

# CITY OF STANTON

## REPORT TO CITY COUNCIL

**TO:** Honorable Mayor and Members of the City Council

**DATE:** May 8, 2012

**SUBJECT: AMENDMENT TO CITY MANAGER CONTRACT**

### **REPORT IN BRIEF:**

At the City Council meeting of February 28, 2012 the City Council authorized a 90-day extension of the contract with the City Manager. That contract amendment extended the terms of the contract until June 10, 2012. Council is now requested to approve a new five year contract with the City Manager.

### **RECOMMENDED ACTION:**

Authorize the Mayor to approve the City Manager contract for a five-year period through June 10, 2017.

### **BACKGROUND:**

At the City Council meeting of March 10, 2009, the City Council appointed Carol Jacobs as City Manager. The contract sets the terms, conditions and duties of the City Manager. That contract expired on March 10, 2012. At the City Council meeting of February 28, 2012, the City Council extended the contract for 90-days to June 10, 2012 to evaluate the performance of the City Manager.

### **ANALYSIS**

The City Council evaluated the performance of the City Manager on March 24, 2012. After the evaluation was completed, City Council requested a five-year contract extension with the City Manager. In addition, City Council requested that the contract reduce the number of performance reviews from two per year to one per year, consistent with the standards in the organization. Attachment A is the proposed contract.

### **FISCAL IMPACT:**

The annual salary of the City Manager is \$183,955.20 per year and is currently budgeted in the General Fund.

**ENVIRONMENTAL IMPACT:**

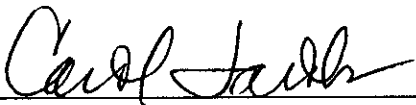
Not applicable.

**LEGAL REVIEW:**

The City Attorney has prepared the new contract.

**PUBLIC NOTIFICATION:** Through the normal agenda process.

Prepared by:



Carol Jacobs  
City Manager

Approve as to form:

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Kimberly Hall Barlow  
City Attorney

Attachment: City Manager Contract

## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into effective June 10, 2012 between the CITY OF STANTON, a municipal corporation (the "City") and CAROL JACOBS (the "Manager") as follows:

**WHEREAS**, City desires to employ the services of Manager as city manager of City, as provided by the City Municipal Code, and

**WHEREAS**, it is the desire of the City Council of the City (the "Council"), to provide certain benefits, establish certain conditions of employment and to set working conditions of said Manager, and

**WHEREAS**, it is the desire of the Council to (1) secure and retain the services of Manager and to provide inducement for her to remain in such employment, (2) to make possible full work productivity by assuring Manager's morale and peace of mind with respect to future security, and (3) to provide a means of terminating Manager's services when City may desire to terminate her employ, and

**WHEREAS**, Manager desires to continue employment as city manager of City,

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties agree as follows:

### Section 1 – Duties

City hereby agrees to employ Manager as city manager to perform the functions and duties specified in the City Municipal Code and the Government Code of the State of California, and to perform other legally permissible and proper duties and functions as the Council shall from time to time assign.

### Section 2 – Termination and Severance Pay

- A. In the event Manager is terminated by a majority vote of the Council at such time as Manager continues to be willing and able to perform her duties under this agreement, City agrees to pay Manager a lump sum cash payment, or equal payments over an agreed upon period of time, equal to (6) months of aggregate salary and the equivalent value of car allowance (Section 4), health benefits and discretionary compensation (Section 6), provided, however, that if less than six months remain in the term of this contract, the lump sum cash payment shall be in an amount equal to the monthly salary of the employee as provided above multiplied by the number of months left on the unexpired term of the contract. However, in the event Manager is terminated by a majority vote of the Council because her commission of any illegal act involving a felony, an act or action constituting moral turpitude or personal gain to her, then in

that event, City shall have no obligation to pay the aggregate severance sum designated in this paragraph.

- B. Except for a termination involving the commission of any illegal act, etc., as set forth in Section 2 A above, the Manager may not be terminated by the City within three (3) months preceding or following a City General Municipal Election where one or more Council seats are contested on the ballot of such election (the "election cool-off period"). Notwithstanding the foregoing, if a majority vote of the Council should determine to terminate Manager during the election cool-off period, and such a termination does not involve the commission of any illegal act, etc., as set forth in Section 2 A, above, the Manager shall be entitled to an additional (3) months aggregate salary beyond the six (6) months as provided in Section 2 A above, provided, however, that if less than six months remain in the term of this contract, the lump sum cash payment shall be in an amount equal to the monthly salary of the employee as provided above multiplied by the number of months left on the unexpired term of the contract.
- C. In the event City at any time during the term of the Agreement reduces the salary or other financial benefits of Manager in a greater percentage than an applicable across-the-board reduction for all department heads level employees of City, or in the event City refuses, following written notice, to comply with any other provision benefitting Manager herein, or Manager resigns following a request, whether formal or informal, by a majority of the Council that she resign, Manager may, at her option, be deemed to be "terminated" at the date of such reduction, resignation or such refusal to comply, within the meaning and contest of the severance pay provision set forth in Section 2 A and B.
- D. To the extent that any payments described in this section have been made to Manager based upon her termination, any cash settlement related to the termination that Manager may receive from the City shall be fully reimbursed to the City if Manager is convicted of a crime involving an abuse of her office or position.
- E. Manager hereby expresses her intent to remain as Manager for period of not less than (5) years from the date of execution of this Agreement. Manager and Council agree that should Manager be offered other employment, advise Council of her intent to accept the offer and provide Council the opportunity to meet with her to discuss the offer and other matters as might be desirable by either party. In the event Manager voluntarily resigns her position with the City, Manager shall give City thirty (30) days' written notice in advance.

### Section 3 - Salary

City agrees to pay Manager for her services rendered pursuant hereto a monthly bases salary of fifteen thousand three hundred and twenty nine dollars and sixty cents (\$15,329.60), payable in installments at the same time as other employees of City are paid. City and Manager agree that, as of the effective date of this Agreement, such a base salary is over ten percent (10%) higher than the current base salary of the highest paid department head level City employee. City agrees that the base salary of Manager shall be maintained at least ten percent (10%) higher than any future base salary of the highest paid department head level City employee and that, within thirty days of written request by the Manager, to increase such base salary of the Manager to maintain such ten percent (10%) salary differential. In addition, City agrees to increase said base salary and/or other benefits of Manager in such amounts and to such extent that the Council may determine that is desirable to do so, provided however, that unless otherwise agreed to by both Manager and Council, Manager shall automatically receive any cost of living or other salary and/or fringe benefit increases provided to all department head level City employees.

#### Section 4 – Automobile/Telephone

The City agrees to pay to the Manager a five hundred dollars (\$500.00) per month automobile allowance. The Manager shall provide the City with proof of insurance demonstrating coverage in an amount acceptable to the City. The City agrees to provide and pay the monthly cellular telephone charges for service and the charges for business-related calls and the Manager shall reimburse the City for all other non-business related calls.

#### Section 5 – Holidays Benefits

Manager shall be entitled to the same holidays as other department head level City employees.

#### Section 6 – Health, Disability and Life Insurance

- A. City agrees to provide hospitalization, surgical and comprehensive medical for Manager by choice, at the sole option of Manager, of either of the two options as follows.
  1. City will provide Manager a medical benefit payment up to and including, five hundred dollars (\$500.00) per month. The medical benefit may be used to pay for private hospitalization, surgical and comprehensive medical and dental insurance for Manager and her dependents. The medical benefit shall be taken as a cash benefit, subject to applicable payroll deductions, provided the Manager demonstrates, to the satisfaction of the City, that Manager has

hospitalization, surgical and comprehensive medical insurance in force; OR

2. City shall contribute one hundred percent (100%) of premium, commensurate to Blue Shield HMO, for "Manager and two or more", for health insurance plan cost. City shall also contribute one hundred percent of premium, commensurate to Delta Dental, for Manager and two or more" for dental plan cost.

B. City also agrees to provide Manager short-term and long-term disability insurance coverage commensurate with the standard City employee program.

C. City also agrees to provide a term life insurance policy equal to a maximum of one hundred and fifty thousand (\$150,000.00).

#### Section 7- Retirement

City agrees to execute all necessary agreements to enroll Manager in the California Public Employees Retirement System ("CalPERS") and to pay a maximum of seven percent (7%) of "compensation earnable," for Manager, toward the employee's contribution to CalPERS.

#### Section 8 – Deferred Compensation

Manager may, at her own cost, participate in the City's deferred compensation program.

#### Section 9 – Comprehensive Leave

In lieu of sick, vacation, administrative, or any other paid leave, Manager shall accrue annually up to a maximum of four hundred (400) hours of comprehensive leave. On June 30 of each year, Manager shall be paid, at the then current rate of pay, for all accumulated comprehensive leave up to a maximum of two hundred (200) hours. After any such sell back of comprehensive leave under the previous sentence, any accumulated comprehensive leave remaining shall be carried forward to the following year. On July 1 of each year, the total amount of comprehensive leave available to Manager shall be replenished to reach the maximum comprehensive leave accumulation limit of four hundred (400) hours.

#### Section 10 – Dues and Subscriptions

City agrees to pay for the professional dues and subscriptions of Manager necessary for her continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for her

continued professional participation, growth and advancement, and for the good of the City.

#### Section 11 – Professional Development

- A. City hereby agrees to pay the travel and subsistence expenses of Manager for professional and official travel, meetings and occasions adequate to continue the professional development of Manager and to adequately pursue necessary official and other functions for City, including but not limited to, International City and County Management Association, and League of California Cities and other professional associations.
- B. City also agrees to pay for the travel and subsistence expenses of Manager for short courses, institutes and seminars that are necessary for her professional development and for the good of the City.
- C. City recognizes that certain expenses of a non-personal and generally job-affiliated nature are incurred by Manager, and hereby agrees to pay said general expenses.

#### Section 12 – Performance Evaluation

- A. The Council shall review and evaluate the performance of Manager once annually. A full formal, review and evaluation shall be conducted each year on or before the anniversary date of the effective date of the Agreement. The Mayor of City shall provide Manager with a summary written statement of the findings of the Council and provide an adequate opportunity for Manager to discuss her evaluation with the Council. Said criteria may be modified as the Council may from time to time determine in consultation with Manager. The Council further agrees to review the Manager's total compensation on the anniversary date of the effective date of the Agreement.
- B. Annually, the Council and Manager shall define such goals and performance objectives which they determine necessary for the proper operation of the City, and in the attainment of the Council's policy objectives, said goals and objectives to be reduced to writing. They shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations provided.

#### Section 13 – Indemnification

City shall defend, save harmless and indemnify Manager against any tort, professional liability claim and demand or other legal action, whether groundless or otherwise, arising out of an alleged act of omission occurring in the performance of Manager's duties as city manager.





- C. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing by the City and the Manager.
- D. This Agreement shall be binding upon, or shall endure to the benefit of, the respective heirs, executors, administrators, successors and assigns of the parties provided, however, that Manager may not assign Manager's obligations hereunder.
- E. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- F. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the City and Manager have signed and executed this Agreement as of the day and year first above written.

CITY

ATTEST

\_\_\_\_\_  
Carol Warren, Mayor

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Patricia Vazquez, Deputy City Clerk

APPROVED AS TO FORM

MANAGER

\_\_\_\_\_  
Kimberly Hall Barlow,  
City Attorney

\_\_\_\_\_  
Carol Jacobs