



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

FROM: Noel Tapia, City Attorney

SUBJECT: 1st Amendment to City Manager Employment Agreement

MEETING DATE: October 14, 2025

RECOMMENDATION:

It is recommended that the City Council approve the first amendment to the employment agreement between the City of Commerce and Ernie Hernandez for City Manager services.

BACKGROUND/ANALYSIS:

On April 9, 2024, the City Council approved the current agreement between the City and Mr. Hernandez. This employment agreement outlines the terms and conditions of employment between the City and Mr. Hernandez as City Manager. As set forth in the recitals of the agreement,

Following the recent completion of Mr. Hernandez's annual performance review, the City Council acknowledges that Mr. Hernandez has performed exceptionally well. The City Council recognizes that it is in the best interest of the City, staff and stakeholders to have stability in the City Manager position and to that end directed staff to amend the current employment agreement as follows:

- No salary increase provided
- 2.5% Increase in City sponsored retiree health care costs contribution
- Increase and modification of technology & electronic media stipend/reimbursement to \$1,000 per month for the purchase, use and maintenance of off-site and/or remote office technology and software needs and upkeep for City-related business expenses.
- Modification of qualifying language and terms for health insurance-longevity

stipend for qualifying employees

- Performance inducement in the form of tuition reimbursement of up to \$12,000 for previous, existing or future education expenses.

FISCAL IMPACT:

Amendment impacts were included as part of the Fiscal Year 2025/26 Citywide Adopted Budget.

ALTERNATIVES:

1. Approve staff recommendation
2. Disapprove staff recommendation
3. Provide further direction to staff

Approved and Recommended by:	Noel Tapia, City Attorney
Fiscal Impact reviewed by:	Alvaro Castellon, Director of Finance
Approved as to form by:	Noel Tapia, City Attorney
Respectfully submitted:	Noel Tapia, City Attorney

Attachments:

1. Resolution – 1st Amendment City Manager Agreement