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**CITY OF HERMOSA BEACH  
MEMORANDUM**

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**DATE:** January 17, 2007  
**TO:** CITY COUNCIL  
**FROM:** SAM EDGERTON, COUNCIL MEMBER  
PETER TUCKER, COUNCIL MEMBER  
**RE:** RENEWAL OF CITY MANAGER'S EMPLOYMENT AGREEMENT

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**RECOMMENDATION:** Approve amendment to employment agreement effective January 1, 2006 to December 31, 2008.

**BACKGROUND:** A committee of the City Council was appointed to review the employment agreement and performance of the City Manager. The attached amendment to the employment agreement reflects the changes agreed to as a result of the negotiations.

## TENTH AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

This Tenth Amendment to City Manager Employment Agreement ("Amendment") is entered into as of the 1st day of January, 2006 by and between the City of Hermosa Beach, California, a municipal corporation ("City"), and Stephen R. Burrell ("Manager").

### RECITALS

A. Manager is employed by City as its City Manager pursuant to a City Manager Employment Agreement ("Agreement") dated October 26, 1993, as revised on January 1, 1995 and as amended by a First Amendment to City Manager Employment Agreement dated January 1, 1996, a Second Amendment to City Manager Employment Agreement dated January 1, 1997, a Third Amendment to City Manager Employment Agreement dated January 1, 1998, a Fourth Amendment to City Manager Employment Agreement dated January 1, 1999, a Fifth Amendment to City Manager Employment Agreement dated January 1, 2000, a Sixth Amendment to City Manager Employment Agreement dated January 1, 2001, a Seventh Amendment to City Manager Employment Agreement dated January 1, 2002, an Eighth Amendment to City Manager Employment Agreement dated January 1, 2004, and a Ninth Amendment to City Manager Employment Agreement dated January 1, 2005.

B. The parties have engaged in good faith negotiations relative to modification of the Agreement with the mutual intent to make any such modification retroactive to January 1, 2006.

C. The parties now wish to amend the Agreement to modify certain portions of the Agreement to reflect the results of Manager's performance evaluation.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, the parties agree as follows:

1. Section Two (a) of the Agreement is amended to read as follows:

"The period January 1, 2006 through December 31, 2006, City agrees to pay Manager for his services rendered pursuant hereto an annual salary of One Hundred Eighty Thousand Dollars and No Cents (\$180,000.00), payable in equal installments at the same time as other employees of City are paid.

The period January 1, 2007 through December 31, 2007, City agrees to pay Manager for his services rendered pursuant here to an annual salary of One Hundred Ninety Thousand Dollars and No Cents (\$190,000.00), payable in equal installments at the same time as other employees of City are paid.

The period January 1, 2008 through December 31, 2008, City agrees to pay Manager for his services rendered pursuant here to an annual salary of Two Hundred Thousand Dollars and No Cents (\$200,000.00), payable in equal installments at the same time as other employees of City are paid.”

2. Section Three (a) of the Agreement is amended to read as follows:

"a. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate, by a majority vote of the City Council (three affirmative votes), the services of Employee without cause, at any time, subject only to the City providing written notice to Employee, and complying with the provisions of this paragraph. Notice of termination shall not be given during or within a period of ninety (90) days succeeding any general municipal election held in the City at which members of the City Council are elected.

In the event Employee is terminated by the City Council at any time that Employee is still willing and able to perform the duties of City Manager, and the termination is without cause as "cause" is defined below, then, subject to the limitations set forth in Government Code Section 53260, the City shall pay Employee a lump sum cash payment equal to six (6) month's base salary (excluding the monetary value of all benefits) at that time. The word "termination" in this paragraph shall include a reduction in salary (other than an across-the-board reduction applicable to all senior level employees) or other financial benefits of Employee or Employee's resignation, if preceded by a formal request by a majority of the membership of the City Council that he resign.

It is understood and agreed by the parties hereto that Employee is employed at will, and that upon the City's full payment of severance benefits to Employee, any right of Employee to continued employment with City is terminated and Employee releases and discharges City and its officers, agents and employees from any claim, demand, or cause of action or damages for wrongful termination. This does not otherwise affect, waive, nor release any other rights Employee may have under this Agreement, or applicable law.

Notwithstanding the foregoing, in the event Employee is convicted of a felony or for a crime involving moral turpitude, then City may terminate this Agreement immediately and Employee shall be entitled to only the compensation accrued up to the date of termination. For the purpose of resolving any dispute whether the severance payment has been properly denied, City shall have the burden of establishing by a preponderance of the evidence that Manager was convicted of a felony or a crime involving moral turpitude.

Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign from his position with City, subject only to Employee providing thirty (30) days prior written notice to the City.

In all other respects, the Agreement, as amended, is hereby reaffirmed and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Tenth Amendment to Employment Agreement to be executed as of the date first written above.

CITY OF HERMOSA BEACH

By: \_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
City Clerk

STEPHEN R. BURRELL  
\_\_\_\_\_  
MAYOR

Approved as to Form:

\_\_\_\_\_  
City Attorney