

**CITY OF SAN LUIS, ARIZONA
CITY MANAGER EMPLOYMENT CONTRACT**

This contract ("Contract") is effective as of San Luis City Council's Appointment on February 11, 2026, between the City of San Luis, Arizona, a municipal corporation of the State of Arizona, with Administrative Offices at City Hall, 1090 E. Union Street, San Luis, Arizona ("City") and Jenny Torres, an individual with address at 1529 E. 7th Avenue, San Luis, Arizona ("City Manager"). The City and City Manager may be referred to individually as the "Party" and collectively as the "Parties."

**SECTION I
TERM AND NATURE OF EMPLOYMENT**

The City hereby employs and appoints Jenny Torres to serve as City Manager pursuant to this Contract for a term of two (2) years, February 11, 2026, through February 10, 2028 ("Contract Period"). Jenny Torres accepts and agrees to such employment and appointment under the terms of this Contract.

If the Parties have not executed a successor agreement by the expiration of the Term, they shall, confer in good faith regarding terms and conditions of employment, which may include an interim short-term extension of select provisions of this Contract, subject to required approvals and lawful appropriation. Should the City refuse or be unwilling to negotiate an interim or successor contract in good faith, the expiration of this Contract shall be treated as a termination *without Cause* pursuant to Section V, Subsection B.

**SECTION II
DUTIES AND AUTHORITY**

Except as may be provided otherwise by applicable law, regulation, or the City's agreement with any other person, the City Manager shall have the ultimate supervisory and managerial authority and responsibility to hire, direct, assign, reassign, evaluate, change the terms and conditions of employment, and terminate the employment of all other employees of the City consistent with the policies of the governing body and the ordinances of the City, which authority may be delegated by the City Manager to such other employees as the City Manager deems appropriate.

Except as may be provided otherwise by applicable law, regulation, or the City's agreement with any other person, the City Manager shall have the authority to establish internal regulations, rules, and procedures which the City Manager deems necessary for the efficient and effective operation of the City.

The City agrees to promptly communicate and provide the City Manager a reasonable opportunity to cure all substantive criticisms, complaints, and suggestions with respect to the City Manager's performance of services pursuant to this Contract.

Except as may be provided otherwise by applicable law, regulation, or this Contract, the City Manager shall carry out the City's lawful policy directives, goals, and objectives, as

communicated to the City Manager by the City's governing body, while presenting information and recommendations that allow for fully informed policy decisions that both address immediate needs and anticipate future conditions.

SECTION III ETHICAL COMMITMENTS

The City Manager shall adhere to the highest professional standards. The City Manager's actions will always comply with those standards. The City Manager agrees to follow the Code of Ethics of the International City Management Association (ICMA) and the ethics rules, regulations, and laws of the State of Arizona. The ICMA Code of Ethics can be found on the ICMA website, icma.org. Consistent with the standards outlined in the Code, the City Manager shall not endorse candidates, make financial contributions, sign, or circulate petitions, or participate in fundraising activities for individuals seeking or holding elected office, nor seek or accept any personal enrichment or profit derived from confidential information or misuse of public time. The City shall support the City Manager in keeping these commitments by refraining from any order, direction or request that would require the City Manager to violate the ICMA Code of Ethics. Neither the governing body nor any individual member thereof shall request the City Manager to endorse any candidate, make any financial contribution, sign or circulate any petition, or participate in any fundraising activity for individuals seeking or holding elected office, nor to handle any matter of personnel on a basis other than fairness, impartiality, and merit.

SECTION IV COMPENSATION, BENEFITS & OTHER TERMS AND CONDITIONS

A. Base Compensation:

The City Manager, for services rendered pursuant hereto, shall receive a base salary of \$170,000.00 annually, payable in installments at the same time and in the same manner as other classified service employees of the City of San Luis, Arizona. The City Manager shall be entitled to all salary adjustments equivalent to those provided to members of the classified service.

B. Performance Evaluation:

The City may conduct a performance evaluation annually in December of each year or within 30 days thereafter using a process mutually agreed upon by the City and the City Manager. Performance will be evaluated based on achievement of the agreed-upon goals. During the performance evaluation, the City and the City Manager may consider supplementing and/or amending the goals. Should the City choose not to conduct a performance evaluation, it will be assumed that the goals and expectations for the City Manager have been met. The City Council shall not, at any time during this contract reduce the salary, compensation, or other benefits of the City Manager without the mutual consent of the City Manager.

C. Benefits:

In addition to the Base Compensation, the City Manager shall be entitled to all other employment benefits provided for employees of the City in the classified service, including, but not limited to:

- Health Benefits (medical, dental, vision),
- Life Insurance,
- Participation in the Arizona State Retirement System (ASRS), and
- Leave Benefits and Accrual of Leave (vacation, sick, holiday).
 - Notwithstanding the provisions of the Personnel Policies, the City Manager shall accrue vacation and sick leave at the same rate as other full-time employees per year.
 - The City Manager shall not lose any vacation or sick leave she accrued prior to February 11, 2026, by virtue of being a contracted employee under this Contract.
 - The City Manager may choose to be paid for up to 40 hours of accrued vacation leave each fiscal year through the Vacation Buyback program if the council allocates funding.

E. Job-related Expenses:

The City Manager shall be entitled to reimbursement for actual, reasonable and necessary job-related entertainment expenses incurred in the performance of official duties, upon submission of satisfactory supporting documentation. Such expenses shall be directly related to the City Manager's duties and may include the purchase of food and refreshments for individuals with whom the City Manager works, conducts business, or negotiates, when such expenditures are made for the benefit of the City.

F. Personal Time Off:

It is acknowledged that the duties of the City Manager may require substantial time commitments beyond normal business hours and demand the highest level of professionalism. It is further understood that the City Manager may be required to perform such duties on a twenty-four (24) hour per day, seven (7) day per week basis. Accordingly, the City Manager shall have discretion to establish an appropriate work schedule and may be absent from City offices during regular business hours for personal reasons, provided that City operations are not impaired and that the City Manager remains accessible on short notice. Such schedule shall be reasonably aligned with the needs of the City and shall permit the City Manager to faithfully perform all assigned duties and responsibilities.

G. Non-City Connected Activities:

The City Manager may engage in limited non-City connected activities such as teaching, writing, counseling or consulting outside the normal business hours of the city. The City Manager shall not engage in any such activities during the normal business hours of the

City without the prior approval of the City Council. Any activities covered by this section may only be engaged with the advanced approval of the City Council.

H. Professional Development:

The City agrees to assist the City Manager in personal and professional development. The City will annually set aside sufficient budget allocation for the City Manager's dues, memberships, and attendance at seminars of professional organizations including, but not limited to, ICMA and ACMA. This amount shall include a sum sufficient to allow City Manager to participate in, and travel to, seminars that may be held outside the State of Arizona, including international travel.

I. Equipment:

Recognizing the need for constant communication and optimal productivity, the City shall provide the City Manager, for business use, with a laptop computer, necessary software, a mobile phone, and/or tablet computer as required to perform assigned duties and to maintain communication with City's staff, officials, and other individuals conducting business with the City. All equipment provided pursuant to this provision shall remain property of the City and shall be returned upon termination of the City Manager's employment. At the City's discretion, any mobile phone number may be transferred to the City Manager.

J. Indemnification:

Unless prohibited by law, the City agrees to defend, save harmless and indemnify the City Manager against any tort, professional liability claim or demand, or other legal action, whether groundless or otherwise, arising out of any alleged act or omission occurring in the performance of her duties as City Manager for the City, including claims made after termination of employment, provided that the City Manager acted within the scope of her duties. The City has the sole authority to compromise and settle any such claim or suit. The City will pay the amount of any settlement or litigation costs, incidental expenses, and judgments rendered thereon without recourse to the City Manager personally. This provision shall survive the termination of this Contract.

SECTION V TERMINATION OF THE CONTRACT

A. Resignation:

The City Manager may resign from her employment at any time upon giving at least thirty (30) days' written notice to the Mayor and City Council, unless the parties otherwise agree in writing on a different time period. In the event of voluntary resignation, the City Manager shall not be entitled to severance pay under this Section, but shall be entitled to payout of accumulated vacation and sick leave under Section V, Subsection D.

B. Termination without Cause:

The City may terminate this contract *without Cause* at any time upon providing the City Manager with at least thirty (30) days' written notice, unless the parties otherwise agree in writing to a different notice period. The City Council may terminate this Contract at any time for any reason other than *for Cause*. In the event the City Manager's employment is terminated by the City for any reason other than *for Cause*, or the City Manager resigns following an offer to accept resignation made by the Mayor or a Council Member acting on behalf of the majority of the City Council, the City Manager shall be entitled to the following pay and benefits:

1. **Unpaid Salary and Benefits.** All earned but unpaid salary and any other earned benefits required to be paid pursuant to this Contract and the Personnel Policies shall be paid to the City Manager as provided by state law.
2. **Severance Pay.** The City shall pay the City Manager a severance payment equal to three (3) months' salary at the City Manager's rate of pay as of the date of termination, less applicable state and federal withholding taxes as required by law. This severance shall be paid in a lump sum. Notwithstanding the foregoing, prior to receiving severance pay, the City Manager shall execute a waiver and release of claims in a form satisfactory to the City Attorney through a Separation Agreement.
3. **Reduction; Non-Compliance.** It shall be deemed termination *without cause* if, at any time during the term of this Contract, the City
 - a. reduces the City Manager's salary or other financial benefits in a greater percentage than an applicable across-the-board reduction for all unclassified City employees, or
 - b. refuses to comply with a material term of this Contract within 30 days after written notice from the City Manager.

C. Termination For Cause.

If the City terminates the City Manager's employment *for Cause*, City Manager shall not be eligible for severance pay pursuant to this Contract. The City Manager would be eligible only for Payout of unpaid salary and benefits as indicated on Section V, Subsection B.1. For purposes of this Contract, *for Cause* is defined as the City Manager's:

1. breach of a material provision of this Contract,
2. an act of fraud, deception, misrepresentation, or active concealment of material facts,
3. refusal to carry out a lawful direction of the City, or
4. a conviction of, or plea of guilty or nolo contendere to any of the following:
 - a. Felony conviction,
 - b. Class one misdemeanor conviction,
 - c. Conviction of a crime of moral turpitude, or

d. a criminal act that adversely affects the business or reputation of City.

City Council reserves the right to suspend any severance payment pursuant to this subsection while the charges or investigation for the above-listed acts are pending.

Prior to the City terminating the City Manager *for Cause*, the City Manager shall be given the opportunity to meet with the City to discuss the grounds of termination, pursuant to this section.

D. Pay Out of Accumulated Vacation and Sick Leave:

Upon termination of the Contract, in addition to any other rights to compensation or benefits that the City Manager may have under this Contract or law, the City Manager shall be compensated for one hundred percent (100%) of unused sick leave and vacation leave accrued through the date of termination. Such payment shall be calculated at a rate equivalent to the City Manager's salary as of the time of termination.

**SECTION VI
CONTRACT TERMS TO BE EXCLUSIVE**

This written Contract contains the sole and entire agreement between the parties and shall supersede any and all other agreements between the parties. The parties acknowledge and agree that neither of them has made any representation with respect to the subject matter of this Contract nor any representations, including execution and delivery, except such representations as are specifically set forth in this writing and the parties acknowledge that they have relied on their own judgment in entering into the same. The parties further acknowledge that any statements or representations that may have been made by either of them to the other are void and of no effect and that neither of them has relied on such statements or representations in connection with ideas dealing with the other.

**SECTION VII
WAIVER OR MODIFICATION INEFFECTIVE UNLESS IN WRITING**

It is agreed that no waiver or modification of this Contract or of any covenant, condition, or limitation contained in this shall be valid unless it is in writing and duly executed by the party to be charged with it, and that no evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Contract, or the rights or obligations of any party under it, unless such waiver or modifications is in writing, duly, executed as above. The parties agree that the provisions of this paragraph may not be waived except by a duly executed writing.

**SECTION VIII
SEVERABILITY**

The invalidity of any portion of this Contract will not and shall not be deemed to affect the validity of any other provision. If any provision of this Contract is held to be unconstitutional,

invalid, or unenforceable, the Parties agree that the remaining provisions shall be deemed to be in full force and effect as if both Parties had executed them subsequent to the expungement of the invalid provision.

**SECTION IX
CONTRACT GOVERNED BY LAW OF
STATE OF ARIZONA**

A. Governing Law

The parties agree that it is their intention and covenant that this Contract and performance under it and all suits and special proceedings relating to it be constructed in accordance with an under and pursuant to the laws of the State of Arizona and that in any action, special proceeding, or other proceeding that may be brought arising out of, in connection with, or by reason of this Contract, the laws of the State of Arizona shall be applicable and shall govern to the exclusion of the law any other form, without regard to the jurisdiction in which any action or special proceeding may be instituted.

B. Alternate Dispute Resolution

If the City adopts as a policy a program of settling employment claims or suits by binding arbitration and adopts a form of Contract for new employees to sign during the course of this Contract, the City Manager agrees to sign said agreement and be bound by the same.

C. Conflict Statute

This Contract shall be subject to cancellation for conflict provisions of A.R.S. § 38-511.

D. City of San Luis and its Council will not unreasonably withhold appropriation authority to fund salary, benefits, and any other provisions of this Contract.

E. This Contract will be interpreted in accordance with the laws of the State of Arizona.

**SECTION X
HEADINGS**

Each provision of this Contract stands alone, and any provision of this Contract found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Contract. The titles of sections and subsections of this Contract are solely for the convenience of the Parties. The titles shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Contract.

**SECTION XI
NOTICES AND REQUESTS**

Any notice or other communication required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered to the Party at the address below:

- by personal service,
- by registered or certified U.S. Mail with return receipts requested, or
- by a recognized and reputable overnight delivery service.

If to the City: City of San Luis
 Attention Mayor
 1090 E. Union Street
 P.O. Box 1180 (if by U.S. Mail)
 San Luis, Arizona 85349
 With Copy at the Same Address to the City Attorney

If to the City Manager Jenny Torres
 1529 E. 7th Avenue
 P.O. Box 3285 (if by U.S. Mail)
 San Luis, Arizona 85349

Or at such other address, and to the attention of such other person or officer as any party may designate in writing by notice duly given pursuant to this Subsection.

[Intentionally left blank. Signature page follows.]

In witness whereof, the City of San Luis, Arizona, has caused this Contract to be signed and executed on its behalf by the Mayor and duly attested to by its Clerk, and Jenny Torres, City Manager, has signed and executed this Contract on this 11th Day of February, 2026.

Jenny Torres, City Manager

Nieves Riedel, Mayor

ATTEST:

Sonia Cornelio, City Clerk

(Seal)

APPROVED AS TO FORM:

Joseph D. Estes, City Attorney