



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File #: 2016-01383

Consent Item 13

Title: Second Amendment to the City Manager Employment Agreement

Recommendation: Pass a Motion approving the second amendment to the City Manager Employment Agreement.

Location: Citywide

Contact: Melissa D. Chaney, Director, (916) 808-7173, Human Resources Department

Presenter: None

Department: Human Resources

Attachments:

1-Description/Analysis

2-Second Amendment to Employment Agreement

Description/Analysis

Issue Detail: On August 4, 2011, the City Council appointed John F. Shirey as the City Manager for a three-year term through August 31, 2014. On August 12, 2014, City Council extended Mr. Shirey's contract from September 1, 2014 through June 30, 2015. On June 6, 2015, City Council extended Mr. Shirey's contract from July 1, 2015 through November 18, 2016. The City and Mr. Shirey now desire to change the conditions of his employment in a written agreement that requires City Council approval. This second amendment to the June 30, 2015 contract extension increases Mr. Shirey's salary by 2% effective June 24, 2016 and continuing through November 18, 2016. This results in an increase in Mr. Shirey's salary to \$282,060.00.

Policy Considerations: The City Council alone is vested with the authority to appoint a City Manager and establish the salary associated with the position.

Economic Impacts: Not applicable.

Environmental Considerations: Under the California Environmental Quality Act (CEQA) guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The current agreement with the City Manager expires on November 18, 2016. The Council desires to change term of employment in a written agreement effective June 24, 2016.

Financial Considerations: The City Manager position is an existing budgeted full-time equivalent position and funding is available in the current budget. Mr. Shirey's annual salary will be \$282,060, which is within the City's current salary schedule pay range of \$196,725 - \$295,087.

Local Business Enterprise (LBE): Not applicable.

**SECOND AMENDMENT TO
EMPLOYMENT AGREEMENT
(CITY MANAGER)**

The City of Sacramento ("City") and John F. Shirey ("Employee"), as parties to that certain Employment Agreement designated as Agreement Number 2015-0993, as amended ("Agreement"), hereby amends the Agreement as follows:

Paragraph 5 of the Agreement is amended as follows:

5. Salary. In recognition of Employee's accomplishments and outstanding performance, City agrees to pay the Employee for services rendered a salary in the sum of Two Hundred Eighty Two Thousand Sixty Dollars (\$282,060.00) per year retroactive to June 24, 2016.

Subparagraph 7.a. of the Agreement is amended as follows:

7. Supplemental Benefits/Terms.

a. PERS/401(a)/Technology. Employee agrees: (1) that Employee will not receive the 1% salary increase described in Article 4.2(a)(1) of the Personnel Resolution; (2) that effective June 27, 2015, Employee will receive a 1% salary increase to offset an increase to the Employee's PERS contribution of 1% for a total 8% member contribution, and that the salary reflected in Paragraph 5 of this Agreement already includes this 1% increase; (3) that Employee will participate in the 401(a) program pursuant to the terms applicable for Executive Management employees as set forth in Article 3.8 of the Personnel Resolution; and (4) that Employee shall not receive the Technology Allowance described in Article 8.8 of the Personnel Resolution.

Except as amended above, all other terms and conditions of the Agreement 2015-0993 remain unchanged and in full force and effect.

EMPLOYEE

CITY OF SACRAMENTO

John F. Shirey

Kevin Johnson, Mayor

APPROVED AS TO FORM:

ATTEST:



Brett M. Witter
Supervising Deputy City Attorney

Shirley Concolino
City Clerk