure to pay wages and/or benefits of any kind, fraud and/or misrepresentation of any kind, negligent or intentional infliction of emotional distress, slander, assault, battery, and/or any other claims arising under any other state or federal provision, act, ordinance, Constitution, law, common law, or arising under any contract or agreement against CITY, or any other Released Party. EMPLOYEE also expressly releases any and all rights to grieve or otherwise appeal any matters relating to or arising from her employment with CITY.

EMPLOYEE also agrees that if any claim is prosecuted in her name before any court or administrative agency that she waives and agrees not to take any award of money or other damages from such suit.

Nothing prohibits or prevents EMPLOYEE from filing a charge with, or participating, testifying or assisting in, any EEOC or comparable administrative investigation, hearing or other proceeding before any federal, state or local agency. However, EMPLOYEE acknowledges and understands that she is not entitled to recover any additional compensation, settlement funds, damages or money as a result of such participation.

EMPLOYEE further waives and relinquishes all rights and benefits she may have under any other statutes or common law principles of similar effect.

4. **Section 1542 Waiver**: EMPLOYEE waives any and all rights or benefits which she may have under the provisions of Civil Code § 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HER, WOULD HAVE MATERIALLY AFFECTED HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

5. **Specific Acknowledgement of Waiver of Claims Under ADEA and OWBPA:** The Age Discrimination in Employment Act of 1967 ("ADEA"; 29 U.S.C. §§ 621-634) makes it illegal for an employer to discharge any individual or otherwise discriminate with respect to the nature and privileges of an individual's employment on the basis that the individual is age forty or older. The Older Workers Benefit Protection Act ("OWBPA"; 29 U.S.C. §§ 626, et seq.) augments the ADEA and prohibits the waiver of any right or claim under the ADEA unless the waiver is knowing and voluntary. By entering into this Agreement, EMPLOYEE acknowledges that, in exchange for the consideration stated herein, she knowingly and voluntarily waives and releases any rights that she may have under the ADEA and/or OWBPA. EMPLOYEE further acknowledges that she has been advised and understands, pursuant to the provisions of the ADEA and OWBPA that:

A. This waiver/release is written in a manner in which EMPLOYEE understands.

B. EMPLOYEE is aware of, and has been advised to seek a representative or legal counsel of her own choosing regarding her rights under the ADEA and OWBPA and the legal significance of her waiver of any possible claims she currently may have under the ADEA, OWBPA, or similar age discrimination laws.

C. EMPLOYEE is entitled to a reasonable time of at least 21 days within which to review and consider this Agreement, and the waiver and release of any rights she may have under the ADEA, the OWBPA, or similar age discrimination laws. But she may, in the exercise of her own discretion, sign or reject this Agreement at any time before the expiration of the 21 day period. If EMPLOYEE signs this Agreement before the expiration of the 21 day review period, she waives the balance of that period.

D. The waivers and releases set forth in this Agreement do not apply to any rights or claims that may arise after the effective date of this Agreement.

E. EMPLOYEE is advised that she should consult with any attorney before executing this Agreement. EMPLOYEE had an opportunity to discuss this waiver and release with, and to be advised, by an attorney of her choice, and that she does not need any additional time within which to review and consider this Agreement.

F. EMPLOYEE has until 5:00 p.m. PST, seven days following her execution of this Agreement to revoke it by submitting a written revocation addressed to and received by Karl H. Berger via email at kberger@bwslaw.com.

G. This Agreement will not take effect until the Effective Date, which is the day after the expiration of the seven day revocation period set forth in the preceding paragraph.

EMPLOYEE ACKNOWLEDGES THAT SHE FULLY UNDERSTANDS HER RIGHT TO DISCUSS THIS WAIVER WITH LEGAL COUNSEL, THAT SHE HAS CAREFULLY READ AND FULLY UNDERSTANDS THE WAIVER, AND THAT SHE IS VOLUNTARILY AGREEING TO WAIVE ANY CLAIMS THAT SHE HAS OR MAY HAVE UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT, THE OLDER WORKERS BENEFIT PROTECTION ACT, AND ANY OTHER LAWS PROHIBITING AGE DISCRIMINATION IN EMPLOYMENT ARISING FROM OR RELATED OR ATTRIBUTABLE TO THE PARTIES' ALLEGATIONS OR CLAIMS.

_____
EMPLOYEE's initials

6. **WAIVER OF ADDITIONAL CLAIMS.** EMPLOYEE and the CITY hereby waive any provisions of state or federal law that might require a more detailed specification of the claims being released pursuant hereto.

7. **REPRESENTATIONS AND WARRANTIES.** Each of the parties to this AGREEMENT represent and warrant and agree with each other party as follows:

A. No Other Claims: EMPLOYEE and CITY represent and warrant that neither EMPLOYEE nor CITY filed, nor will they file in the future, any complaint, charge, claim, legal action, or proceeding arising out of EMPLOYEE's employment with CITY, the DISPUTES or the CLAIMS released hereby or in any way related to her employment with CITY or separation therefrom with any court, agency, board, hearing officer or tribunal against CITY or any of its agents, officers, current and former elected or appointed officials, current and former employees, representatives, insurers, attorneys, and all persons acting by, through, under, or in concert with any of them. EMPLOYEE retains her right to request indemnification from CITY pursuant to Government Code § 825 *et seq*. with respect to any action brought against EMPLOYEE in her capacity as an employee.

B. No Fraud in Inducement: No party (nor any officer, agent, employee, representative, or attorney of or for any party) made any statement or representation or failed to make any statement or representation to any other party regarding any fact relied upon in entering into this AGREEMENT, and neither party relies upon any statement, representation, omission or promise of any other party (or of any officer, agent, employee, representative, or attorney of or for any party) in executing this AGREEMENT, or in making the settlement provided for herein, except as expressly stated in this AGREEMENT.

C. Independent Investigation: Each party to this AGREEMENT made such investigation of the facts pertaining to this severance and settlement and this AGREEMENT and all the matters pertaining hereto as it deems necessary.

D. Comprehension and Authority: Each party or responsible officer thereof has read this AGREEMENT and understands its contents. Any of the officers executing this AGREEMENT on behalf of the CITY are empowered to do so and thereby bind the entity.

E. Mistake Waived: In entering into this AGREEMENT and the severance and settlement provided for herein, each party assumes the risk of any misrepresentation, concealment or mistake. If any party should subsequently discover that any fact relied upon by it in entering into this

AGREEMENT was untrue, or that any fact was concealed from it, or that its understanding of the facts or of the law was incorrect, such party is not entitled to rescind or set aside the AGREEMENT. This AGREEMENT is intended to be and is final and binding between the parties, regardless of any claims of misrepresentation, promise made without the intent to perform, concealment of fact, mistake of fact or law, or any other circumstance whatsoever.

F. Ownership of Claims: EMPLOYEE represents and warrants as a material term of this AGREEMENT that she has not heretofore assigned, transferred, released or granted, or purported to assign, transfer, release or grant, any of the CLAIMS disposed of by this AGREEMENT. In executing this AGREEMENT, EMPLOYEE further represents and warrants that none of the CLAIMS released by her hereunder will in the future be assigned, conveyed, or transferred in any fashion to any other person and/or entity.

G. Future Cooperation: The parties will execute all such further and additional documents as shall be reasonable or necessary to carry out the provisions of this AGREEMENT.

8. MISCELLANEOUS

A. No Admission: Nothing in this AGREEMENT may be construed as an admission by the parties of any liability of any kind. The parties each deny any liability in connection with any claim or wrongdoing. Each party also intends hereby solely to amicably resolve all matters between the parties.

B. Governing Law: This AGREEMENT and the rights and obligations of the parties will be construed and enforced in accordance with, and governed by, the laws of the State of California. The venue for any dispute arising out of or relating to this AGREEMENT is the Los Angeles Superior Court.

C. Full Integration: This AGREEMENT is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This AGREEMENT may be amended only by a further agreement in writing, signed by the parties hereto.

D. Continuing Benefit: This AGREEMENT is binding upon and inures to the benefit of the parties hereto, their respective agents, employees, representatives, officers, and officials.

E. Joint Drafting: Each party has cooperated in the drafting and preparation of this AGREEMENT. Hence, in any construction to be made of this AGREEMENT, the same may not be construed against any party.

F. Severability: In the event that any term, covenant, condition, provision or agreement contained in this AGREEMENT is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant, condition, provision or agreement shall in no way affect any other term, covenant, condition, provision or agreement and the remainder of this AGREEMENT will still be in full force and effect.

G. Titles: The titles included in this AGREEMENT are for reference only and are not part of the terms of this AGREEMENT, nor do they in any way modify the terms of this AGREEMENT.

H. Counterparts: This AGREEMENT may be executed in counterparts, and by facsimile and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, constitutes one AGREEMENT, which shall be binding upon and effective as to all parties.

I. Executed Copy: All parties will receive a fully executed copy of this AGREEMENT.

J. Notice: Any and all notices given to any party under this AGREEMENT will be given as provided in this paragraph. All notices given to either party will be made by certified or registered United States mail, or personal delivery, at the noticing party's discretion, and addressed to the parties as set forth below. Notices will be deemed, for all purposes, to have been given on the date of personal service or three consecutive calendar days following deposit of the same in the United States mail.

As to EMPLOYEE:

Inez Alvarez
[ADDRESS ON FILE WITH CITY]

As to CITY:

Attn: City Clerk
City of Monterey Park

WHEREFORE, the parties hereto have read all of the foregoing, understand the same, and agree to all of the provisions contained herein.

DATED: _____ CITY OF MONTEREY PARK

By:_____
Mayor

DATED: _____

By:_____
Inez Alvarez

APPROVED AS TO FORM:

_____
Karl H. Berger, City Attorney

FIRST AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT BETWEEN THE CITY OF MONTEREY PARK AND INEZ ALVAREZ

THIS FIRST AMENDMENT ("Amendment") is made and entered into as of April 15, 2026, by and between the CITY OF MONTEREY PARK, a municipal corporation and general law city ("CITY"), and INEZ ALVAREZ, an individual ("Employee"). The Parties agree as follows:

1. **PURPOSE**. This Amendment modifies the City Manager Employment Agreement entered into on January 17, 2024, between CITY and Employee and became retroactively effective on November 15, 2023 ("Agreement").

2. TERM; FISCAL-YEAR ALIGNMENT.

A. Alignment and Initial Term. The current Agreement term runs to November 14, 2026, with an automatic one-year renewal to November 14, 2027, absent timely action. Notwithstanding the foregoing, and for fiscal-year alignment, the Parties agree that, effective July 1, 2026, the Agreement's term will be amended to run on a fiscal-year basis. Accordingly, the Agreement's expiration date is amended to be June 30 of the applicable contract year.

B. New Term. Effective July 1, 2026, the Agreement is restated to continue for an initial three-year term, through June 30, 2029, unless otherwise terminated in accordance with the Agreement, as amended. The Parties further agree that CITY may, in its sole discretion, extend the Agreement for successive one-year or two-year terms upon written notice delivered at least 60 days before the then-current expiration date. In the absence of a written notice for extension, the Agreement will renew on a month-to-month basis beginning upon the anniversary date. The Mayor may extend the Agreement as contemplated by this Amendment.

3. **COMPENSATION.**

A. Current Year. For the period through July 1, 2026, Employee will not receive an increase in base salary and agrees not to take any retroactive 1% increase for the current year.

B. Fiscal-Year Adjustment. Effective the first full pay period after July 1, 2026, Employee's annual base salary will be increased by 6%, payable in equal installments at the same time as other CITY employees are paid, subject to applicable withholdings. The increase is timed to the fiscal-year start on July 1, 2026.

C. Automatic Annual Adjustments. Commencing July 1, 2027, in the absence of City

Council amendments to the Agreement, Employee's base salary will increase by a cost of living adjustment ("COLA") duplicative of that provided to the Executive Management Team as defined by City Council resolution. The City Council retains discretion to make additional adjustments by minute action or written amendment to the Agreement.

D. Relationship to Existing Salary Provisions. Section 7 of the Agreement sets Employee's base salary beginning November 15, 2023, and provides for adjustments following evaluation or by written amendment. The provisions of this Section 3 supersede any inconsistent terms in Section 7 of the Agreement as of their effective dates.

4. BENEFITS.

A. Alignment with Executive Team. Effective July 1, 2026, notwithstanding the benefits identified herein, compensation and fringe benefits for Employee will generally be aligned with those provided to department directors/executive team, as such benefits may be established by the City Council from time to time.

B. Maintenance of Formal Decoupling. The Agreement provides that Employee's fringe benefits are separate from the Executive Management Team identified in Resolution No. 12236 and are not linked to amendments to that or any subsequent resolution. The Parties affirm this separation. Any alignment that may occur is a policy benchmark only. The Agreement and this Amendment do not incorporate by reference any memorandum of understanding, resolution, or amendment applicable to other employees or employee groups unless expressly approved by the City Council for Employee.

C. Retirement. The City contracts with the California Public Employees' Retirement System ("CalPERS") for retirement benefits for its employees. Employee is classified as a "miscellaneous member" of CalPERS. City will maintain Employee's CalPERS retirement benefit consistent with City's contract with CalPERS and applicable law. Employee will pay 100% of the employee contribution, City will pay 100% of the employer's contribution.

D. Medical Benefits. The City participates in the CalPERS medical insurance program pursuant to the Public Employees' Medical and Hospital Care Act ("PEMHCA") to provide medical insurance benefits for its employees ("CalPERS Medical Plan"). Employee may participate in in the City's offered medical insurance program on the terms consistent with the City's contract with CalPERS, PEMHCA, and applicable law. City will make contributions to CalPERS equal to the PEMHCA minimum contribution (which is subject to change by CalPERS annually).

E. Cafeteria Plan. City maintains an IRC Section 125 cafeteria plan. City will

contribute $2,100.00 per month, in addition to the PEMHCA minimum contribution, to the cafeteria plan to be used for contributions to an eligible CalPERS Medical Plan. Effective the first pay date in December 2026, the City will contribute up to $2,250.00 per month in addition to the PEMHCA minimum contribution. Effective the first pay date in December 2027, the City will contribute up to $2,400.00 per month in addition to the PEMHCA minimum contribution. Employee authorizes the necessary payroll deductions for any cafeteria plan benefits chosen by Employee that exceed the maximum City contribution.

F. Opt Out and Cash in Lieu. Employee must enroll in an available CalPERS Medical Plan unless Employee opts out in accordance with City requirements and applicable law. Employee may receive cash in lieu of participating in a CalPERS Medical Plan if Employee provides proof that Employee and all members of Employee's tax family have or will have minimum essential coverage through another source, other than individual market coverage, for the applicable plan year, and Employee signs the required attestation under penalty of perjury within the required timeframe. If Employee properly opts out and satisfies the attestation requirements, Employee will receive $600 per month as taxable cash in lieu of the City's Cafeteria Plan contribution. This amount is not pensionable compensation for CalPERS purposes.

G. Retiree Medical Benefits. To the extent Employee becomes eligible as a retiree or annuitant, retiree medical benefits will be administered in accordance with City Council resolution, CalPERS rules, PEMHCA requirements, and any applicable separation agreement. Eligible annuitants enrolled in a CalPERS medical plan in retirement are entitled to a City-paid contribution limited to the PEMHCA minimum contribution, subject to the further HRA contribution rules described in the source document. Medical insurance costs exceeding City contribution may be withheld by CalPERS from retirement benefits, and eligible HRA amounts above the PEMHCA minimum may be directed for deposit into the retiree's bank account as allowed by the governing program.

H. Retirement Health Savings Plan. The intent of the Retirement Health Savings Plan ("RHSP") is to help participants pay eligible medical expenses during retirement using tax-deferred funds. Eligible expenses include retiree health plan premiums, Medicare premiums, long-term care premiums, and out-of-pocket health expenses. City will contribute to Employee's RHSP account the dollar equivalent of 60 hours annually of Paid Time Off, and these contributions will be made for each complete calendar month of active City service. As a result, Employee's annual Paid Time Off accrual is reduced by 60 hours annually. RHSP contributions are 100% vested. Contributions and earnings accumulate on a tax-free basis and are not subject to tax if used to pay eligible medical expenses for participants and their eligible dependents. Employee may self-direct account assets among available investment options. Benefits under the RHSP are based on

contributions made on Employee's behalf and do not define a particular guaranteed benefit. Employee may not transfer the RHSP account to a similar plan not sponsored by City. In the event of death, account ownership transfers to a surviving spouse or tax-qualified dependent; if none exists, unused assets are forfeited back to the plan for pro-rata distribution to plan participants. The RHSP is administered by the plan administrator designated by City, and administration fees is paid by participants. City may change the RHSP at any time during the term of the applicable agreement so long as vested contributions are not affected and the amount of contributions specified in the governing provision is not changed.

I. Additional Benefits. Employee will receive a City-paid contribution of $130 per month toward dental insurance and $30 per month toward vision insurance. Additionally, Employee is provided a $150,000 term life insurance policy. Employee may purchase additional supplemental life insurance in $10,000 increments up to the lesser of $300,000 or three times Employee's annual salary, at Employee's sole expense.

J. Deferred Compensation. Employee may participate in City's deferred compensation program, subject to plan terms and applicable tax law. City will provide a matching deferred compensation contribution of up to $350 per pay period effective the first full pay period after July 1, 2026 and up to $400 per pay period effective the first full pay period after July 1, 2027. Any City match is contingent on Employee making the required employee contribution and remains subject to applicable plan and tax limitations.

K. Longevity Incentive Pay. Effective the first full pay period after July 1, 2026, the City will provide a monthly longevity payment to Employee, prorated and paid each pay period, based on Employee's years of full-time City service in addition to prior full-time service with another public agency (Employee is obligated to provide proof of full-time service with another public agency) in the following non-cumulative amounts:

5 years to completion of 9 years	$50.00 per month
10 years to completion of 14 years	$100.00 per month
15 years to completion of 19 years	$125.00 per month
20 years to completion of 24 years	$250.00 per month
25+ years	$450.00 per month

The cumulative amount of Longevity Incentive Pay shall not exceed $5400 per year of the Agreement.

L. Education and Certification Pay. City will pay Employee $110.00 per month for bachelor's degree from an accredited educational university, and $175.00 per month for master's degree from an accredited educational university. If Employee

possesses both a Bachelor's degree and a Master's degree, Employee will be compensated a maximum of $175.00 per month.

M. Long-Term Disability. City will continue to provide City-paid long-term disability insurance for Employee. Coverage is subject to the terms, exclusions, and carrier requirements of the applicable insurance policy.

N. Paid Time Off. Employee's Paid Time Off ("PTO") equates to 510.415 hours at the time this Amendment was executed. Employee's PTO accrues at an annual rate of 260 hours. It may not exceed 800 hours. Any hours that Employee has remaining in preexisting vacation banks are available for future use, cash-out if authorized, or retention until retirement, without any requirement that such frozen time be used before PTO in the primary bank. If one or more municipal holidays fall within an annual vacation leave period, those holidays are not charged as PTO leave.

O. Sick Leave Banks. Any sick leave earned by Employee before the effective date of this Amendment and placed in sick leave bank nos. 1 or 2, may only be used if Employee exhausts all other leave. For sick leave bank no. 1, upon service or disability retirement, City will pay Employee an amount equal to 50% of Employee's accumulated sick leave account in bank no. 1, and City also contracts with PERS for the sick leave credit option. Upon death before retirement, City will pay the designated beneficiary an amount equal to 50% of the accumulated sick leave balance in bank no. 1. The bank is capped at 800 hours. Employee is eligible to cash out accrued sick leave in bank no. 2 at the rate of 12 hours for each one year of City service, calculated beginning October 1, 2011. Upon voluntary resignation, City will pay 25% of Employee's accumulated sick leave balance, excluding certain previously cashed out or donated hours.

P. Administrative Leave. Employee will be granted 80 hours of administrative leave each fiscal year, credited on the first full pay period after July 1. Administrative leave has no cash-out value and does not accrue beyond 80 hours.

Q. Holidays and Holiday Bank. Employee will receive 10 hours of holiday credit not to exceed a total of 260 holiday hours.

R. Leave Cash-Out. Employee may elect annually to cash out up to a total of 200 hours of accumulated and earned PTO and/or holiday time. To participate, Employee must submit an irrevocable election form no later than December 15 of the preceding calendar year on the form provided by the Human Resources Director. Only hours accrued during the calendar year and remaining unused are eligible for cash-out; balances rolled over from prior calendar years are not eligible. Cash-outs are paid in June and December. If Employee has fewer eligible leave hours available at the time of payment than previously elected, Employee is paid only for the qualifying amount that remains.

5. **SEVERANCE.** If Employee is terminated without cause and timely executes and does not revoke a City-approved separation and release agreement, Employee will be paid severance in an amount equal to 12 months of base salary, subject to applicable withholdings, in lieu of any lesser severance otherwise provided, as consistent with Government Code sections 53260 and 53261. Any inconsistent severance provisions in Section 4 of the Agreement are amended solely to reflect the twelve-month severance described herein; all other provisions of Section 4 remain in full force and effect, including, without limitation, severance inapplicability upon termination for cause, required releases, compliance with applicable law, vacation/sick payouts, and the 120-day election/non-termination limitation.

6. **PERFORMANCE REVIEW.** The City Council will conduct an annual performance review of Employee on a schedule aligned to the fiscal-year cycle, with each review to generally be completed on or before September 30 following the close of the preceding fiscal year.

7. **ELECTRONIC SIGNATURES; COUNTERPARTS.** This Amendment may be executed with electronic signatures and such signatures will be treated in all respects as having the same effect as an original signature. This Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together constitute one instrument executed on the same date.

8. **NO OTHER CHANGES; CONFLICTS.** Except as expressly amended by this Amendment, all terms and conditions of the Agreement remain unchanged and in full force and effect. In the event of a conflict between the Agreement and this Amendment, this Amendment controls.

IN WITNESS WHEREOF the parties hereto have executed this contract the day and year first hereinabove written.

CITY OF MONTEREY PARK

Elizabeth Yang,
Mayor

Employee

Inez Alvarez

APPROVED AS TO FORM:

Karl H. Berger, City Attorney