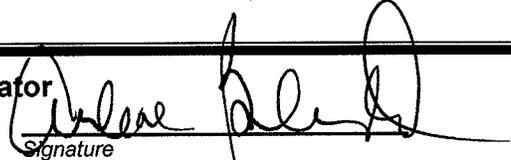


STAFF REPORT
COUNCIL MEETING DATE
JULY 23, 2012

ITEM FOR COUNCIL CONSIDERATION

AMENDMENT TO THE EMPLOYMENT AGREEMENT FOR THE CITY MANAGER, EFFECTIVE
JULY 23, 2012

Report prepared by: Arlene Balmadrid, HR Administrator


Signature

Reviewed by: Dave Durlinger, City Manager


Signature

STAFF RECOMMENDATION

Action Item X; Non-Action Item ___

Approve the attached Ninth Amendment to the Employment Agreement for the City Manager and authorize implementation effective July 23, 2012.

Motion: I move to adopt approve the ninth amendment to City Manager's employment contract.

**I. BACKGROUND
& DISCUSSION**

At its regular meeting on June 25, 2012, through adoption of Resolution No. 5396, Resolution No. 5397 and Resolution No. 5398, the City Council approved the Conditions of Employment for Management and Miscellaneous Personnel and the Memorandum of Understanding for Fiscal Year 2012-2014 between the City of Carpinteria and Service Employees International Union (SEIU) Local 620, representing employees in the general service and public works bargaining units.

The changes to the conditions of employment for management and miscellaneous personnel and the Memorandum of Understanding for Fiscal Year 2012-14 between the City of Carpinteria and the Service Employees International Union (SEIU) Local 620 representing employees in the general service and public works bargaining units are compatible with the City's adopted budget and will contain and expand necessary cost savings measures as follows:

- Additional one and one-half percent (1.5%) employee cost sharing on retirement contribution to the California Public Retirement System (CalPERS).
- Base wage adjustment of one and one-half percent (1.5%)

The one and one-half percent (1.5%) cost sharing is in addition to the three percent (3%) already paid by the employees for a total of four and one-half percent (4.5%). The CalPERS member paid contribution is seven percent (7%).

The City Manager's position under the term of the City's CalPERS agreement is a part of the management group. This proposed amendment would change the terms of the City Manager's contract to be consistent with other management staff.

Also, the change in base pay will affect the provision in the employment agreement that calls for the City to contribute five percent (5%) of the City Manager's annual gross salary to the designated deferred compensation plan. The additional annual cost is approximately \$105.00.

Other than this change required to comply with CalPERS, no other changes to the City Manager's employment contract would be made at this time.

II. FINANCIAL CONSIDERATIONS

Savings and costs for all employment agreement changes have been considered as a part of the annual budget adoption.

III. LEGAL ISSUES

N/A

IV. ATTACHMENTS:

Ninth Amendment to Employment Agreement, City Manager, City of Carpinteria.

**NINTH AMENDMENT TO
EMPLOYMENT AGREEMENT**

CITY MANAGER, CITY OF CARPINTERIA

THIS EIGHTH AMENDMENT TO EMPLOYMENT AGREEMENT is made and entered into this 23RD DAY OF JULY, 2012 by and between **THE CITY OF CARPINTERIA** ("City") and **DAVE DURFLINGER** ("Employee") at Carpinteria, California, with reference to the following facts and intentions: This amendment will be effective July 23, 2012.

- A.** Employee serves as City Manager for City.
- B.** It is the policy of the City Council to conduct an annual performance evaluation of the City Manager and to review the status of his salary and benefits, as determined appropriate.

NOW, THEREFORE, in consideration of the above Recitals and of the mutual promises and conditions of the Employment Agreement, **IT IS AGREED** as follows:

1. The first sentence of Section 5a of the Employment Agreement shall be amended as follows:

Employee shall be paid at the rate of Five Thousand Three Hundred Ninety-Six Dollars and Sixty-Seven Cents (\$5,396.67) bi-weekly, which equals to One Hundred Forty Thousand Three Hundred Thirteen Dollars and Forty Cents (\$140,313.40) per year ("Base Salary"). In addition to Base Salary, Employee shall be paid an additional five percent (5%) of the Base Salary which equals to Seven Thousand Fifteen Dollars and Sixty-Seven Cents (\$7,015.67) per year ("Additional Compensation"). Employee shall, in his sole discretion, allocate in writing such additional compensation to base salary and/or medical reimbursement and/or Deferred Compensation as defined in Section c of the Employment Agreement.

2. Section 5c of the Employment Agreement:

City will Pay Deferred Compensation to the International City/County Management Association ("ICMA") in employee's name in the amount of Five Percent (5%) of Employee's annual Base Salary in addition to that portion of Employee's annual Additional Compensation, if any, allocated by Employee to Deferred Compensation pursuant to Section 5a of the Employment Agreement.

3. Section 6 – Benefits. The following provisions of Section 6, Benefits, shall be amended in their entirety to read as follows:

d. Retirement – The City is a member of the Public Employees Retirement System (PERS) for the purpose of employee retirement benefits. Employee shall be eligible for coverage under PERS as provided under the existing contract between PERS and the City, and any subsequent amendments thereto, with the City paying the Employer contributions to PERS. Employee will be required to pay four and one-half percent (4.5%) of Employee contributions to PERS. In addition, the City shall report the value of one-hundred percent (100%) of the Employer Paid Member Contribution (EPMC) on earned compensation as special compensation for Employee, as provided by Resolution No. 4216.

2. All other provisions of the Employment Agreement, as amended, shall remain unchanged and in full force and effect, with the understanding that the City Council will reevaluate the conditions of the contract no later than six months from the date of this amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Ninth Amendment to Employment Agreement on the date first written above.

CITY
City of Carpinteria

EMPLOYEE
City Manager

By: _____
Al Clark, Mayor

Dave Durlinger, City Manager

Date: _____

Date: _____