



DATE: June 22, 2021

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: City Manager Employment Agreement: Adopt a Resolution Approving the Amendment to the Employment Agreement Between the City of Hayward and the City Manager and Authorizing the Mayor to Execute the Amended Agreement

RECOMMENDATION

That Council adopts a resolution (Attachment II) approving the amendment to the employment agreement between the City of Hayward and the City Manager and authorizing the Mayor to execute the amended agreement.

SUMMARY

The current employment agreement between the City of Hayward and the City Manager expires on June 30, 2023. Pursuant to the agreement, the City Manager was entitled to a cost-of-living adjustment (COLA) for the pay period including July 1, 2020. As approved by Council on June 23, 2020, the City Manager agreed to forego the COLA originally due to her the pay period including July 1, 2020 because of a projected revenue shortfall resulting from impacts of the COVID-19 pandemic. As Fiscal Year 2021 comes to a close, the City has determined that actual revenues have exceeded projections. Consequently, Council has expressed a desire to restore the agreed upon concessions staff provided at the outset of Fiscal Year 2021, including the City Manager's foregone COLA. In addition, the Council recommends increasing the amount of paid leave the City Manager may cash out each fiscal year to match cash-out options available to the City Attorney, City Clerk, and members of Unrepresented Executives, Management, City Manager, Human Resources, and City Attorney Employees (Unrepresented Employees) as well as awarding two one-time cash payments in FY 2022 as the City Manager's compensation adjustment for this coming fiscal year.

BACKGROUND AND DISCUSSION

Pursuant to the current employment agreement, the City Manager was entitled to a 2% COLA for the pay period including July 1, 2020. On June 23, 2020, Council approved an amended Salary Plan effective the pay period including July 1, 2020, that included labor

concessions and the City Manager's agreement to forego her COLA originally due to her the pay period including July 1, 2020. The revenues for Fiscal Year 2021 have surpassed budget projections, and the Council would like to restore the agreed upon increases that employees agreed to forego to partner with the City in mitigating the negative fiscal impacts of the projected shortfalls. If approved, the agreement, as amended, would provide for a two percent (2%) COLA effective the pay period including July 1, 2021. The City Manager would also receive a one-time, lump sum cash payment in an amount equal to two percent (2%) of base salary effective the pay period including July 1, 2021 to repay the amount of the forgone COLA as a concession, consistent with Council's expressed intent with City employees.

In an effort to limit the ongoing fiscal impacts that would result from additional COLAs, the City Manager and City Council have agreed to a one-time lump sum payment equal to two percent (2%) of base salary effective the pay period including July 1, 2021, and an additional one-time lump sum payment equal to two percent (2%) of base salary effective the pay period including January 1, 2022 as the City Manager's compensation adjustment for FY 2022.

In addition, the City Attorney, City Clerk, and Unrepresented Employees may cash-out up to one hundred twenty (120) hours of any combination of accrued management leave and/or vacation leave per fiscal year, as outlined in the employment agreements and Unrepresented Employees' Salary and Benefits Resolution. Currently, the City Manager is restricted to cashing out forty (40) hours of management leave and forty (40) hours of vacation leave per fiscal year (for a total of 80 leave hours). Therefore, Council recommends that the cash-out provision in the City Manager's Employment Agreement be modified to align with the cash-out provisions of all other unrepresented management and executive employees.

FISCAL IMPACT

If approved, the amendment to the employment agreement would result in an estimated a total impact of \$12,105 to the General Fund.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to any of the six priorities outlined in the Council's Strategic Roadmap.

NEXT STEPS

If approved, staff will finalize the employment agreement amendment between the City of Hayward and the City Manager for execution by the Mayor.

Prepared by: Kakshi Master, Senior Human Resources Analyst

Recommended by: Dustin Claussen, Director of Finance

Approved by:

A handwritten signature in blue ink that reads "Barbara Halliday". The signature is written in a cursive style with a prominent loop at the end of the last name.

Barbara Halliday, Mayor