

HAYWARD CITY COUNCIL

RESOLUTION NO. 17-

Introduced by Council Member \_\_\_\_\_

RESOLUTION APPROVING THE EXTENSION AND MODIFICATION OF THE CITY MANAGER'S EMPLOYMENT AGREEMENT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND THE HOME LOAN PURCHASE AGREEMENT ON BEHALF OF THE COUNCIL

WHEREAS, the employment agreement between the City of Hayward and the City Manager Kelly McAdoo will expire on June 30, 2017 unless renewed by the parties on or before June 30, 2016; and

WHEREAS, the City Council has reviewed the City Manager's performance and wishes to extend the employment agreement through June 30, 2018; and

WHEREAS, the employment agreement has been modified to include a two percent (2%) salary adjustment and an additional two percent (2%) CalPERS cost sharing for a total contribution amount of five percent (5%), which is a net 0% salary adjustment in FY 2018; and

WHEREAS, the City Council agrees to provide a home loan to the City Manager at no cost to the City with the following terms:

- \$650,000 maximum loan amount
- Interest rate set at 1% above the City's investment portfolio rate fixed for the first 5 years; interest thereafter, for years 6 through 30 of the loan, will be set annually and shall accrue at a rate equal to the "Yield at Market" achieved by the City's Managed Portfolio for the quarter ended on June 30 of the previous calendar year, plus 100 basis points or 1%, but shall not exceed 6%.
- Ability to amortize closing costs into loan but loan to value shall not exceed 105%.
- If employment terminates for any reason, loan must be repaid within 12 months. If property is sold or transferred, loan must be repaid immediately.
- City Manager to provide a personal guaranty in the event of default and if the home value does not cover the outstanding balance of the loan.
- City will be the lien holder on the property
- All closing costs, moving expenses and related expenses will be paid by City Manager.
- City Manager to make regular monthly principal and interest payments.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the Council hereby approves the extension and modification of the City Manager's

employment agreement, which when fully executed will be on file in the office of the City Clerk, and authorizes the Mayor to execute the agreement and the home loan agreement on behalf of the City Council.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2017

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney