

RESOLUTION NO. 25-60

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE,
CALIFORNIA, APPROVING THE FIRST AMENDMENT TO THE CITY MANAGER
EMPLOYMENT AGREEMENT**

Whereas, on April 9, 2025, the City and Ernie Hernandez (Employee) entered into an Employment Agreement between the City of Commerce and the City Manager (Agreement); and

Whereas, Section 2.3 of the Agreement provides for the conduct of a review of City Manager's performance; and

Whereas, the City Council conducted and completed such a review earlier this year;

Whereas, there parties desire to further amend certain terms set forth in the Agreement; and

Whereas, in consideration of the promises and mutual covenants contained in the Agreement, and intending to be legally bound, the parties hereby agree to make the following amendments to the Agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE AND ORDER AS FOLLOWS:

Section 1. The City Council of the City of Commerce hereby finds and declares that the foregoing recitals are true and correct, and incorporates them herein as findings and as a substantive part of this Resolution.

Section 2. The City and Employee agree to make the following amendments to the Agreement effective upon the one year anniversary of employee:

SECTION 2.4: City contribution into a qualifying retirement savings plan on behalf of the employee shall increase by two and one-half percent.

SECTION 6.2: Electronic Media Allowance will be modified and classified as Technology and Electronic Media Stipend/Reimbursement in the amount of one thousand dollars monthly. The Technology and Electronic Media Stipend/Reimbursement shall be full reimbursement for the costs associated with the purchase, use and maintenance of off-site and/or remote office hardware and software needs and upkeep for City-related business expenses.

SECTION 6.4: Medical, Dental, Vision and Life Insurance

A. City shall provide to the City Manager the same group medical, dental, vision, and life insurance plans and/or programs as are offered to employees within the Executive Management group. The City's contribution on behalf of the City Manager toward any PERS health insurance plan shall be at the family premium rate for qualifying plan. In addition, the City will pay the cost of dental plan premiums and vision plan premiums for the City Manager and his eligible dependents. The City shall provide and pay for a life insurance policy for the City Manager in the amount of one hundred seventy-five thousand and 00/100 Dollars (\$175,000.00).

B. Longevity Stipend

Employee is eligible to same longevity stipend benefits under Section 4, subsections d. and j. of the Fringe Benefits and Related Compensation Resolution for executive management employees of the City of Commerce. To meet eligibility under these subsections, City Manager's total years of full-time CalPERS service shall be considered and classified as consecutive City service years for qualification and eligibility under this subsection.

This Section does not change the provisions of City Policy V-9, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Longevity Stipend for Future Employees, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (Government. Code Section 3500 et.seq.) and any other applicable state or federal law.

The City shall not eliminate or reduce the longevity stipend covered under this Agreement.

NO OTHER AMENDMENTS. The Agreement and this First Amendment constitute the entire agreement between the parties and supersede any previous oral or written agreement with respect to the subject matter hereof. In the event of any inconsistency between the terms of the Agreement and this First Amendment, the terms of this First Amendment shall govern.

Section 3. The Mayor is authorized to execute the First Amendment to the Agreement, in a form approved by the City Attorney and this Resolution.

Section 4. The City Clerk shall certify to the adoption of this Resolution.

Section 5. This Resolution shall take full force and effect immediately upon adoption by the City Council.

PASSED, APPROVED, and ADOPTED this 14th day of October 2025.

Ivan Altamirano, Mayor

ATTEST:

Lena Shumway, City Clerk