



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 11/03/2020

ITEM NO: 7

DATE: October 28, 2020
TO: Mayor and Town Council
FROM: Lisa Velasco, Human Resources Director
SUBJECT: Approve an Amendment to the Employment Agreement Between the Town of Los Gatos and the Town Manager and Authorize Salary and Benefits Budget Adjustments in the Amount of \$18,431 from Available General Fund Capital/Special Projects Reserve

RECOMMENDATION:

Approve an amendment to the Employment Agreement (Attachment 1) between the Town of Los Gatos and the Town Manager and authorize salary and benefits budget adjustments in the amount of \$18,431 from available General Fund Capital/Special Projects Reserve.

BACKGROUND:

As an appointee of the Town Council, the Town Manager is employed under an Employment Agreement specifying the terms and conditions of employment. The terms and conditions of employment include items such as base pay, basic and optional benefits, covered expenses, parameters for an annual performance review, and conditions for termination/severability. Senate Bill 1436 requires an oral summary at a Council meeting when a recommendation is made related to modifying the salary, salary schedule, or fringe benefits of any person employed under an Employment Agreement with a local agency.

DISCUSSION:

As outlined in the Employment Agreement, the Town Manager's performance and compensation is reviewed annually in conjunction with a performance evaluation. The review of the Employment Agreement is conducted to ensure legal compliance and to provide for any adjustments in the terms and conditions of employment. In accordance with the agreement terms for Town Manager Laurel Prevetti, the Town Council completed the evaluation for her fifth year in the position, from September 2019 through September 2020.

PREPARED BY: Lisa Velasco
Human Resources Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

SUBJECT: Approve an Amendment to the Town Manager Employment Agreement

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CONCLUSION:

Based upon the satisfactory completion of the performance review in Closed Session, it is recommended that the Town Manager's annual base salary increase to \$262,500, effective in the pay period that includes the anniversary date of September 2, 2020. In addition, it is recommended that the Town Manager receive a one-time lump sum performance bonus of \$5,000.

FISCAL IMPACT:

Funding to support the Town Manager's salary and benefits is authorized in the annual budget each fiscal year along with all other Town employee compensation and benefits.

The anticipated fiscal impact for the remainder of 2020/21 is \$18,431. The requested budget adjustment in the amount of \$18,431 from available General Fund Capital/Special Projects Reserve will provide funding for the additional salary and benefit cost for FY 2020/21. Funding to support the FY 2020/21 ongoing cost each year will be incorporated into the proposed future year budgets for Council approval.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Amendment to the Employment Agreement – Town Manager
2. Salary Schedule for Town Council and Management