

THIRD AMENDMENT
TO CITY MANAGER EMPLOYMENT AGREEMENT

This Third Amendment to the City Manager Employment Agreement (“Third Amendment”) is entered into on the execution date shown in the signature block below, and effective as of the 1st day of July, 2025 (the “Effective Date”), between the City of Fontana (hereinafter referred to as the “City”) and Matthew C. Ballantyne (hereinafter referred to as “Employee”).

RECITALS

A. Whereas on April 13, 2022, City and Employee entered into that certain City Manager Employment Agreement to retain the services of Employee as City Manager; and

B. Whereas on September 13, 2022, City and Employee entered into a First Amendment to the Agreement (both Agreement and its amendments are collectively referred to hereinafter as “Agreement”); and

C. Whereas on September 12, 2023, City and Employee entered into a Second Amendment to the Agreement (both Agreement and its amendments are collectively referred to hereinafter as “Agreement”); and

D. Whereas, the City and Employee now wish to revise specified sections of the Agreement to modify provisions of the Agreement;

NOW THEREFORE, THE PARTIES HERETO HEREBY AGREE AS FOLLOWS:

1. The first paragraph of Section I of the Agreement, entitled “Employment and Term,” is hereby amended, in its entirety, as follows:

I. Employment and Term.

The City hereby employs the Employee as City Manager for the City of Fontana. Unless otherwise extended by mutual agreement of the parties or terminated as provided herein, the term of this Agreement shall commence on April 18, 2022, and end on April 17, 2030, unless sooner terminated or extended by the City Council as set forth in the Agreement. In the event that the City Council determines that the Employee is not to be reemployed upon expiration of this Agreement, he shall be given written notice thereof by the City at least six (6) months in advance of the expiration of the term of this agreement. Should the City fail to give notice at least six (6) months prior to the end date of this Agreement, the Agreement shall be extended on the same terms for an additional period of one (1) year.

2. The first paragraph of Section II of the Agreement, entitled "Salary/CalPERS Retirement," is hereby amended, in its entirety, as follows:

On July 12, 2025, the City agreed to pay Employee a base annual salary of three hundred eighty three thousand, three hundred twenty dollars and seventy-seven cents (\$383,320.77). Employee will continue to receive cost-of living adjustments equal in percentage to, and at the same time as, Executive Group employees. In addition, the City agrees to separately increase Employee's salary by an amount equal to the maximum annual employee FSA contribution each year, which is \$3,300 for 2025 and \$3,400 for 2026. Base salary shall be no less than 5% above the salary of any Department Head including POST Certificate Pay. The City Council shall annually assess Employee's performance and salary and may, in its sole and absolute discretion, grant Employee a merit increase. Any such merit increase must be expressly memorialized in a subsequent written and executed Amendment to this Agreement, approved at a duly-noticed regular meeting of the City Council.

3. Section X of the Agreement, entitled "Fringe Benefits," is hereby amended, in its entirety, as follows:

- A. City shall pay to or on behalf of Employee for 125 Cafeteria Plan Fringe Benefits an amount five percent (5%) above provided to the City Department Heads. The City's payment on behalf of Employee shall be reduced by an amount equal to the maximum annual employee FSA contribution each year, which is \$3,300 for 2025 and \$3,400 for 2026. In addition, Employee shall be enrolled in the City's retirement plan pursuant to its contract with the State of California Public Employees Retirement System (CalPERS). The appropriate retirement formula that will be applied to the Employee is determined by CalPERS.
- B. City shall pay to or on behalf of Employee for 125 Cafeteria Plan Fringe Benefits an amount five percent (5%) above provided to the City Department Heads. In addition, Employee shall be enrolled in the City's retirement plan pursuant to its contract with the State of California Public Employees Retirement System (CalPERS). The appropriate retirement formula that will be applied to the Employee is determined by CalPERS.
- C. In addition, Employee shall be provided all the fringe benefits which are proportional to those provided to Executive Group employees. These benefits may be adjusted by the City for Executive Group employees from time to time and the amounts shall be adjusted proportionately based on any adjustments in City contributions.
- D. The following benefits will be provided in the amounts listed below, in lieu of or in addition to, the amounts and benefits listed in the Executive Management Benefits Schedule:

1. \$125 cell phone allowance per month
2. An iPad or laptop
3. Pay for an annual physical at UCI Executive Health or equivalent facility
4. \$5000 annual contribution to a Retirement Health Saving Plan
(Deposit made May 1, 2022 and every year thereafter on May 1st)
5. Cover Employee's portion of Medicare

4. Section XII of the Agreement, entitled "Annual Leave," is hereby amended, in its entirety, as follows:

These leave accruals are in addition to recognized City holidays. Employee shall accrue Personal Leave each year during the term of this Agreement at the same rate as Executive Group employees (beginning at 16 years; 11.385 hours per pay period). Employee shall begin his employment with an annual leave balance of 240 hours. Employee shall be entitled to cash out up to one (1) year of accrued, but unused, personal leave in accordance with the City's policies pertaining to other City employees. No more than 1,200 hours may be carried forward in any fiscal year.

Employee shall begin his employment with an Administrative Leave balance of 80 hours and shall accrue 80 hours of Administrative Leave per each subsequent year during the term of this Agreement. Unused Administrative Leave shall be cashed out on June 30th of each year. The annual amount of Administrative Leave accrued by the City Manager shall be adjusted to be the same number of days accrued by City Department Heads without the need for a written modification of this Agreement.

5. Section XIV of the Agreement, entitled "Longevity Pay," is hereby amended, in its entirety, as follows:

Employee shall be eligible to receive Longevity Pay consistent with the rates listed in the Executive Management Benefits Schedule for Executive Group employees hired post July 1, 1990 with continuous service of 10 years or more at \$2,250; 15 years or more at \$2,750; 20 years or more at \$3,250 and 25 years or more at \$3,750 based upon the Employee's anniversary date (date of initial hire into a regular full-time position) of April 18, 2022. Longevity will be paid annually in December and will cease upon termination of employment.

6. Continuing Effect of Agreement. Except as amended by this Third Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this Agreement, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this Third Amendment.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment to City Manager Employment Agreement on the 9th day of December 2025.

CITY MANAGER

Matthew C. Ballantyne, Employee

CITY OF FONTANA

Acquanetta Warren, Mayor

ATTEST:

Germaine McClellan Key, City Clerk

APPROVED AS TO FORM:

Ruben Duran, City Attorney