

## **THIRD AMENDMENT TO EMPLOYMENT AGREEMENT**

This Third Amendment is made and entered into as of this 19th day of July 2023 and is to the Employment Agreement dated May 5, 2021, as amended, by and between the City of South Pasadena, a municipal corporation ("City") and Arminé Chaparyan ("Employee").

### **RECITALS**

A. The City and Employee entered into an employment agreement as of May 5, 2021, which was further amended on February 16, 2022 by the Amended Employment Agreement as well as on July 20, 2022 by the Second Amendment to Employment Agreement. The employment agreement and its amendments shall be referred to collectively as "Employment Agreement."

B. Pursuant to the Employment Agreement, the City Council conducted and concluded its annual performance evaluation on June 7, 2023 and June 21, 2023. Following the performance evaluation, the City and Employee now desire to amend the Employment Agreement as set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual covenants contained herein, the City and Employee agree to as follows:

**Section 1.** The annual base salary set forth in Paragraph 3.A of the Employment Agreement shall be increased to \$239,498.18 effective immediately.

**Section 2.** Paragraph 2 (Term) of the Employment Agreement shall be amended in its entirety to read as follows:

"2. Term. Employee shall report to work on May 31, 2021 ("Commencement Date"). The term of this Agreement shall be a period of six years, commencing May 31, 2021 and ending, unless extended, on May 31, 2027. The Employee serves at the pleasure of the City Council and nothing herein shall be taken to imply or suggest a guaranteed tenure."

**Section 3.** Paragraph 11.C of the Employment Agreement shall be amended in its entirety to read as follows:

"C. Separation Without Cause.

1. In the event Employee is terminated by the City Council during the term of this Agreement where Employee is willing and able to perform the City Manager's duties under this Agreement, then in that event the City agrees to pay Employee a lump payment equal to eight (8) months' base salary then in effect as provided in Paragraph 3.A or a lump sum payment equal to the remaining term of the Agreement, whichever is

shorter. A decision not to renew the term of the Employee's Agreement upon the expiration of the term shall not entitle Employee to the severance or continued health insurance benefits described in paragraph 11.C.1 and 11.C.2.

2. In addition, the City shall extend to Employee the right to continue health insurance as may be required by and pursuant to the terms and conditions of the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA"). In the event that the City pays an eight (8) months' severance to Employee pursuant to Paragraph 11.C.1 above, City agrees to pay Employee's COBRA coverage for eight months, or until Employee either secures full-time employment or obtains other health insurance, whichever of these three events first occur. Employee shall notify the City within five days of securing new full-time employment or insurance.

3. All payments required under Paragraph 11.C.1 and 11.C.2 above are subject to and shall be interpreted to comply with the limitations set forth in Government Code Section 53260."

**Section 4.** Paragraph 3 (Compensation) shall be amended to add the following provision as a separate section therein to read as follows:

"E. Merit Pay. Following the completion of Employee's annual performance evaluation, the City Council may grant the Employee merit pay in a lump-sum amount of up to and including two percent (2%) of the Employee's base salary. Merit pay, if any, shall be at the City Council's sole discretion based on the level of completion of the goals and performance objectives defined by the City Council and Employee as described in Paragraph 8 and performance substantially above expectations as determined by the City Council."

**Section 5.** Except as specifically amended by this Third Amendment, the remaining provisions of the Employment Agreement shall remain in full force and effect.

[signatures on next page]

**IN WITNESS WHEREOF**, the parties have caused this Third Amendment to be signed and executed personally as of the date listed above.

CITY OF SOUTH PASADENA:



\_\_\_\_\_  
Jon Primuth  
MAYOR

EMPLOYEE:



\_\_\_\_\_  
Armine Chaparyan  
EMPLOYEE

ATTEST:



\_\_\_\_\_  
Mark Perez  
DEPUTY CITY CLERK

APPROVED AS TO FORM



\_\_\_\_\_  
Roxanne Diaz  
CITY ATTORNEY