

**FIRST AMENDMENT TO
DIRECTOR OF DEVELOPMENT SERVICES/CAPITAL PROJECTS
EMPLOYMENT AGREEMENT**

This FIRST AMENDMENT TO DIRECTOR OF DEVELOPMENT SERVICES/CAPITAL PROJECTS EMPLOYMENT AGREEMENT (“**AMENDMENT**”) is made and entered into as of October 14, 2025 (“**EFFECTIVE DATE**”), by and between the City of Needles, a California charter city hereinafter referred to as “**CITY**” and Kathy Raasch, an individual hereinafter referred to as “**EMPLOYEE**.” CITY and EMPLOYEE may be referred to individually as a “**PARTY**” and collectively as the “**PARTIES**.”

RECITALS

WHEREAS, the PARTIES entered into that certain Director of Development Services/Capital Projects Employment Agreement dated August 13th, 2024 (“**AGREEMENT**”); and

WHEREAS, EMPLOYEE accepted employment as Director of Development Services/Capital Projects for the CITY on an “at-will” employment status, terminable with or without cause at either PARTY’s discretion, with compensation being an annual salary of One Hundred Fifty-One Thousand Seven Hundred Fifteen Dollars (\$151,715); and

WHEREAS, the PARTIES now desire to amend the AGREEMENT to provide EMPLOYEE with (i) a five percent (5%) increase to EMPLOYEE’s annual base salary thereby increasing her Amended Salary to One Hundred Fifty-Nine Thousand Three Hundred Dollars (\$159,300), and (ii) a one-time retention bonus in the amount of Three Thousand Thirty-Four Dollars (\$3,034); and

WHEREAS, the Parties desire to amend the Agreement to provide for a second year retention bonus for EMPLOYEE; and

WHEREAS, Section 7.4 of the AGREEMENT provides that no supplement, modification, or amendment shall be binding unless reduced to writing and executed by the EMPLOYEE and CITY, with approval of the City Council and signature of the City Attorney.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CITY and EMPLOYEE agree as follows:

1. **Incorporation of Recitals.** The PARTIES hereby agree that the recitals set forth in this AMENDMENT are deemed incorporated into this AMENDMENT and the AGREEMENT by this reference.

2. **Definitions.** All capitalized terms used but not defined in this AMENDMENT shall have the meanings ascribed to them in the AGREEMENT.

3. **Amendment to Section 2.1.** The PARTIES hereby agree that Section 2.1 of the AGREEMENT is hereby amended and replaced with the following:

“2.1 Base Salary. Commencing on the EFFECTIVE DATE of this AMENDMENT, EMPLOYEE’s annual base salary shall be increased by five percent (5%), resulting in a new annual base salary of One Hundred Fifty-Nine Thousand Three Hundred Dollars (\$159,300) (hereinafter, the “Amended Salary”). The Parties understand and agree that the amount of the Amended Salary, as established for the year 2025, may be adjusted from time to time by the City Manager following a performance evaluation, as provided for in Section 2.2 of the AGREEMENT. In no event shall EMPLOYEE’s Amended Salary adjust automatically pursuant to any mechanism, and in no event shall EMPLOYEE’s Amended Salary exceed the maximum amount approved by the City Council, including in the City’s Council-approved position and salary resolution, the annual operating budget, or other document that may be adopted by the City Council in the future. The Amended Salary shall be payable in bi-weekly installments at the same time and in the same manner as other management employees of CITY. EMPLOYEE’s salary shall be subject to customary withholding for taxes and other required deductions.”

4. **Retention Bonus.** In addition to the Base Salary, EMPLOYEE shall receive a one-time retention bonus in the gross amount of Three Thousand Thirty-Four Dollars (\$3,034), payable within thirty (30) days of the Effective Date of this AMENDMENT. The retention bonus shall be subject to customary withholding for taxes and other required deductions.

5. **Second Year Retention Bonus.** EMPLOYEE shall receive an additional retention bonus equal to three percent (3%) of EMPLOYEE's Base Salary for the second year of employment, payable on the second anniversary of the Effective Date of the Agreement, provided that EMPLOYEE remains continuously employed by CITY through such date. The retention bonus shall be subject to customary withholding for taxes and other required deductions.

6. In the event EMPLOYEE's employment is terminated prior to the payment date of either retention bonus, whether by CITY for cause or convenience, or by EMPLOYEE for any reason, EMPLOYEE shall not be entitled to receive any unpaid retention bonus.

7. All other terms of the AGREEMENT not expressly amended by this AMENDMENT shall remain in full force and effect.

8. This AMENDMENT shall be governed by the laws of the State of California. Any legal action arising from or related to this AMENDMENT shall be brought in the state or federal courts of the State of California in and for the County of San Bernardino.

IN WITNESS WHEREOF, the PARTIES hereby have made and executed this AMENDMENT to be effective as of the day and year first above written.

CITY OF NEEDLES, CALIFORNIA

KATHY RAASCH

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTEST:

City Clerk

Approved As To Form:

City Attorney