

**AMENDMENT NO. 1
TO THE EMPLOYMENT AGREEMENT
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
JOVAN D. GROGAN**

PREAMBLE

This agreement (“Amendment No. 1”) is entered into between the City of Santa Clara, California, a chartered California municipal corporation (“City”) and Jovan D. Grogan (“Employee”). City and Employee may be referred to individually as a “Party” or collectively as the “Parties” or the “Parties to this Agreement.”

RECITALS

- A. The Parties previously entered into an agreement entitled “Employment Agreement” effective May 1, 2023 (“Agreement”); and
- B. The Agreement provided for a two percent (2.0%) Cost of Living Adjustment (“COLA”), effective the first regular pay period in 2024, which was timely applied; and
- C. In January 2024, the City Council approved a merit-based salary adjustment of approximately 1.23%, bringing the salary for the City Manager to \$418,220.76; and
- D. The Parties entered into the Agreement for the purpose of appointing and employing Employee as the City Manager and associated duties, and the Parties now wish to amend the Agreement to adjust salary, including retroactive payment to May 1, 2025, effective May 11, 2025, and to clarify procedures relating to performance appraisal and compensation.

NOW, THEREFORE, the Parties agree as follows:

AMENDMENT TERMS AND CONDITIONS

1. Section 3.1 of the Agreement, entitled “Salary” is amended to read as follows:

3.1. Salary. Employee shall receive an annual salary of Four Hundred Thirty Thousand and Seven Hundred Sixty Seven Dollars (\$430,767.38), less all authorized or appropriate deductions and withholdings, payable in pro-rata increments on regular City paydays, effective as of the first date of the pay period covering the date of Council approval of Amendment No. 1. Employee shall also receive a lump sum payment equal to a 3% salary increase retroactive to May 11, 2025 (the start of the first pay period after May 1, 2025), through the first date of the pay period covering the date of

Council approval of Amendment No. 1. This retroactive payment shall be made within two full pay periods of approval of Amendment No. 1.

2. Section 3.2 of the Agreement as Amended, entitled "Adjustments" is amended to read as follows:

3.2. Adjustments.

(a) Employee shall receive a two percent (2.0%) Cost of Living Adjustment ("COLA") to their Base Salary, effective the first regular pay period in 2024.

(b) Prior to the first regular pay period in 2024, and in conjunction with Employee's annual performance appraisal (see Section 4 below), the City Council will meet with the Employee for the express purpose of determining, in its sole discretion, whether to grant Employee a merit-based salary adjustment, in an amount deemed appropriate by the City Council and otherwise permitted by law. This merit-based salary adjustment would be in addition to the COLA identified in Section 3.2, subsection (a) above.

(c) Following January 30, 2024, Council will, in its sole discretion, determine whether to provide Employee with any additional base salary or other compensation adjustments following completion of the annual performance appraisal as described in Section 4 below, or at any other time within the discretion of the City Council, the City Council (or some subset thereof) shall meet or otherwise communicate with Employee for the express purpose of determining any appropriate salary adjustment. In determining any appropriate salary adjustment, the City Council shall take into account cost-of-living and merit adjustments provided to Unit 9, but the ultimate decision regarding the timing and the amount of any adjustment, including but not limited to cost of living, is within the sole discretion of the City Council.

3. Section 4 entitled "Performance Appraisal" of the Agreement as Amended is amended to read as follows:

4. Performance Appraisal. The City Council will make its best efforts to undertake a performance appraisal of the Employee at least once every twelve (12) months following the Employee's original date of hire. The City Council maintains discretion to conduct performance appraisals more frequently if necessary. Performance Appraisals shall be conducted annually. The process and timing for conducting the annual appraisal shall be set forth by City Council (e.g., in a Council Policy Manual section).

(a) If City Council does not complete the Performance Appraisal process on or before May 31st, then Employee shall receive a

salary increase of 2% or applicable most recent one-year CPI¹, whichever is less, retroactive to May 1, or the first day of the pay period immediately following May 1, of that year. This salary increase is subject to the potential for an additional increase (but shall not be subject to decrease) upon completion of the performance review process.

4. Except as set forth herein, all other terms and conditions of the Agreement as Amended shall remain in full force and effect. In case of a conflict in the terms of the Agreement as Amended and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form: _____ Dated: _____

Sujata Reuter
Chief Assistant City Attorney

LISA M. GILLMOR
Mayor

JOVAN D. GROGAN
Employee

¹ Consumer Price Index for All Urban Consumers (CPI-U) for San Francisco-Oakland-Hayward