



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

Second Amendment to Employment Agreement for the City Manager

RECOMMENDED MOTION:

Approve Second Amendment to Employment Agreement for the City Manager

SUMMARY

The City entered into an Employment Agreement which is dated effective as of July 24, 2007 with the City Manager, Adam Politzer. The Agreement was amended by the First Amendment to Employment Agreement dated effective October 21, 2008. In accordance with the Agreement the City Council conducted an annual performance evaluation and as a result agreed to increase the City Manager's salary by an amount equal to 8% of the existing base salary. The 8% increase is comprised of two components: the first component is a 5% increase for Cost of Living Allowance (COLA) and this percent is consistent with the City's past practice of linking management COLA's to the negotiated agreements with the SEIU labor group; and the second component is an additional 3% increase to achieve the City's policy of maintaining management salaries in a bandwidth of +/- 5% of 50% median salary of wages within similar Marin County job classes.

The Employment Agreement currently provides that the City Manager shall only be entitled to receive a cafeteria plan contribution for medical, dental and vision benefits for himself only. However, other management employees are entitled to receive this benefit for their full family. The Council also agreed to modify the Agreement so that the City Manager will be entitled to receive the cafeteria plan benefits for full family consistent with the benefit offered to other management employees.

FISCAL IMPACT

The proposed Second Amendment provides for an 8% increase in the City Manager's annual base salary. This results in a cost to the City of \$13,734.00. A 5% increase for the City Manager had already been programmed into the proposed FY10 City budget. There are sufficient remaining excess resources exceeding appropriations to accommodate the marginal difference of \$5,150.

The cost of the change in the cafeteria plan benefit could result in an additional cost of \$11,500 to the City. This amount had already been programmed into the proposed FY10 budget.

STAFF RECOMMENDATIONS:

Staff recommends that the City Council approve the Second Amendment to Employment Agreement for the City Manager.

ATTACHMENTS

1. Second Amendment to Employment Agreement for the City Manager

SUBMITTED BY:


Charlie Francis, Administrative Services Director

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT FOR THE CITY MANAGER

THIS SECOND AMENDMENT TO EMPLOYMENT AGREEMENT FOR THE CITY MANAGER ("Second Amendment"), dated effective as of June 23, 2009 (the "Effective Date"), is entered into by and between the **CITY OF SAUSALITO**, a municipal corporation (the "City"), and **ADAM POLITZER**, an individual ("Employee").

RECITALS

The following Recitals are a substantive part of this Agreement:

A. City and Employee entered into the Employment Agreement for the City Manager effective July 24, 2007 which was amended by the First Amendment to Employment Agreement for the City Manager dated effective October 21, 2008 (collectively the "Agreement").

B. The Agreement generally provides for the employment of Employee as City Manager of City. Capitalized terms utilized herein and not otherwise defined shall have the same meaning as set forth in the Agreement.

C. City and Employee desire to enter into this Amendment to set forth the terms and conditions for Employee's continuing employment with the City.

AGREEMENT

In consideration of the mutual covenants and conditions contained in this Amendment, City and Employee hereby agree as follows:

Section 1. Salary. Effective as of July 1, 2009 Employee's annual base salary as set forth in Section 6 of the Agreement shall be increased by an amount equal to eight percent (8%) which results in an annual increase of \$13,734.00.

Section 2. Benefits. Section 7G of the Agreement is revised to remove the restriction that Employee receive a Cafeteria Plan contribution "for employee only" so that Employee may receive full family benefits to the same extent as other management employees. Section 7G is hereby amended in its' entirety to provide as follows:

"G. Employee shall receive a Cafeteria Plan contribution for medical, dental and vision insurances in the amount provided for other City management employees which Employee may, at his option, elect to take as additional salary subject to all applicable withholdings."

Section 3. Entire Agreement; Conflicts. This Amendment and the Agreement contain the entire agreement between the parties with respect to the subject matter hereof. Except as otherwise specified herein, no prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Amendment and the Agreement shall not be modified or altered except in writing signed by both parties.

Section 4. Execution. This Amendment may be executed in duplicate original counterparts each of which shall constitute one and the same instrument.

CITY:

CITY OF SAUSALITO, a municipal corporation

Dated: _____, 2009

By: _____
Jonathan Leone, Mayor

ATTEST:

Deputy City Clerk

APPROVED AS TO FORM:

City Attorney

EMPLOYEE:

Dated: _____, 2009

By: _____
Adam W. Politzer