

**FIRST AMENDMENT TO THE CITY OF FORTUNA FINANCE DIRECTOR
EMPLOYMENT AGREEMENT FOR PROFESSIONAL SERVICES**

THIS FIRST AMENDMENT (this “Amendment”) is made effective as of July 1, 2023 (“Amendment Effective Date”), by and between the CITY OF FORTUNA, California (hereinafter “City”), and AARON FELMLEE (hereinafter “Employee”) each of whom understand and agree as follows:

WITNESSETH

WHEREAS, pursuant to that written City of Fortuna Finance Director Employment Agreement for Professional Services Employer effective February 20, 2022 (the “Agreement”), City retained the services of Employee to perform the duties of the Finance Director; and

WEREAS, by way of this Amendment, it is the desire of the parties to amend certain provisions of the Agreement as set forth below.

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

1. Amendment to Section 7 of the Agreement. Section 7 (Disability, Health, and Life Insurance) is hereby deleted in its entirety and, as of the Amendment Effective Date, shall be replaced with the following text:

**SECTION 7. DISABILITY, HEALTH, AND LIFE
INSURANCE**

- A. The Employer agrees to provide health insurance (including medical, dental, and vision coverage to the Employee and eligible dependents), life insurance, workers compensation, and short-term disability coverage to the Employee, and to pay all premiums thereon on the same basis as other Unrepresented Employees of the City.
- B. Employee shall have the option to “buy-out” the employer’s health insurance coverage (medical coverage to the Employee and eligible dependents) and not receive such Employer provided health insurance coverage. If Employee elects to do so by written notice to Employer, Employee’s annual salary shall be increased by ten thousand dollars (\$10,000) as a “buy-out” payment.
- C. Employer’s Medicare contribution of 1.45% is matched by an Employee contribution of 1.45% of Employee’s salary for mandated Medicare coverage.

2. No Further Modification; Conflict. Except as set forth in this Amendment, all of the terms and provisions of the Agreement shall remain unmodified and in full force and effect. In the event of any conflict between the terms, covenants and conditions of the Agreement, and the terms, covenants and conditions of this Amendment, the terms, covenants and conditions of this Amendment shall govern and control.

SIGNATURE PAGE FOLLOWS THIS PAGE

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

THE CITY OF FORTUNA

By: _____

Name: Merritt Perry
Title: City Manager

_____ Date

EMPLOYEE

By: _____

Name: Aaron Felmlee
Title: Finance Director

_____ Date