

City Manager Employment Agreement

This Agreement, made and entered into this 25th day of October, 2021, by and between the City of Upland, California, a charter city and municipal corporation in the State of California ("City"), and Michael Blay ("City Manager" or "Employee") an individual who has the education, training and experience in local government management.

1. TERM

The City hereby agrees and does employ City Manager commencing on November 9, 2021 ("Commencement Date") and continuing for three (3) years until the end of business on November 8, 2024 or until terminated in accordance with Section 8 of this Agreement, whichever occurs first.

2. DUTIES AND AUTHORITIES

City agrees to employ City Manager, and City Manager agrees to accept and begin employment on the Commencement Date to perform the functions and duties specified in City of Upland Municipal Code. In addition, City Manager shall have the powers and duties which are delegated to him by the City Council. City Manager shall execute all powers and duties in accordance with policies adopted by the City Council and applicable state and federal laws.

3. COMPENSATION

A. Base Salary: City agrees to pay City Manager an annual base salary of Two Hundred Fifty One Thousand Four Hundred Seven Dollars and One Cent (\$251,407.01), payable in installments at the same time that the other management employees of Employer are paid.

B. The City Council may adjust City Manager's annual base salary from time to time at its discretion. Any such adjustments shall be made in open session during a regularly scheduled meeting of the City Council, with a record of said City Council action being subsequently attached to this Agreement as an automatic amendment thereto.

4. BENEFITS

Unless otherwise provided herein, City Manager shall receive those benefits as set forth in the City of Upland Executive Management Employees Compensation and Benefit Plan, as they apply to non-safety executive management employees, to the extent permitted by applicable law and as the Plan may be amended from time to time. Leave accruals will be booked in accordance with Employer's usual payroll procedures.

A. City Manager shall accrue vacation leave at the rate of 128 hours per year.

B. City Manager shall commence employment with a bank of 80 hours of vacation and 80 hours of paid sick leave.

5. RETIREMENT

City agrees to enroll California Public Employee Retirement System as a new member under the same terms as other non-safety employees of the City.

6. GENERAL BUSINESS EXPENSES

A. City agrees to budget reasonable sums for and to pay for professional dues and subscriptions of City Manager necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for City Manager's continued professional participation, growth, and advancement, and for the good of City.

B. City agrees to budget reasonable sums for and, consistent with the City's reimbursement policy adopted pursuant to Assembly Bill 1234, as it may be amended from time to time, to pay for travel and subsistence expenses of City Manager for professional and official travel, meetings, and occasions to adequately continue the professional development of City Manager and to pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference, League of California Cities, and such other national, regional, state, and local governmental groups and committees in which City Manager serves as a member.

C. City agrees to budget reasonable sums for and, consistent with the City's reimbursement policy adopted pursuant to Assembly Bill 1234, as it may be amended from time to time, to pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for City Manager's professional development and for the good of City.

D. City recognizes that certain expenses of a non-personal but job-related nature are incurred by City Manager and agrees to reimburse or to pay reasonable general expenses consistent with the City's reimbursement policy adopted pursuant to Assembly Bill 1234, as it may be amended from time to time. The Finance Officer is authorized to disburse such moneys upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

7. TECHNOLOGY

City may provide City Manager with a laptop computer or equivalent and cell phone, and shall pay City Manager's cell phone bill to the extent necessary and consistent with the City's reimbursement policy adopted pursuant to Assembly Bill 1234, as it may be amended from time to time. Any equipment provided to employee must be immediately returned to the City upon termination or surrendered to the City upon request

by the City Council. Further, City Manager understands that while such equipment may be used for incidental personal purposes, he may have no expectation of privacy in any personal information contained on or stored in this equipment upon its return to the City.

8. TERMINATION

A. Employee serves at the will and pleasure of the City Council and may be terminated upon 30 days' written notice, with or without cause by a majority vote of the full membership of the City Council as then constituted, in accordance with Section 2.04.240 of the Upland Municipal Code. Notwithstanding this 30 days' notice requirement, the City Council may in its sole discretion place City Manager on leave with pay immediate upon giving the notice of termination.

B. Unless extended by mutual written agreement between both Parties, this Agreement and Employee's employment with the City will terminate at the end of business on the expiration date set forth in Section 1 above.

C. If Employer reduces the base salary, compensation or any other financial benefit of Employee, unless it is applied in no greater percentage than the average reduction of all department heads of the City, such action shall constitute a breach of this Agreement and will be regarded as a termination.

D. If Employee resigns following an offer to allow resignation in lieu of termination, made following a majority vote of the full membership of the City Council as then constituted, Employee may declare a termination as of the date of the offer.

9. SEVERANCE

A. Severance shall be paid to City Manager when employment is terminated without cause in accordance with Sections 8(A), (C), or (D) above. Said severance payment shall be equal to Sixty (60) days' base salary at the then current base rate of pay. Notwithstanding, and in accordance with Government Code section 53260, the severance payment shall not exceed the monthly salary multiplied by the number of months left on the unexpired term, or an extended term, of this Agreement. In other words, the severance amount shall be equal to Sixty (60) days' base salary at the then current base rate of pay or that same monthly salary multiplied by the number of months left on the unexpired term of the contract, whichever is less. This severance shall be paid in a lump sum unless otherwise agreed to by City and City Manager. Said severance payment shall be subject to all applicable payroll deductions. As a condition of receiving severance, City Manager agrees to execute a waiver and release of all claims related to and arising out of his employment City. Employee shall forfeit any right to severance if he does not execute the waiver and release within Sixty (60) of the effective date of his termination.

B. Notwithstanding Section 9(A) above, if City Manager is terminated because of a conviction of a felony or other serious misconduct, then the City is not obligated to pay severance under this section.

C. Pursuant to Government Code sections 53243, 53243.1 and 53243.2, if Employee is convicted of a crime involving an abuse of his/her office or position, all of the following shall apply: (1) if Employee is provided with administrative leave pay pending an investigation, Employee shall be required to fully reimburse City such amounts paid; (2) if City pays for the criminal legal defense of Employee (which would be in its sole discretion, as it is generally not obligated to pay for a criminal defense), Employee shall be required to fully reimburse City such amounts paid; and (3) if this Agreement is terminated, any Severance Pay and Severance Benefits related to the termination that Employee may receive from City shall be fully reimbursed to City or void if not yet paid to Employee. For purposes of this Section, abuse of office or position means either: (1) an abuse of public authority, including waste, fraud, and violation of the law under color of authority; or (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.

10. RESIGNATION

In the event that City Manager voluntarily resigns his position with City, City Manager shall provide a minimum of 30 days' notice unless the parties agree otherwise. City is not obligated to pay severance if City Manager voluntarily resigns.

11. PERFORMANCE EVALUATION

The City Council shall provide the City Manager with initial reviews of his performance both three and six months after the Commencement Date of this Agreement. The City Council shall also evaluate City Manager's performance annually on the anniversary of the Commencement Date of this Agreement.

The City Manager shall remind the City Council of its obligation to conduct the three-month, six-month, and all annual performance evaluations. While the City Council shall consult with the City Manager over the format and process of any evaluation, the ultimate format and process shall be at the City Council's discretion.

Nothing in this section shall prohibit the City Council from evaluating the City Manager's performance at any other interval or time. Further, the failure to conduct a performance evaluation under this Section shall not alter City Manager's at-will status as set forth in Section 8 above.

12. HOURS OF WORK

It is recognized that City Manager must devote a great deal of time outside the normal office hours on business for City, and to that end City Manager shall be allowed to establish an appropriate work schedule, subject to the direction of the City Council. Notwithstanding the above, it is understood that the City Manager will be generally available during normal City operating hours, unless he is on an approved leave of absence.

13. OUTSIDE ACTIVITIES

The employment provided for by this Agreement shall be City Manager's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to City and the community, City Manager may elect to accept limited teaching, consulting, or other business opportunities on condition that such arrangements shall not cause interference with or constitute a conflict of interest with City Manager's responsibilities under this Agreement.

14. INDEMNIFICATION

Subject to Section 9(C) above, City shall defend, hold harmless and indemnify City Manager 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 City Manager's duties or resulting from the exercise of judgment or discretion in connection with the performance of City Manager's duties or responsibilities, as required by law.

Also subject to Section 9(C) above, City agrees to pay all reasonable litigation expenses of City Manager throughout the pendency of any litigation to which the Employee is a party, witness, or advisor to the City. Such expense payments shall continue beyond City Manager's service to the City as long as litigation is pending. Further, City agrees to pay Employee reasonable consulting fees and travel expenses when City Manager serves as a witness, advisor, or consultant to City regarding pending litigation.

16. BONDING

City shall bear the full cost of any fidelity or other bonds required of City Manager under any law or ordinance.

17. NOTICES

Notice pursuant to this Agreement shall be given by depositing same in the custody of the United States Postal Service, postage prepaid, addressed as follows:

A. CITY

To The Mayor
c/o City of Upland
460 N. Euclid Avenue
Upland, CA 92315

with a copy to:
Stephen P. Deitsch
Best Best & Krieger, LLP
2855 E. Guasti Rd., Suite 400
Ontario, CA 91761

B. CITY MANAGER:

Michael Blav

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service. If there is any change in the above contract information, the party changing the contact information shall provide immediate written notice to the other party.

20. GENERAL PROVISIONS

A. Integration. This Agreement sets forth and establishes the entire understanding between City and City Manager relating to the employment of City Manager by City. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.

B. Binding Effect. This Agreement shall be binding on City and City Manager, as well as their heirs, assigns, executors, personal representatives and successors in interest.

C. Effective Date. This Agreement shall become effective on November 9, 2021.

D. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

Dated: 10/21/2021
By: [Signature]

Dated: 10-20-2021
By: [Signature]

**FIRST AMENDMENT TO THE CITY OF UPLAND
CITY MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

This First Amendment to the City Manager Employment Agreement (“First Amendment”) between the City of Upland (“City”) and Michael Blay (“Employee”) is entered into this 12th day of June, 2023.

RECITALS

WHEREAS, the City entered into an original City Manager Employment Agreement (“Original Agreement”) with Employee on October 25, 2021; and

WHEREAS, the City and Employee now desire to further amend the Original Agreement in order to provide for a base salary increase for Employee due to the fact that other City employees have received an increase that bring their base salaries within ten percent (10%) of Employee’s base salary.

AGREEMENT

NOW, THEREFORE, the above named parties hereby mutually agree and promise as follows:

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

“Base Salary: City agrees to pay City Manager an annual base salary, of Two Hundred Seventy-Three Thousand, Five Hundred Seventy-Three Dollars and Seventy-Three Cents (\$273,573.73), payable in installment at the same time that other management employees of Employer are paid.

2. Section 4 of the Original Agreement is hereby amended to add the following language:

“City agrees to contribute Fourteen Percent (14%) of employee’s base monthly salary to a 401(a) plan.

2. The increases set forth in Sections 1 and 2 above shall become effective beginning June 25, 2023.

2. Except as amended by this First Amendment, all other terms of the Original Agreement, as previously amended, shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE TO
FIRST AMENDMENT TO THE CITY OF UPLAND
CITY MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

The City and Employee have duly executed this First Amendment as of the date first written above.


CITY OF UPLAND

EMPLOYEE

By:



By:



**SECOND AMENDMENT TO THE CITY OF UPLAND
CITY MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

This Second Amendment to the City Manager Employment Agreement (“Second Amendment”) between the City of Upland (“City”) and Michael Blay (“Employee”) is entered into this 22th day of January, 2024.

RECITALS

WHEREAS, City entered into an original City Manager Employment Agreement with Employee on October 25, 2021 (“Original Agreement”), and amended it on June 12, 2023 (“First Amendment”); and

WHEREAS, City and Employee now desire to further amend the Original Agreement, as amended by the First Amendment, to increase City’s contribution to Employee’s 401(a) plan.

AGREEMENT

NOW, THEREFORE, the above named parties hereby mutually agree and promise as follows:

1. The language added by the First Amendment to Section 4 of the Original Agreement is hereby amended to read as follows:

“City agrees to contribute Nineteen Percent (19%) of Employee’s base monthly salary to a 401(a) plan.”

2. The increase set forth in Section 1 above shall become effective beginning January 8, 2024.

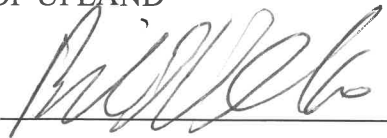
3. Except as amended by this Second Amendment, all other terms and provisions of the Original Agreement, as amended by the First Amendment, shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]


**SIGNATURE PAGE TO
SECOND AMENDMENT TO THE CITY OF UPLAND
CITY MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

The City and Employee have duly executed this Second Amendment as of the date first written above.

CITY OF UPLAND

By:  _____

EMPLOYEE

By:  _____

**THIRD AMENDMENT TO THE CITY OF UPLAND CITY
MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

This Third Amendment to the City Manager Employment Agreement (“Third Amendment”) between the City of Upland (“City”) and Michael Blay (“Employee”) is entered into this 22nd day of July, 2024.

RECITALS

WHEREAS, City entered into an original City Manager Employment Agreement with Employee on October 25, 2021 (“Original Agreement”), and amended it on June 12, 2023 (“First Amendment”) and January 22, 2024 (“Second Amendment”); and

WHEREAS, City and Employee now desire to further amend the Original Agreement, as amended by the First Amendment and Second Amendment, to increase City’s contribution to Employee’s salary.

AGREEMENT

NOW, THEREFORE, the above named parties hereby mutually agree and promise as follows:

1. The language amended by the First Amendment to Section 3.A of the Original Agreement is hereby amended to read as follows:

“Base Salary: City agrees to pay City Manager an annual base salary, of Two Hundred Eighty-Four Thousand Five Hundred Sixteen Dollars and Sixty-Seven Cents (284,516.67), payable in installment at the same time that other management employees of Employer are paid.”

2. The increase set forth in Section 1 above shall become effective beginning June 23, 2024.

3. Except as amended by this Third Amendment, all other terms and provisions of the Original Agreement, as amended by the First Amendment and Second Amendment, shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE TO
THIRD AMENDMENT TO THE CITY OF UPLAND
CITY MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

The City and Employee have duly executed this Third Amendment as of the date first written above.

CITY OF UPLAND

EMPLOYEE

By: Signed by:
Bill Velto
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By: DocuSigned by:
Michael Blay
ED20F9DCC3FF48A...

**FOURTH AMENDMENT TO THE CITY OF UPLAND
CITY MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

This Fourth Amendment to the City Manager Employment Agreement (“Fourth Amendment”) between the City of Upland (“City”) and Michael Blay (“Employee”) is entered into this 28th day of October, 2024.

RECITALS

WHEREAS, City entered into an original City Manager Employment Agreement with Employee on October 25, 2021 (“Agreement”) and subsequently amended the Agreement on June 12, 2023, January 22, 2024, and July 22, 2024; and

WHEREAS, City and Employee now desire to further amend the Agreement to extend its term and to increase the vacation accrual rate.

AGREEMENT

NOW, THEREFORE, the above named parties hereby mutually agree and promise as follows:

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

“The City hereby agrees and does employ City Manager commencing on November 9, 2021 (“Commencement Date”) and continuing until the end of business on November 8, 2028 or until terminated in accordance with Section 8 of this Agreement, whichever occurs first.”

2. Section 4.A of the Agreement is hereby amended to read as follows:

“City Manager shall accrue vacation leave at a rate of 160 hours per year.”

3. The new vacation accrual rate set forth in Section 2 above shall become effective beginning the first full payroll period after October 28, 2024.

4. Except as amended by this Fourth Amendment, all other terms and provisions of the Agreement, as previously amended, shall remain in full force and effect.

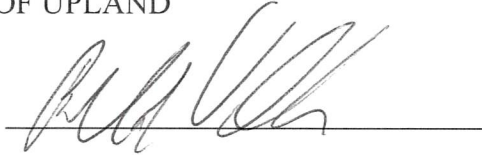
[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE TO
FOURTH AMENDMENT TO THE CITY OF UPLAND
CITY MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

The City and Employee have duly executed this Fourth Amendment as of the date first written above.

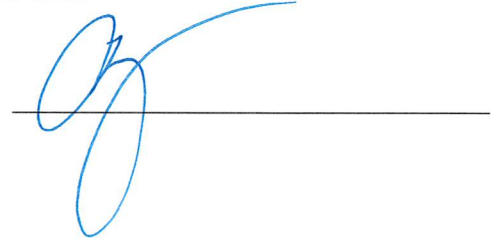
CITY OF UPLAND

By:



EMPLOYEE

By:



**FIFTH AMENDMENT TO THE CITY OF UPLAND CITY
MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

This Fifth Amendment to the City Manager Employment Agreement (“Fifth Amendment”) between the City of Upland (“City”) and Michael Blay (“Employee”) is entered into this 23rd day of June, 2025.

RECITALS

WHEREAS, City entered into an original City Manager Employment Agreement with Employee on October 25, 2021 (“Agreement”), and subsequently amended the Agreement on June 12, 2023, January 22, 2024, July 22, 2024, and October 28, 2024; and

WHEREAS, City and Employee now desire to further amend the Agreement, as previously amended, to increase City’s contribution to Employee’s salary.

AGREEMENT

NOW, THEREFORE, the above named parties hereby mutually agree and promise as follows:

1. The language amended by the Third Amendment to Section 3.A of the Original Agreement is hereby amended to read as follows:

“Base Salary: City agrees to pay City Manager an annual base salary, of Two Hundred Ninety-Three Thousand Fifty-Two Dollars and Seventeen Cents (293,052.17), payable in installment at the same time that other management employees of Employer are paid.”

2. The increase set forth in Section 1 above shall become effective beginning June 22, 2025.

3. Except as amended by this Fifth Amendment, all other terms and provisions of the Agreement, as previously amended, shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]


**SIGNATURE PAGE TO
FIFTH AMENDMENT TO THE CITY OF UPLAND
CITY MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

The City and Employee have duly executed this Fifth Amendment as of the date first written above.

CITY OF UPLAND

EMPLOYEE

By: 

By: 

**SIXTH AMENDMENT TO THE CITY OF UPLAND CITY
MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

This Sixth Amendment to the City Manager Employment Agreement (“Sixth Amendment”) between the City of Upland (“City”) and Michael Blay (“Employee”) is entered into this 22nd day of June, 2026.

RECITALS

WHEREAS, City entered into an original City Manager Employment Agreement with Employee on October 25, 2021 (“Agreement”), and subsequently amended the Agreement on June 12, 2023, January 22, 2024, July 22, 2024, October 28, 2024, and June 23, 2025; and

WHEREAS, City and Employee now desire to further amend the Agreement, as previously amended, to increase City’s contribution to Employee’s salary and to increase the cafeteria benefits allowance.

AGREEMENT

NOW, THEREFORE, the above named parties hereby mutually agree and promise as follows:

1. Section 3.A. of the Original Agreement, most recently amended by the Fifth Amendment to the Employment Agreement, is hereby amended to read as follows:

“Base Salary: City agrees to pay City Manager an annual base salary, of Three Hundred and One Thousand Eight Hundred Forty-Three Dollars and Seventy-Four Cents (\$301,843.74), payable in installment at the same time that other management employees of Employer are paid.”

2. The increase set forth in Section 1 above shall become effective beginning with the pay period commencing June 21, 2026.

3. Except as amended by this Sixth Amendment, all other terms and provisions of the Agreement, as previously amended, shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE TO
SIXTH AMENDMENT TO THE CITY OF UPLAND
CITY MANAGER EMPLOYMENT AGREEMENT
(MICHAEL BLAY)**

The City and Employee have duly executed this Sixth Amendment as of the date first written above.

CITY OF UPLAND

EMPLOYEE

By:  Signed by:
E35F326490F54B4...

Mayor Bill Velto

By:  DocuSigned by:
ED20F9DCC3FF46A...

Michael Blay