



CITY COUNCIL AGENDA REPORT



DEPARTMENT: City Attorney

MEETING DATE: December 1, 2015

PREPARED BY: Craig Steele, City Attorney

AGENDA LOCATION: AR-2

TITLE: Amendment No. 1 to the Employment Contract for the City Manager

OBJECTIVE: To approve an amendment to the employment agreement for Oliver Chi, effective December 1, 2015, to increase his salary by 2.5% and add an additional calendar year to the term of the agreement

BACKGROUND: The City Council has completed its annual evaluation of Oliver Chi's performance as City Manager. At the conclusion of the evaluation, the City Council directed the City Attorney to prepare a proposed contract amendment for consideration and discussion in open session. Mr. Chi has informed me that he agrees to the terms of the proposed amendment, subject to the approval of the City Council.

ANALYSIS: The attached Amendment No. 1 to the Employment Contract for City Manager makes two substantive changes to the employment agreement.

- Mr. Chi's annual salary will increase by 2.5% from \$195,000 to \$199,875. Mr. Chi's salary is subject to adjustment once each year following the annual performance evaluation, with the amount of any such adjustment subject to negotiation and capped at 5% annually.
- The three-year term of the agreement will automatically be extended for an additional year each year following the annual evaluation, unless either party terminates the agreement before that time. This extended term will not change the amount of severance that the City would be required to pay if the contract is terminated earlier without cause.

In a non-substantive change, the amendment would allow the City Council to approve future annual salary adjustments by adopted resolution, rather than through a contract amendment. That consideration would always occur in open session.

It should be noted that although Mr. Chi's contract permits the City Council to pay the City Manager a performance bonus, Mr. Chi expressly requested that he not receive a bonus and the City Council has not awarded one. Furthermore, it should also be noted that the City Council expressed unanimous satisfaction with his performance in his first year as City Manager.

ENVIRONMENTAL IMPACT: None.

FISCAL IMPACT: The annualized costs of salary and benefits for this position are included in the existing budget. The salary adjustment is 2.5% above Mr. Chi's existing salary.

OPTIONS: The Council's options are to approve the amendment as presented and agreed to by Mr. Chi, or to reject the amendment and provide further direction to the City Manager.

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RECOMMENDATION: Staff and the City Attorney recommend that the City Council approve Amendment No. 1 to the Employment Contract between the City of Monrovia and Oliver Chi.

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be a motion to approve Amendment No. 1 to the Employment Contract between the City of Monrovia and Oliver Chi in the form attached to this staff report and authorize the Mayor to execute it.

CITY OF MONROVIA
AMENDMENT NO. 1 TO THE EMPLOYMENT CONTRACT FOR CITY MANAGER

The City of Monrovia, as represented by its City Council, hereinafter referred to as Employer, and Oliver Chi, hereinafter referred to as Employee, in consideration of the mutual promises made herein, agree to amend that certain employment agreement between the parties dated October 20, 2014 as follows (words added are shown in underscore, words deleted are shown in ~~strikethrough~~):

ARTICLE 1. TERM OF EMPLOYMENT

Section 1.01. Term. This agreement shall be effective October 13, 2014 for a term of three (3) calendar years. Employee shall be employed at the will of the Employer, subject only to such limitations on termination as are imposed by Article 6 hereof. Each calendar year, on the anniversary of the effective date and commencing as of the first anniversary, the term of this agreement shall automatically be extended for one (1) additional calendar year, unless this agreement is terminated earlier by either party pursuant to Article 6. Such automatic extension shall not increase the severance benefit payable pursuant to Section 6.02 unless provided otherwise herein. Employee agrees that he serves at the pleasure of the City Council.

ARTICLE 3. COMPENSATION OF EMPLOYEE

Section 3.01. Compensation. (a) As compensation for the services to be performed hereunder, Employee shall receive a salary of sixteen thousand, six hundred fifty six dollars and twenty five cents (\$16,656.25) ~~two hundred fifty dollars (\$16,250)~~ per month. Such compensation is, and shall remain, in effect as of the effective date of this amendment no. 1, agreement and shall be paid to Employee at the same times and in the same manner as payments are made to other City management employees, subject to normal payroll deductions as directed by Employee.

(b) Except as limited in Section 3.01(c), said compensation may be adjusted, by resolution of the City Council and without further amending this agreement, not more than once annually, effective the first pay period after the annual Performance Evaluation is completed beginning in 2015 and in each subsequent year in an amount subject to negotiation between Employer and Employee. An annual compensation adjustment is not required by this Agreement and in no event shall any annual adjustment in compensation exceed 5% of Employee's base annual salary for the immediately previous year.

Except as amended herein, all other provisions of the agreement shall remain in full force and effect.

Executed and effective on December 1, 2015 at Monrovia, California.

CITY OF MONROVIA ("EMPLOYER")

BY _____
Tom Adams, Mayor
City of Monrovia

ATTEST

BY _____
Alice Atkins, CMC, City Clerk
City of Monrovia

[SIGNATURES CONTINUE ON NEXT PAGE]

Oliver Chi (“EMPLOYEE”)

BY _____
Oliver Chi

APPROVED AS TO FORM

BY _____
Craig A. Steele
City Attorney