

# Agenda Report

**DATE:** January 8, 2018

**TO:** City Council

**FROM:** Mayor Terry Tornek

**SUBJECT:** APPROVAL OF AMENDMENT TO EMPLOYMENT AGREEMENT FOR CITY MANAGER

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the action proposed herein is not a "project" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(2) of the State CEQA Guidelines and, as such, is not subject to environmental review; and
2. Approve an amendment to the employment agreement for City Manager Steven B. Mermell to provide an increase to his annual salary and reflect the increase in his employee-paid pension contribution. It is further recommended that the Mayor be authorized to sign the amendment to the employment agreement to reflect City Council approved changes.

**BACKGROUND:**

On August 8, 2016, the City entered into an employment agreement with (Contract No. 22,636) with Steven B. Mermell as City Manager. As a result of the recently completed performance evaluation, the Council recommends approving the attached amendment which includes the following:

1. Salary – Effective August 7, 2017, the City Manager will be paid a base annual salary of \$286,000, and the salary control rate for the City Manager classification shall also be \$286,000.

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2. Benefits/Pension Contribution—Effective November 13, 2017, the City Manager, along with the Non-Represented Executive Management employees, began making an additional 2% employee-paid pension contribution to the Public Employees' Retirement System (PERS) for a total 10% employee contribution toward his pension.
3. Bonus—The City Manager will receive a one-time, lump sum bonus of \$7,500.

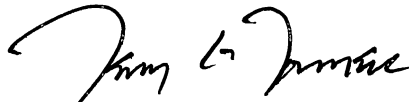
**COUNCIL POLICY CONSIDERATION:**

The approval of the amendment to the employment agreement supports the City Council's strategic goal of maintaining fiscal responsibility and stability.

**FISCAL IMPACT:**

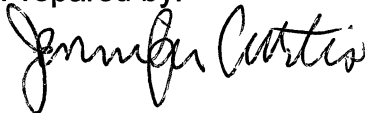
The approval of the amendment for the City Manager is estimated to have an overall fiscal impact of \$17,100 in FY 2018 and is to be absorbed by the City Manager Department operating budget.

Respectfully Submitted,



Terry Tornek  
Mayor

Prepared by:



Jennifer Curtis  
Director of Human Resources

Attachments:

1. FIRST AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT