



MEETING DATE: 3/6/2006

ITEM NO.

3

COUNCIL AGENDA REPORT

DATE: MARCH 1, 2006

TO: MAYOR AND TOWN COUNCIL

FROM: RUMI PORTILLO, HUMAN RESOURCES DIRECTOR

SUBJECT: ADOPT RESOLUTION AMENDING AGREEMENT BETWEEN THE TOWN OF LOS GATOS AND THE TOWN MANAGER AND AUTHORIZING THE MAYOR TO SIGN AMENDMENT ON BEHALF OF TOWN OF LOS GATOS

RECOMMENDATION:

Adopt resolution amending agreement between the Town of Los Gatos and the Town Manager and authorizing the Mayor to sign amendment on behalf of Town of Los Gatos.

DISCUSSION:

The Town Council approved an agreement with the Town Manager, effective November 13, 2000, which provides for an annual performance evaluation and possible salary adjustments.

To assist the Town during the economic downturn, the Town Manager declined a salary adjustment in 2003 and received only a lump sum bonus in 2004. Thus, the Town Manager's base salary and coverage for health insurance premiums have not been adjusted since the 2002 review period.

Council has now completed a review of the Town Manager's performance for the period November 2004 through November 2005. Based upon this review, the following adjustments shall be made:

- The annual salary shall be increased by 5%, from \$172, 872 to \$181,514, retroactive to November 6, 2005, which is the start of the pay period that includes her anniversary date of November 13; and
- Town's contribution to health insurance premiums shall increase from \$913 per month to \$1,256 per month, effective with the beginning of the 2006 plan year (January 1, 2006).

PREPARED BY: RUMI PORTILLO
Human Resources Director

RP:pg

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Reviewed by: PS Assistant Town Manager OL Town Attorney _____ Clerk Administrator
20 Finance _____ Community Development

Revised: 3/1/06 5:37 pm

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MAYOR AND TOWN COUNCIL

SUBJECT: ADOPT RESOLUTION AMENDING AGREEMENT BETWEEN THE TOWN
OF LOS GATOS AND THE TOWN MANAGER AND AUTHORIZING THE
MAYOR TO SIGN AMENDMENT ON BEHALF OF TOWN OF LOS GATOS

March 1, 2006

ENVIRONMENTAL ASSESSMENT:

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

FISCAL IMPACT:

Funding for the Town Manager's compensation is included in the FY 2005-2006 adopted budget.

Attachment: Resolution amending agreement between the Town of Los Gatos and the Town
Manager and authorizing the Mayor to sign amendment on behalf of Town of Los
Gatos

RESOLUTION

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AMENDING AGREEMENT BETWEEN THE TOWN OF LOS GATOS AND TOWN MANAGER AND AUTHORIZING THE MAYOR TO SIGN AMENDMENT ON BEHALF OF THE TOWN OF LOS GATOS

WHEREAS, an Agreement between the Town of Los Gatos and the Town Manager, Debra Figone, was approved by the Town Council on October 16, 2000; and

WHEREAS, the Agreement provides that the Town Council shall evaluate the Manager's performance annually and may adjust the base salary or provide a one-time, lump sum payment or some combination of both, based upon an assessment of the Manager's performance; and;

WHEREAS, after completing a review of the Town Manager's performance between November 6, 2004 and November 6, 2005, the Town Council has determined the Town Manager's salary will be increased by 5% effective November 6, 2005, and effective January 1, 2006, the Town's contribution to health insurance premiums for the Town Manager shall be increased to \$1,256.

RESOLVED, by the Town Council of the Town of Los Gatos, County of Santa Clara, State of California, that the Town of Los Gatos enter into an amendment to the Agreement with the Town Manager (a copy of which is attached and incorporated herein).

BE IT FURTHER RESOLVED, that the Mayor is authorized and hereby directed to execute said Amendment to the Agreement in the name and behalf of the Town of Los Gatos.

PASSED AND ADOPTED at a _____ meeting of the Town Council of the Town of Los Gatos, California, held on the _____ day of March, 2006 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

CLERK ADMINISTRATOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

AMENDMENT TO THE TOWN MANAGER AGREEMENT

This Amendment to Town Agreement AGR02-338 is entered into this ____ day of March 2006, and is effective as of November 6, 2005, by and between the Town of Los Gatos, a municipal corporation ("Town") and Debra Figone.

RECITALS:

WHEREAS, Town and Debra Figone executed an Agreement approved on October 16, 2000; and

WHEREAS, the Town Council evaluated Debra Figone's performance for the period between November 6, 2004 and November 6, 2005, and determined the Town Manager compensation shall be adjusted.

IT IS THEREFORE AGREED by the parties as follows:

1. Item 4 subsections (a) and (d) of the Agreement are amended to read as follows:

4. Compensation.

- (a) Effective November 6, 2005 Town shall pay Figone the annual base salary of one hundred eighty-one thousand five hundred and fourteen dollars (\$181,514.00) ("Base Salary"), in installments at the same time as other employees of Town are paid.
- (d) Management Benefits. Except as otherwise set forth in this Agreement, in addition to the benefits specified herein, Figone shall receive any and all employee benefits otherwise accorded Town's executive management employees, including without limitation paid retirement benefits consistent with Town policy through the Public Employees Retirement System and health benefits, and as those benefits may be changed from time to time.
 - (i) Effective January 1, 2006, the Town will contribute up to \$1,256 for the Family Medical Insurance Plan which can be applied on a pre-tax basis to medical, vision and dental insurance.
 - (ii) As an alternative to the Family Medical Insurance Plan, the Town Manager may choose to receive a cash allotment consistent with Group I Managers in the Town's Management Compensation Plan.

2. The terms and conditions of the Agreement, except as herein amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Town Manager Agreement on the date written above.

TOWN OF LOS GATOS

DEBRA FIGONE

BY:

Diane McNutt, Mayor

Debra Figone, Town Manager

APPROVED AS TO FORM:

ATTEST BY:

Orry P. Korb, Town Attorney

Marlyn Rasmussen, Clerk Administrator