

**FIRST AMENDMENT TO THE CITY MANAGER
EMPLOYMENT AGREEMENT**
**between the City of Solana Beach, a municipal
corporation, and Alyssa Noelle Maxson Muto**

1. Parties and Date

This First Amendment to the City Manager Agreement is dated July 2, 2025, and is effective as of May 17, 2025, which is the first full pay period after May 6, 2025, by and between the City of Solana Beach, California, a municipal corporation (the "City"), and Alyssa Noelle Maxson Muto, an individual (the "Officer").

- A. On March 27, 2024, the City and Officer entered into the Employment Agreement.
- B. The City and Officer intend that all terms of the Employment Agreement referenced above shall remain effective to the extent they are not amended by this First Amendment to the Employment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree as follows:

Section 1. Section 3 of the Employment Agreement is hereby amended to read as follows:

Pursuant to the provisions of Government Code section 36506 and Solana Beach City Municipal Code sections 2.08.010 and 2.08.090, Officer shall hold the appointive office of City Manager at and during the pleasure of the City Council on an indefinite basis until terminated pursuant to the Employment Agreement.

Section 2. Section 5(A)(1)(a) of the Employment Agreement is hereby amended to read as follows:

The annual base salary for the position of City Manager shall be \$275,000.00.

Section 3. Section 5(B)(3)(a) of the Employment Agreement is hereby amended to read as follows:

Officer shall accrue vacation leave at the highest maximum accrual rate allowed for other Executive Management employees (currently 8.31 hours per pay period). Officer may accrue up to a maximum of three times their annual vacation accrual, or no more than 648.18 hours. Once Officer has accrued the maximum allowable vacation leave, Officer will earn no additional vacation leave until Officer uses vacation leave sufficient to bring Officer below the maximum accrual. Officer may cash out up to 120 vacation hours each year of this Agreement beginning in 2026, and each year thereafter, provided Officer has at least eighty (80) hours of accrued vacation time at the time of cash out. To be eligible for vacation cash out pursuant to this section, Officer must make an irrevocable election as to the number of hours she elects to cash out by November 15th of the previous year in accordance with Administrative Policy No. 42. Payment of the amount of vacation cash out will be disbursed in December of the year following the election. Officer shall comply with the vacation leave provisions contained in the City's Personnel Rules and Regulations and any other City policies and procedures regarding vacation leave not in conflict with the provisions stated herein.

Regulations and any other City policies and procedures regarding vacation leave not in conflict with the provisions stated herein.

Section 4. Section 5(B)(3)(C) of the Employment Agreement is hereby amended to read as follows:

Officer shall be entitled to one hundred and twenty hours (120) of management leave each fiscal year. Such leave must be used within the designated fiscal year and cannot be accumulated from year to year or paid in cash.

Section 5. Section 5(B)(4) of the Employment Agreement is hereby amended to read as follows:

Officer shall be provided a monthly automobile allowance of \$600.00 in exchange for making a vehicle available for Officer's own use and for City-related business and/or functions during, before and after normal work hours. Officer is responsible for all liability for personal injury and property damages, and for operation, maintenance, and repair of the automobile arising out of Officer's use of the automobile. Officer is also responsible for paying all income tax liability, whether federal or state, arising out of Officer's receipt of the automobile allowance. Officer shall submit proof to City of a valid driver's license and insurance for their automobile. By Officer making their personal vehicle available for use, Officer is not precluded from using City vehicles for City business during, before and after the normal workday on occasion, when appropriate.

Section 6. Except as modified herein, all other terms and conditions of the Employment shall remain the same.

IN WITNESS WHEREOF the Parties have executed this First Amendment To The City Manager Employment Agreement as of the day and year first above written.


CITY OF SOLANA BEACH

OFFICER

By: 
Lesa Heebner, Mayor

By: 

APPROVED AS TO FORM

By: 
Johanna N. Canlas, City Attorney

CITY MANAGER EMPLOYMENT AGREEMENT
between the City of Solana Beach, a municipal
corporation, and Alyssa Noelle Maxson Muto

1. Parties and Date

This Agreement is dated March 27, 2024, and is effective as of May 6, 2024, by and between the City of Solana Beach, California, a municipal corporation (the "City"), and Alyssa Noelle Maxson Muto, an individual (the "Officer").

- A. The City requires the services of a City Manager;
- B. The Officer has the necessary education, experience, skills and expertise to serve as the City's City Manager;
- C. The City Council of the City (the "City Council") desires to employ Officer to serve as the City Manager of the City;
- D. The Parties desire to execute this Agreement pursuant to the authority of and subject to the provisions of Government Code Section 53260 *et seq.*; and
- E. In consideration of these Recitals and the performance by the Parties of the promises, covenants, and conditions herein contained, the Parties agree as provided in this Agreement.

2. Employment

The City hereby employs the Officer as its City Manager, and Officer hereby accepts such employment.

3. Term

Pursuant to the provisions of Government Code section 36506 and Solana Beach City Municipal Code sections 2.08.010 and 2.08.090, Officer shall hold the appointive office of City Manager at and during the pleasure of the City Council for a three (3) year term beginning May 6, 2024, and ending on May 6, 2027, unless extended in writing by mutual agreement.

4. Commitments and Understandings

A. The Officer's Commitments

(1) Duties & Authority

- (a) Officer shall be the Chief Executive Officer of the City and be responsible to the City Council for the proper administration of all affairs of the City.
- (b) Officer shall be the Executive Director of the Successor Agency to the Solana Beach Redevelopment Agency (the "Agency") and

Executive Director of the Solana Beach Public Finance Authority (the "Authority").

- (c) Officer shall perform all of the duties of the City Manager as set forth in Title 2, Chapter 2.08 of the Solana Beach Municipal Code (the "Municipal Code"), the California Government Code, and City policies and procedures approved by the City Council, as may be provided from time to time.
- (d) To accomplish this, Officer shall have the power and be required to:
 - (i) Attend all meetings of the City Council, unless excused by the Mayor, and take part in the discussion of all matters before the City Council.
 - (ii) Review all agenda documents before preparing the agenda for any regular or special meetings of the City Council.
 - (iii) Direct the work of all appointive City officers and departments that are the concern and responsibility of the City Council, except those that are directly appointed by or report directly to the City Council. The City Manager may undertake any study or investigation that is necessary or desirable, or as directed by the City Council. The City Manager shall endeavor to implement changes that the City Manager believes will result in greater efficiency, economy or improved public service in the administration of City affairs.
 - (iv) Recommend to the City Council adoption of such measures as the City Manager may deem necessary or expedient for the health, safety, or welfare of the community or for the improvement of administrative services.
 - (v) Consolidate or combine offices, positions, departments, or units under the City Manager's jurisdiction. The City Manager may be the head of one or more City departments.
 - (vi) Conduct research in administrative practices in order to bring about greater efficiency and economy in City government, and develop and recommend to the City Council long-range plans to improve City operations and prepare for future City growth and development.
 - (vii) Provide management training and develop leadership qualities among department directors and staff as

necessary to build a City management team that can plan for and meet future challenges.

- (viii) Exercise control of City government in emergencies as authorized by the Municipal Code and California law.

(2) Hours of Work

- (a) Officer is an exempt employee without set hours of work, but is expected to be available at all times and to engage in those hours of work that are necessary to fulfill the obligations of the City Manager's position.
- (b) Officer shall spend sufficient hours on site to perform the City Manager's duties; however, the Officer has discretion over the City Manager's work schedule and work location.

B. City Commitments

- (1) The City shall provide Officer with the compensation, incentives and benefits specified elsewhere in this Agreement.
- (2) The City shall provide Officer with office space, staff, equipment, supplies, and all other facilities and services adequate for the performance of the City Manager's duties.
- (3) The City shall pay for or provide the Officer reimbursement for all actual business expenses subject to the City's reimbursement policy.
- (4) The City agrees to pay the professional dues and subscriptions on behalf of the Officer for participation in national, regional, state, or local associations and organizations, as necessary and desirable for the good of the City, and for the City Manager's continued professional participation and advancement.
- (5) The City agrees to pay the travel and subsistence expenses of the Officer for purposes such as official functions, meetings, occasions, short courses, institutes and seminars that are necessary for the good of the City or for the professional development of the Officer subject to the City's travel and reimbursement policies.

C. Mutual Commitments

(1) Performance Evaluation

- (a) The City Council recognizes that for Officer to respond to its needs and to grow in the performance of the City Manager's job, Officer needs to know how the City Councilmembers evaluate their performance. To assure that Officer gets this feedback, the City Council shall conduct an evaluation of the City Manager's performance at least once each year to be scheduled during the

month of May to coincide with the close of the fiscal year, and when it deems necessary to discuss any concerns or direction in performance.

(2) Goals

The City Council and Officer shall jointly define goals and performance objectives they deem necessary for the proper operation of the City in the attainment of the City Council's policy objectives and shall establish relative priority among the various goals and objectives.

(3) ICMA Code of Ethics

The Parties acknowledge that Officer is committed to the ideals of the International City Management Association ("ICMA"). The Parties mutually desire that Officer be subject to and comply with the most current ICMA Code of Ethics. The Officer commits to comply with the ICMA Code of Ethics.

5. COMPENSATION

The City agrees to provide the following compensation to the City Manager during the term of the agreement:

A. Compensation and Required Employer Costs

(1) Base Salary

- (a) The annual base salary for the position of City Manager shall be \$250,00.00.
- (b) Officer shall be paid at the same intervals and in the same manner as regular City employees.
- (c) Any increase in base salary shall be effective only when approved by the City Council upon completion of the annual performance evaluation required by this Agreement.
- (d) The City may reduce the base salary, compensation or other financial benefits of the City Manager during the term of this Agreement as part of a general reduction in pay among management employees.

B. Basic Benefits

(1) Retirement

Officer is entitled to participate in the California Public Employees' Retirement System (CalPERS) in the 2% @ 62 retirement program, with the use of the average of Officer's highest three year salary. Officer will

be responsible to pay the entire cost of the employees' portion of the CalPERS retirement contribution.

- (2) Upon any effective date in accordance with CalPERS requirements, Officer agrees to pay the same and/or equivalent contribution as other management employees of the City considered "PEPRA" members as defined by CalPERS.

- (3) Leave Allowance

- (a) Officer shall accrue vacation leave at the maximum accrual rate of 6.641 hours per pay period or the same as other Executive Management employees of the City whichever is higher. Officer may accrue up to a maximum of three times their annual vacation accrual, or no more than 503.958 hours. Once Officer has accrued the maximum allowable vacation leave, Officer will earn no additional vacation leave until Officer uses vacation leave sufficient to bring Officer below the maximum accrual. Beginning in 2025, each year of this Agreement, Officer may cash out all accrued vacation hours. To be eligible for vacation cash out pursuant to this section, Officer must make an irrevocable election as to the number of hours she elects to cash out by the last day of December of the previous year in accordance with Administrative Policy No. 42. Payment of the amount of vacation cash out will be disbursed in December of the year following the election. Officer shall comply with the vacation leave provisions contained in the City's Personnel Rules and Regulations and any other City policies and procedures regarding vacation leave not in conflict with the provisions stated herein.

- (b) Sick Leave

Upon Officer's first date of employment with the City, Officer shall be credited 80 hours of sick leave. Thereafter, Officer shall accrue sick leave at the maximum accrual rate of 3.69 hours per pay period or the same as other Executive Management employees of the City whichever is higher. There shall be no maximum accrual of sick leave. On each annual anniversary of Officer's employment, should Officer have sufficient sick leave accruals, she may convert sixty (60) hours of sick leave to vacation leave.

(c) Management Leave

Officer shall be entitled to the same Management Leave as other Executive Management employees of the City. Officer's Management Leave allotment shall be prorated for Fiscal Year 2023-2024.

(4) Automobile Allowance

Officer shall be provided a monthly automobile allowance of \$500.00 in exchange for making a vehicle available for Officer's own use and for City-related business and/or functions during, before and after normal work hours. Officer is responsible for all liability for personal injury and property damages, and for operation, maintenance, and repair of the automobile arising out of Officer's use of the automobile. Officer is also responsible for paying all income tax liability, whether federal or state, arising out of Officer's receipt of the automobile allowance. Officer shall submit proof to City of a valid driver's license and insurance for their automobile. By Officer making their personal vehicle available for use, Officer is not precluded from using City vehicles for City business during, before and after the normal workday on occasion, when appropriate.

(5) Technology

Officer shall be issued a City-owned laptop to use for City business for the duration of this Agreement. Officer shall be provided a monthly technology allowance of \$75.00 per month.

(6) Benefits that Accrue to Other Employees

Officer shall be entitled to all benefits, rights, and privileges accorded to non-public safety City Executive Management Employees except as otherwise provided in this Agreement. If there is any conflict between this Agreement and any resolution fixing benefits for non-public safety City Executive Management Employees the greater benefit shall be provided to Officer.

6. SEPARATION

A. Resignation/Retirement

Officer may resign at any time and agrees to give the City at least 60 days advance written notice of the effective date of the Officer's resignation, unless the Parties otherwise agree in writing.

B. Termination & Removal

- (1) Officer is an at-will employee serving at the pleasure of the City Council as provided in Government Code Section 36506.

- (2) Officer understands and agrees that Officer has no constitutionally-protected property or other interest in Officer's employment as City Manager. The City Council may remove Officer at any time, either with or without cause, by a majority vote of its members. Notice of termination shall be provided to Officer in writing.
 - (a) Notwithstanding the above, the City agrees to provide Officer 60 days advanced notice prior to termination or non-extension of the term as contemplated in Section 3 of the Agreement.
- (3) Officer shall not be terminated during the 90-day period before or after any City election or appointment for membership on the City Council.

C. Severance Pay

- (1) At any time, City may terminate Officer's employment without Cause (as defined in Section 6.D. below) by providing Officer written notice of termination. In the event Officer is terminated without Cause, Officer shall be entitled to an amount equal to Officer's base salary for six (6) months ("Severance Pay") conditioned upon Officer's execution of a settlement agreement (i) waiving any and all claims Officer may have against City and/or its officers or directors; (ii) including a release of all known or unknown claims related to or arising out of Officer's employment with City, including the termination of said employment; (iii) a Civil Code section 1542 waiver; and (iv) any other provisions, clauses, terms and/or conditions, deemed appropriate by the Board at the time of the termination of Officer's employment, under the facts and circumstances of such termination. In order for Officer to be eligible for the Severance Pay, the release agreement must be finalized no later than twenty-one (21) days after the effective date of Officer's termination or the date upon which the release agreement is presented to Officer, whichever is later. Thereafter, all of City's obligations under this Agreement shall cease. City may dismiss Officer as provided in this Section 6.C. notwithstanding anything to the contrary contained in or arising from any statements, policies, or practices of City relating to the employment, discipline, or termination of its employees.
- (2) All payments required under this Section are subject to and shall be interpreted to comply with the limitations set forth in Government Code Section 53260 and 53261.
- (3) The Parties agree that the Severance Pay, if any, and other benefits due upon termination as provided by this Agreement, shall be the only compensation payable to the Officer and are intended to compensate the Officer for any damages, which could include, among other losses: the loss of the opportunity to transition employment, the loss of alternate employment opportunities, the loss of income, the loss of opportunities for retraining or further education, the erosion of personal investments and savings, the loss of retirement benefits, physical displacement or the loss of a residence, the loss of insurance and medical benefits, expenses for professional counseling, the loss of standard of living including

educational opportunities for children, and the resultant emotional distress to the Officer and the Officer's family.

- (4) In the event Officer voluntarily resigns their position with the City, then the Officer shall not be entitled to Severance Pay but will receive all benefits that have already accrued as is typically paid out to other City employees upon resignation.
- (5) In the event the City Council decides not to extend the initial term of this Agreement or decides not to enter into a subsequent employment agreement with Officer, Officer shall be entitled to the Severance Pay stated herein.

D. Separation for Cause

- (1) Notwithstanding the provisions of Sections 6.B. and 6.C., Officer may be terminated for cause. As used in this section, "cause" shall mean only one or more of the following:
 - (a) Conviction of, or no contest plea to, a felony;
 - (b) Conviction of, or no contest plea to, any illegal act involving moral turpitude or personal gain;
 - (c) Continued abuse of non-prescription drugs or alcohol that materially affects the performance of the Manager's duties;
 - (d) Any act constituting a knowing and intentional violation of the City's conflict of interest code; or
 - (e) Repeated and protracted unexcused absences from the City Manager's office and duties.
- (2) In the event the City terminates Officer for cause, then the City may terminate this Agreement immediately, and Officer shall be entitled to only the compensation accrued up to the date of termination and such other termination benefits and payments as may be required by law. Officer shall not be entitled to any severance payment, including the Severance Pay provided by Section 6.C.

7. MISCELLANEOUS PROVISIONS

A. Amendments

This Agreement may be amended at any time by mutual agreement of the City and the Officer. Any amendments are to be negotiated, put in writing, and adopted by the City Council.

B. Conflict of Interest

- (1) Officer shall not engage in any business or transaction or have a financial or other personal interest or association, direct or indirect, which is in conflict with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties.
- (2) Officer shall also be subject to the conflict of interest provisions of the California Government Code and any conflict of interest code applicable to Officer's City employment.
- (3) Officer is responsible for submitting to the City Clerk the appropriate Conflict of Interest Statements at the time of appointment, annually thereafter, and at the time of separation from the position.

C. Abuse of Office. Any payment Officer may receive as paid leave pending an administrative investigation, as funds for the legal criminal defense of Officer, or as any cash settlement related to the termination of Officer shall be fully reimbursed to the City if Officer is convicted of a crime involving an abuse of her office or position. "Abuse of office or position" means either of the following:

- (1) An abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority.
- (2) A crime against public justice, including, but not limited to, a crime described in Title 7 (commencing with Section 92) of Part 1 of the Penal Code.

Nothing in this Section entitles Officer to any of the above listed payments described in this Section. This Section shall be interpreted to comply with the requirements set forth in Government Code Sections 52343-52343.4.

D. Indemnification

- (1) To the full extent of the law, the City shall defend and indemnify Officer, in their capacity as City Manager, and as the chief executive of other City-related legal entities as provided in Section 4.A.(1)(b) above, against and for all losses sustained by Officer in direct consequences of the discharge of the City Manager's duties on the City's behalf for the period of the Officer's employment, save and except those losses sustained as a result of the willful act or omission of Officer.
- (2) The City shall defend, save harmless and indemnify the Officer against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Officer's duties as City Manager. The City may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.
- (3) Whenever Officer shall be sued for damages arising out of the performance of the City Manager's duties, the City shall provide defense

counsel for Officer in such suit and indemnify Officer from any judgment rendered against Officer; provided that such indemnity shall not extend to any judgment for damages arising out of any willful wrongdoing. This indemnification shall extend beyond termination of employment and the otherwise expiration of this Agreement to provide protection for any such acts undertaken or committed in Officer's capacity as City Manager, regardless of whether the notice of filing of a lawsuit occurs during or following employment with the City. This indemnity provision shall survive the termination of the Agreement and is in addition to any other rights or remedies that Officer may have under the law.

- (4) This Agreement is binding upon and inures to the benefit of the heirs and personal representatives of Officer.

E. Severability

If any clause, sentence, part, section, or portion of this Agreement is found by a court of competent jurisdiction to be illegal or unenforceable, such clause, sentence, part, section, or portion so found shall be regarded as though it were not part of this Agreement and the remaining parts of this Agreement shall be fully binding and enforceable by the Parties hereto.

F. Laws Affecting Title

In addition to those laws affecting a City Manager, Officer shall have the same powers, rights and responsibilities as a Chief Executive Officer, City Administrative Officer, Administrator, and/or City Administrator as those terms are used in local, state or federal laws.

G. Jurisdiction and Venue

This Agreement shall be construed in accordance with the laws of the State of California, and the Parties agree that venue shall be in San Diego County, California.

H. Entire Agreement

This Agreement represents the sole and complete agreement of the Parties, and no representations have been made or relied upon except as set forth herein. Although the state and local laws referenced in the Agreement are subject to change and are binding upon the Parties without any written amendment to this Agreement, any other terms of this Agreement may be amended or modified only by a written, fully executed agreement of the Parties.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

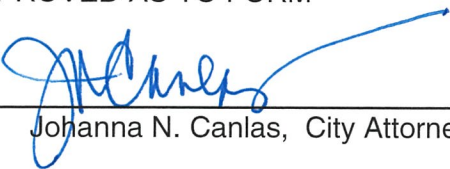
CITY OF SOLANA BEACH

OFFICER

By: 
Lesa Heebrier, Mayor

By: 
Alyssa Muto

APPROVED AS TO FORM

By: 
Johanna N. Canlas, City Attorney