



# CITY COUNCIL STAFF REPORT



September 27, 2022

## ITEM TITLE

Employment Agreement: Extend and Amend City Manager Employment Agreement

**Location:** No specific geographic location

**Department:** Human Resources

**Environmental Notice:** The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

## Recommended Action

Adopt a resolution approving the amended City Manager employment agreement.

## SUMMARY

On August 9, 2022, the City Council convened in closed session to evaluate the City Manager’s performance and consider possible terms for extension. Based on direction from City Council, terms for a contract amendment were prepared and agreed to by the City Manager. Terms provide for an extension of the contract until June 30, 2025, with 5% annual salary increases beginning the pay period that includes June 20, 2023 and June 20, 2024. The amendment also provides for a standard executive severance package in the event of early termination equivalent to 9 months of salary and health benefits.

## ENVIRONMENTAL REVIEW

### Environmental Notice

The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

### Environmental Determination

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

## BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

## DISCUSSION

On June 9, 2020, the City Council approved the appointment of Maria Kachadoorian as City Manager effective June 20, 2020, and Ms. Kachadoorian's employment agreement. Council subsequently approved amended employment agreements at their meetings of August 10, 2021 and August 9, 2022. The existing agreement expires June 30, 2023.

On August 9, 2022, the City Council convened in closed session to evaluate the City Manager's performance. Based upon her performance, possible terms for an extension were also considered and directions given to the City Attorney. Consistent with that direction, terms for a contract amendment were prepared and agreed to by the City Manager. Terms provide for an extension of the contract until June 30, 2025, with 5% salary increases to be implemented on the pay period that includes June 20, 2023 and June 20, 2024. The amendment also provides for a standard executive severance package in the event of City Council early termination of the contract equivalent to 9 months of salary and health benefits.

Approval of the resolution will approve the amended employment agreement on the terms presented.

## DECISION-MAKER CONFLICT

Staff has determined that the action contemplated by this item is ministerial, secretarial, manual, or clerical in nature and, as such, does not require the City Council members to make or participate in making a governmental decision, pursuant to California Code of Regulations Title 2, section 18702.4(a). Consequently, this item does not present a conflict under the Political Reform Act (Cal. Gov't Code § 87100, et seq.). Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

## CURRENT-YEAR FISCAL IMPACT

New personnel expenditures totaling approximately \$633 are offset in full by unanticipated Property Tax revenues.

| GENERAL FUND BUDGET ADJUSTMENTS SUMMARY |                    |                 |             |
|---|--------------------|-----------------|-------------|
| Department                              | Personnel Services | Revenues        | Net Cost    |
| Administration                          | \$ 633             | \$ -            | \$ 633      |
| Non-Departmental                        |                    | (633)           | (633)       |
| <b>TOTAL EST. GENERAL FUND COST</b>     | <b>\$ 633</b>      | <b>\$ (633)</b> | <b>\$ -</b> |

## ONGOING FISCAL IMPACT

Ongoing fiscal impacts associated with the proposed amendment is estimated to total approximately \$17,105 for FY 24 and an additional \$16,025 for FY 25 for the General Fund. Such costs will be incorporated into the City Manager's office budget in future budget years.

## ATTACHMENTS

*Staff Contacts: Courtney Chase, Director of Human Resources/Risk Management*