



**CITY OF LOS ALTOS
CITY COUNCIL MEETING
October 27, 2015**

CONSENT CALENDAR

Agenda Item # 3

SUBJECT: Approve an amendment to the Agreement for Employment of City Manager

BACKGROUND

The Los Altos City Council selects, appoints, and is responsible for evaluating the performance of the City Manager on an annual basis. As a result of the performance evaluation process, compensation adjustments may be considered.

EXISTING POLICY

Agreement for Employment of City Manager

PREVIOUS COUNCIL CONSIDERATION

February 28, 2012; October 22, 2013; and November 25, 2014

DISCUSSION

The 2015 performance evaluation process has been conducted and resulted in favorable overall ratings for the City Manager. Based upon this review, the following compensation and contractual modifications are recommended:

1. Compensation increase in the form of a new base salary of \$209,040 (3% increase)
2. Establishment of updated expectation regarding Termination, with the addition of a new subsection entitled City Termination subsequent to City Council election.

These modifications are included in the amendment to the agreement for employment (Attachment 1) and take effect as of July 1, 2015.

PUBLIC CONTACT

Posting of the meeting agenda serves as notice to the general public.

FISCAL/RESOURCE IMPACT

The amendment will result in an increase of \$6,090 in the City Manager's annual salary. There are sufficient dollars in the 2015/16 operating budget for this increase.

ENVIRONMENTAL REVIEW

Not applicable

RECOMMENDATION

Approve an amendment to the Agreement for Employment of City Manager

ALTERNATIVES

Not applicable

Prepared by: Mayor Pepper and Mayor Pro Tem Bruins

ATTACHMENT:

1. Amendment to agreement for employment of City Manager

**AMENDMENT NO. 1 TO THE FIRST AMENDED AND
RESTATED AGREEMENT FOR EMPLOYMENT
OF CITY MANAGER**

This Amendment No. 1 to the First Amended and Restated Agreement for Employment of City Manager (“Agreement”) entered into as of the _____ day of _____ 2015, by and between the City of Los Altos, a California general law municipal corporation, hereinafter referred to as “City” and Marcia Somers, hereinafter referred to as “SOMERS”.

RECITALS

WHEREAS, it is the desire of the City Council to establish the terms and conditions of employment of SOMERS to the position of City Manager of the City of Los Altos, including the duties, salary and benefits of employment; and

WHEREAS, on April 2, 2012, City and SOMERS entered into an agreement entitled “Agreement for Employment of City Manager” (“Agreement”); and

WHEREAS, on November 25, 2014, City and SOMERS approved the First Amended and Restated Agreement for Employment of City Manager; and

WHEREAS, both parties now desire to amend the Agreement in order to set a new base salary for SOMERS and modify the terms contained in Section 5, Termination; and

NOW, THEREFORE, in consideration of the respective and mutual covenants hereinafter contained and made, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, and subject to all the terms and conditions hereof, the parties hereby agree that the following sections of the aforesaid Agreement dated July 1, 2014 as follows:

1. Section 4(a), Compensation, Base Salary, is hereby deleted and replaced with the following new section:

City shall pay SOMERS an annual base salary of Two Hundred Nine Thousand Forty Dollars (\$209,040) (“Base Salary”), subject to deductions for taxes, deferred compensation and other out-of-pocket benefits paid for by SOMERS as a City executive management employee. City shall pay SOMERS in bi-weekly installments at the same time as other employees of City are paid. Base Salary is retroactive to July 1, 2015.

2. Section 5(a), Termination, is hereby amended to add a new subsection (iii) which reads:

City Termination Subsequent to City Council Election. The City shall take no action to terminate the services of SOMERS, without cause, before the second Tuesday of April immediately following a regular election at which one (1) or more new members are elected to the City Council.

IN WITNESS WHEREOF, this Amendment has been executed as of the date set forth above.

MARCIA SOMERS

CITY OF LOS ALTOS:

By: Janis C. Pepper, Mayor

ATTEST:

Jon Maginot, City Clerk

APPROVED AS TO FORM:

Jolie Houston, City Attorney