

SECOND AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

The City of Sanger (“City”) and Eutimio “Tim” Chapa (“Chapa”) agree to enter a Second Amendment to Employment Agreement as follows:

RECITALS

- A. City and Chapa entered into an Employment Agreement (“Agreement”) effective December 17, 2015, and with a term of three years commencing January 19, 2016; and
- B. City and Chapa amended the Agreement with a First Amendment effective September 22, 2017; and
- C. City and Chapa have negotiated modifications to the term, termination without cause, and automobile allowance language of the Agreement and wish to amend the Employment Agreement.

AGREEMENT

SECTION 1. Section 2 of the Agreement titled “Term” is amended to read as follows:

- 2. Term. This Agreement shall be extended for three (3) years beginning on January 21, 2019, unless terminated by either party in accordance with Section 6 of the Agreement or extended by mutual written agreement of both parties.

SECTION 2. Section 3 of the Agreement as amended by the First Amendment titled “Salary” is amended by adding the following subsections:

- d. October 2019 – Current annual salary plus a percentage equivalent to the evaluation rating (1.0 to 5.0) for a new annual salary beginning at the first pay period in November 2019. The evaluation rating will be rounded to the hundredths. For example if Chapa receives a 4.11 rating, he will receive a 4.11 increase.
- e. October 2020 – Current annual salary plus a percentage equivalent to the evaluation rating (1.0 to 5.0) for a new annual salary beginning at the first pay period in November 2020. The evaluation rating will be rounded to the hundredths. For example if Chapa receives a 4.11 rating, he will receive a 4.11 increase.
- f. October 2021 – Current annual salary plus a percentage equivalent to the evaluation rating (1.0 to 5.0) for a new annual salary beginning at the first pay period in November 2021. The evaluation rating will be rounded to the

hundredths. For example if Chapa receives a 4.11 rating, he will receive a 4.11 increase.

SECTION 3. Section 6a of the Agreement titled “Termination Without Cause” is amended to read as follows:

6a. Termination without Cause. The majority of the City Council may terminate this Agreement at any time (subject to the limitation in Section 8 of the Agreement) without cause by providing at least thirty (30) days written notice to Chapa. In the event of termination without cause, Chapa will be entitled to severance compensation as follows:

1) Nine (9) months salary and health benefits if this Agreement is terminated without cause by the City Council during the first year of the extension (January 21, 2019 – January 20, 2020) Term.

2) Six (6) months salary and health benefits if this Agreement is terminated without cause by the City Council during the second year of the extension (January 21, 2020 – January 20, 2021) Term.

3) Three (3) months salary and health benefits if this Agreement is terminated without cause by the City Council during the third year of the extension (January 21, 2021 – January 20, 2022) Term.

Severance and health benefits compensation shall be paid in one lump sum and in the same manner as the customary payout of earned salary.

SECTION 3. Section 9 of the Agreement titled “Automobile Allowance” is amended to read as follows:

9. Automobile Allowance. Chapa shall, at his own expense, provide an automobile for use in carrying out his duties as City Manager within a forty (40) mile radius of Sanger, and in connection therewith. City shall pay Chapa an automobile allowance of \$400.00 per month. Chapa shall be entitled to reimbursement for automobile use for city business travel outside of the forty (40) mile radius.

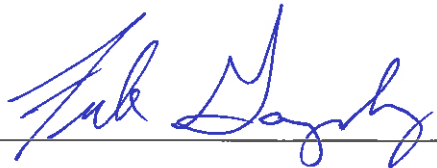
SECTION 5. Except as amended by the First Amendment and this Second Amendment, all terms and conditions of the Employment Agreement shall continue in full force and effect.

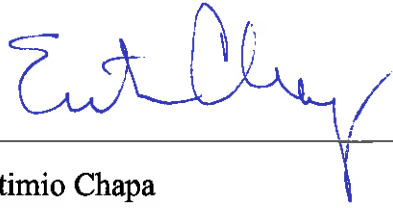
SECTION 6. This Second Amendment to the Employment Agreement shall be effective on August 17, 2018.

(signatures on next page)

CITY OF SANGER

CITY MANAGER

By: 
Frank Gonzalez, Mayor

By: 
Eutimio Chapa

ATTEST


Rebeca Padron, City Clerk

APPROVED AS TO FORM


Hilda Cantu Montoy, City Attorney