

**AMENDMENT NO. 1 TO EMPLOYMENT AGREEMENT  
BETWEEN CITY OF COACHELLA AND DR. GABRIEL MARTIN**

The EMPLOYMENT AGREEMENT between Dr. Gabriel Martin (hereinafter referred to as City Manager”) and the CITY OF COACHELLA, a municipal corporation of the State of California (hereinafter referred to as “City”) dated May 26, 2021 (“Agreement”), is hereby amended as provided in this Amendment No. 1 (“First Amendment”). This First Amendment is made and entered into this \_\_\_\_ day of January, 2024 (“Effective Date”). The above parties may be individual referred to as “Party” and collectively referred to as the “Parties.”

**RECITALS**

- A. The Parties entered into the Agreement in order to memorialize the terms of his employment as City Manager;
- B. The Parties now desire to amend the Agreement in order to revise specified provisions based on mutually agreed terms; and
- C. This First Amendment is authorized pursuant to Sections 4 and 11 of the Agreement.

NOW, THEREFORE, in consideration of the respective and mutual covenants hereinafter contained and made, and subject to all the terms and conditions hereof, the Parties agree as follows:

**TERMS**

**I. Recitals and Incorporation of Prior Agreements:** The Recitals set forth above are true and correct and are made a part of this First Amendment. The Agreement is incorporated herein by reference and attached hereto as Attachment “1.”

**II. Section 4 of the Agreement, Salary, is hereby amended as follows:**

Beginning as of the Effective Date of the First Amendment, City Manager’s base salary shall be Two Hundred and Eighty Seven Thousand Dollars (\$287,000) per fiscal year, subject to any and all legally necessary taxes and withholdings. City Manager’s salary shall be payable in installments at the same time as other employees of the City are paid. Any increase in salary must be expressly memorialized by written amendment.

City shall also pay City Manager a one-time lump sum payment in the amount of Sixteen Thousand and One Hundred Dollars (\$16,100), subject to any and all legally necessary taxes and withholdings, within thirty days of the execution of this First Amendment by all Parties.

Based on City Manager’s annual performance evaluation, at the discretion of the City Council, City Manager may be awarded a yearly cost of living allowance (“COLA”) in an amount not to exceed seven percent (7%). Any COLA granted by City Council shall be added to the City Manager’s base salary.

**III. Section 5 of the Agreement, Benefits, and specifically Subsection D. thereof, Limitations on CalPERS Contributions / Other Retirement / Administrative Leave, is hereby amended as follows:**

D. Limitations on CalPERS Contributions/ Other Retirement/ Administrative Leave. City Manager expressly agrees that he shall pay the full employee share of his CalPERS pension contribution, regardless of any agreement or benefit level provided to other employees at the City. The City Manager also expressly agrees to pay 2% of the City's share of his CalPERS pension contribution, regardless of any agreement or benefit level provided to other employees at the City. City will adopt and establish a qualified pension plan pursuant to Section 401(a) of the Internal Revenue Code for the benefit of City Manager (or some other plan as allowed by law) and will annually contribute into the qualified plan account, in City Manager's name, an amount equal to five percent (5%) of City Manager's annual compensation. City shall be responsible for all expenses associated with the Section 401(a) plan (or other applicable plan) account during the remaining term of the Agreement, as amended by this First Amendment, including but not limited to administrative services fees and commissions.

**IV. Section 6 of the Agreement, Term, is hereby amended as follows:**

A. Term. Subject to the termination provisions in Section 7 of this Agreement, the term of the Agreement shall be extended, such that it commences on January 1, 2024 and shall continue for three (3) years thereafter ("Amended Term").

B. Succeeding Terms. At the conclusion of the Amended Term, this Agreement shall automatically renew for an additional one year term ("the First Succeeding Term"). If the City Council does not want a Succeeding Term, it must provide City Manager written notice of its intent not to renew at least thirty (30) calendar days before the completion of the Amended Term. Without such notice, the First Succeeding Term will automatically begin upon the completion of the Amended Term.

At the conclusion of the First Succeeding Term, if applicable, this Agreement shall automatically renew for an additional one year term (the "Second Succeeding Term"). If the City Council does not want a Second Succeeding Term, it must provide the City Manager written notice of its intent not to renew at least thirty (30) calendar days before the completion of the First Succeeding Term. Without such notice, the Second Succeeding Term will automatically begin upon the completion of the First Succeeding Term.

Other than the two Succeeding Terms, no other automatic renewal is available under this Agreement.

**V. Section 7 of the Agreement, Termination of Agreement and Severance Pay, and specifically Subsection C. thereof, Termination With or Without Cause, is hereby amended as follows:**

(1) Without Cause – Severance. The City Council may terminate City Manager at any time, regardless of his ability to perform his duties, upon payment of a severance equal to the lesser of: (1) payment equal to two hundred and seventy (270) days of the City Manager’s then applicable based salary; or (2) payment equal to the unexpired Term of this Agreement as described in Section 6 above (“Severance Payment”). City shall also provide Employee reimbursement for the costs of Employee’s COBRA health insurance premiums for nine (9) months following Employee’s termination or until Employee finds other employment, whichever occurs first. The monthly COBRA reimbursement amount shall not exceed the amount paid for Employee’s health insurance premiums at the time of his termination. The Severance Payment is contingent upon City Manager executing a release of liability similar to the exemplar attached as Exhibit “B” to the Agreement. If City Manager fails or refuses to provide City with a release of liability, the Council may release City Manager without cause without Severance Payment.

**VI. Section 7 of the Agreement, Termination of Agreement and Severance Pay, and specifically Subsection F. thereof, Leave Balances, is hereby amended as follows:**

F. Leave Balances. On separation from City employment, the City Manager shall be paid for all unused accrued leave balances, including balances as to vacation, sick leave, administration leave, floating holidays, and other outstanding accrued leave balances, if any, including any other accrued leave balances that either must be paid upon separation under applicable law or under the applicable terms of this Agreement. In the alternative, the City Manager may apply some or all of such leave time to service credit for retirement purposes, if permitted by PERS under applicable laws, rules and regulations. Accumulated leave balances shall be paid at the City Manager’s hourly salary rate at the effective date of separation. In the event the City Manager dies while employed by the City under this Agreement, the City Manager’s beneficiaries or those entitled to the City Manager’s estate, shall be entitled to the City Manager’s earned salary, and any in-lieu payments for accrued benefits, including compensation for the value of all accrued leave balances that either must be paid upon separation under applicable law or under the applicable terms of this Agreement.

**VII. Section 8 of the Agreement, Performance Reviews; Goals, Objectives and Priorities, and specifically Subsection A. thereof, is hereby amended as follows:**

A. Annual performance evaluations are an important way for the City Council and City Manager to ensure effective communications regarding expectations and performance. Accordingly, the City Council shall review and evaluate the performance of City Manager on an annual basis, or more frequently if the City Council so desires at its discretion. The evaluation shall be in accordance with specific criteria developed jointly by the City Council and City Manager. Such criteria may be added to or deleted as the City Council may from time to time determine in consultation with City Manager. City Manager shall initiate the evaluation in May each year under City Council procedures, or as otherwise directed by the City Council.

**VIII. Remaining Provisions:** Except as otherwise expressly provided herein, the

remaining provisions of the Agreement shall continue in full force and effect.

**IN WITNESS WHEREOF**, the Parties have executed this Amendment No. 1 as of the Effective Date first written above.

**CITY OF COACHELLA**

**CITY MANAGER**

\_\_\_\_\_  
Steven Hernandez  
Mayor

\_\_\_\_\_  
Dr. Gabriel Martin  
City Manager

**ATTEST:**

\_\_\_\_\_  
Angela M. Zepeda  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Carlos Campos  
Best Best & Krieger LLP  
City Attorney