

Legislation Details (With Text)

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Title:	RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING AMENDMENTS TO THE CITY MANAGER EMPLOYMENT AGREEMENT AS TO SALARY AND BENEFITS				
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Attachments:	1. RESO 2018-088 City Manager Employment Agr amendment, 2. 2018-06-11 CLEAN Amendments to CM Employment Agreement, 3. 2017-160 Salary & Compensation for contract employees, 4. ICMA Code of Ethics Frame (Amended June 2017)_0, 5. 2018-06-11 REDLINE Amendments to CM Employment Agreement				

Date	Ver.	Action By	Action	Result
6/19/2018	1	City Council	adopted	Pass

PREPARED BY: LYNN TRACY NERLAND **DATE OF MEETING:** 06/18/18

SUBJECT:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING AMENDMENTS TO THE CITY MANAGER EMPLOYMENT AGREEMENT AS TO SALARY AND BENEFITS

ACTION

Adopt Resolution if the City Council's desired action is to approve the amendments to the City Manager Employment Agreement (there is no staff recommendation).

COMPLIANCE STATEMENTS

This action is not associated with any particular Council priority.

CEQA Compliance Statement

Agreements with employees are not a project pursuant to the California Environmental Quality Act.

BACKGROUND

The City and Matt Rodriguez entered into a City Manager Employment Agreement dated March 30, 2010 and effective May 3, 2010 for Mr. Rodriguez to serve as the San Pablo City Manager. That Agreement was amended in November 17, 2014 to increase the City Manager's salary to \$227,311 and to provide for a performance/retention bonus (\$5,000 every three years), matching deferred compensation up to the IRS maximum for a 457 Plan (currently \$9,250 per year), and an information technology allowance (\$750), in addition to health, disability and life insurance; vacation, sick, administrative and other leaves; and retirement benefits provided under the 2010 Agreement. Cost-of-living salary increases were subsequently applied to the City Manager's salary.

Pursuant to Resolution 2017-160, the City Manager's salary was increased by 3% to \$243,589, but health insurance benefits were capped consistent with the arrangements for other employees. The resolution delineated the other benefits provided to the City Manager (attached).

At closed sessions on March 5 and March 27, 2018, the City Council conducted a performance evaluation of the City Manager. On May 7, 2018, the City Council established a Temporary, Ad-hoc Subcommittee of Mayor Calloway and Councilmember Cruz to negotiate amendments to the City Manager Employment Agreement on behalf of the City Council ("Subcommittee").

The Subcommittee met with the City Manager separately and met with City Council separately to receive direction from the City Council. At a closed session on June 4, 2018, the City Council directed the Subcommittee to finalize amendments to the City Manager Employment Agreement, with the assistance of the City Attorney, and to place the matter on an open session at a regular City Council meeting for consideration and following the notifications required by California Government Code section 54953, including the City Council providing an oral report summarizing the recommended action. The Subcommittee recommended the following amendments to the City Manager Employment Agreement:

1. Salary - Increase the City Manager's salary by 3% for an annual total of \$250,897. This increase is similar to the 3% cost-of-living adjustment provided for the City's employees in general, which recognizes the Bay Area's higher cost of living and is a method to keep the City's compensation competitive in the labor market. However, the City Manager is not entitled to automatic annual COLA adjustments in the future.
2. Information Technology Allowance - Clarify that the information technology allowance of \$750 is provided every odd-numbered year and not yearly.
3. Vehicle Allowance - Provide the City Manager with a vehicle allowance of \$500 per month or \$6,000 per year.
4. Business Expenses - In addition to the Department's budget for travel and training, provide up to \$15,000 for the City Manager's additional professional development to be expended by June 30, 2021.
5. Performance Evaluation - Amend the requirement for the City Council to conduct annual evaluations of the City Manager to evaluations every two years.
6. Accrued Leave - Allow the City Manager to cash out (or convert to deferred compensation) 50% of sick leave upon resignation or termination. The City currently allows conversion of 100% of all sick leave upon retirement to service credit pursuant to CalPERS rules, which the City Manager has asked to be memorialized in his Agreement.
7. Termination provision. Following the abuses in the City of Bell, several new State laws were passed regarding compensation for City employees and officials, including the following provision to be added to the City Manager Employment Agreement:

"If EMPLOYEE is convicted of a crime involving an abuse of his or her office or position as defined in California Government Code section 53243.4, then EMPLOYEE shall reimburse CITY for any paid leave, criminal defense, or cash settlement as set forth in

Article 2.6 of Title 5 of the California Government Code. In addition, CITY shall have no obligation to pay the severance, or allow any other benefits set forth in subsections 2c, 2d, 2e, 6a or 6b.”

The action before the City Council is whether to approve these amendments to the City Manager Employment Agreement. A redline and clean version of the Agreement are attached for reference, along with Exhibit B, the ICMA Code of Ethics. Exhibit A to the Agreement is the “Resolution of the City Council of the City of San Pablo Amending the Salary and Compensation for the Contract Employees Group,” which is currently Resolution 2017-160. However, there is a subsequent agenda item this evening for revisions to that resolution consistent with the Council’s action on the City Manager Employment Agreement.

The resolution to memorialize approving these amendments to the City Manager Employment Agreement is also attached.

FISCAL IMPACT

The fiscal impact of the proposed amendments to the City Manager Employment Agreement is:

1. Salary - The 3% salary increase to \$250,897 has already been budgeted in the FY 18/19 budget.
2. Vehicle Allowance - The \$500 per month vehicle allowance was not budgeted for FY 2018/19 and would be paid from the City Manager’s Contingency Account for FY 2018/19. For subsequent fiscal years, a budget adjustment may be sought.
3. Business Expenses -The additional \$5,000 for business and professional development has not been budgeted for FY 2018/19, but would be paid from the City Manager’s Contingency Account for FY 2018/19. For subsequent fiscal years, a budget adjustment may be sought.
4. Accrued Leave - If the City Manager had 500 hours of sick leave at time of resignation or termination, he would be paid either directly in cash or into deferred compensation, the following amount:

$$500 \text{ hours} \times 124.92 \text{ hourly rate of pay (not including 3\% salary increase above)} = \$62,460 \\ \times .5 = \$31,230$$

These amounts have not been budgeted and would be paid from the Department’s budget as needed.