



Agenda Report

DATE: November 19, 2018

TO: City Council
FROM: Mayor Terry Tornek
SUBJECT: APPROVAL OF SECOND 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 vehicle allowance. 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 (Contract No. 22,636) with Steven B. Mermell as City Manager. The employment agreement has been modified one time on January 8, 2018 (Contract No. 22,636-1).

As a result of the recently completed performance evaluation, the Council recommends approving the attached amendment which includes the following:

1. Compensation/Salary – Effective August 6, 2018, the City Manager will be paid a base annual salary of \$296,010, and the salary control rate for the City Manager classification shall also be \$296,010.

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2. Compensation/Vehicle Allowance—Effective August 6, 2018, the City Manager will receive a monthly vehicle allowance of \$550 for the use of his personal vehicle for City business.
3. Management Incentive Pay—The City Manager will receive a one-time, lump sum payment of \$10,000.
4. Benefits/Pension Contribution—The City Manager will continue making a 10% employee-paid pension contribution to the Public Employees' Retirement System (PERS).

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 employment agreement for the City Manager is estimated to have an overall fiscal impact of \$14,600 and there are sufficient appropriations within the City Manager Department's FY 2019 Operating Budget to support this action.

Respectfully Submitted,



Terry Tornek
Mayor

Prepared by:



Jennifer Curtis
Director of Human Resources

Attachment:

1. SECOND AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT