



Legislation Text

File #: 20-0327, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

FROM:

Quinn Barrow, City Attorney
Lisa Jenkins, Human Resources Director

SUBJECT:

Consideration of a Resolution Amending the City Manager's Employment Agreement to Extend the Term to February 5, 2024, Reallocate Deferred Compensation to Base Salary, and Authorize a One-Time Accrual of General Leave Time in Excess of the Accrual Cap in the Amount of 151 Hours (City Attorney Barrow).

ADOPT RESOLUTION NO. 20-0130, APPROVING AMENDMENT NO. 2 TO CITY MANAGER EMPLOYMENT AGREEMENT

RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 20-0130, approving Amendment No. 2 to the City Manager's employment agreement.

FISCAL IMPLICATIONS:

The proposed amended agreement results in an annual cost increase of \$2,040.

BACKGROUND:

The City Council hired Bruce Moe as City Manager on February 6, 2018, by way of an employment agreement with an initial three-year term, expiring February 5, 2021.

Following his first year of employment as City Manager, the City Council met in closed session on March 6 and March 19, 2019, to conduct a performance evaluation of the City Manager, and awarded a 3% merit increase. On April 2, 2019, the City Manager's contract was amended for the first time to provide this salary adjustment.

DISCUSSION:

The 2020 annual performance evaluation process was delayed due to the COVID-19 pandemic. In order to assess the City Manager's performance prior to the expiration of his current contract, the City Council conducted the performance evaluation of City Manager Moe in closed session on October 6 and 20, 2020.

In recognition of the current and future fiscal impacts of the COVID-19 pandemic and an awareness of the sensitivity to increasing salary and benefits costs, Mr. Moe did not seek a merit increase as a result of this evaluation process. His evaluation was concluded on October 20, 2020, with the City Council directing the City Attorney to draft an amendment to the Agreement, to extend the Agreement for three years.

In addition, City Manager Moe has requested:

- Reallocation of the existing City deferred compensation contribution (401(a) plan) of \$17,500 to base salary
- A one-time relaxation of the maximum general leave accrual of 840 hours of leave time by 151 hours to allow the City Manager to use such additional time within a one-year period to offset his inability to use that leave time during the COVID-19 pandemic.

If approved by the Council, the reallocation of the City's deferred compensation contribution to base salary will result in an increase in both the employee's and City's retirement contributions, as well as other incremental costs such as Medicare. The estimated annual cost increase is .7% of current salary, or approximately \$2,040 annually. The additional leave time of 151 hours will have no fiscal impact, because it is on a "use it or lose it" basis.

Attached is proposed Amendment No. 2, reflecting the proposed revisions to the Employment Agreement.

ATTACHMENTS:

1. Resolution No. 20-0130
2. Amendment No. 2 - City Manager's Employment Agreement
3. Employment Agreement (February 6, 2018)
4. Amendment No. 1 (April 2, 2019)