

REPORT TO CITY COUNCIL

DATE: FEBRUARY 9, 2005

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CRAIG STEELE, CITY ATTORNEY

SUBJECT: AMENDMENT TO CITY MANAGER'S EMPLOYMENT AGREEMENT

In closed session on January 12, 2005, the City Council completed its regular review of the City Manager's job performance. As a result of that review, the City Council unanimously directed staff to prepare an amendment to the City Manager's employment agreement. Amendment No. 1 attached to this memorandum for the Council's consideration, would make the following changes to the City Manager's employment agreement:

1. Establish monthly base salary at \$11,375 effective January 1, 2005.
2. Increase management leave time for City Manager from 90 hours to 114 hours annually, and permit cash-out of those hours at a maximum of 24 hours per year subject to the City's normal cash-out rules.
3. Establish a City match of the employee contribution up to 5% of the City Manager's salary to the ICMA 457 deferred compensation plan.

In addition, the City Council directed staff to prepare for consideration in open session the award of a 4% performance bonus to the City Manager for 2003 pursuant to the existing terms of his employment agreement.

This amendment was prepared by my office and is approved as to form.

RECOMMENDATION

If the City Council concurs with these recommendations, the appropriate action would be a motion to approve Amendment No. 1 to the City Manager's employment agreement and approve the payment of a 4% performance bonus based on 2004 salary.