

Folsom City Council Staff Report

MEETING DATE:	8/24/2021
AGENDA SECTION:	New Business
SUBJECT:	Resolution No. 10684 – A Resolution of the City Council Authorizing the Mayor to Execute an Amendment to the Employment Agreement for the City Manager
FROM:	City Attorney's Office

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully recommends that the City Council discuss City Manager compensation and make appropriate salary adjustment following a strong and positive performance evaluation.

BACKGROUND / ISSUE

The City Manager was appointed to her position effective July 16, 2018. The City Manager’s contract provides for an annual evaluation of the City Manager’s performance.

The City Council met in Closed Sessions on June 22, 2021, July 13, 2021, and July 27, 2021 to discuss assessment criteria and evaluate the City Manager’s performance over the past year. Following a favorable evaluation, this item is agendized in open session for the Council to discuss appropriate compensation adjustment for the City Manager.

POLICY / RULE

The City Manager is appointed by the City Council pursuant to Section 3.01 of the City Charter. The salary of the City Manager is determined by the City Council commensurate with the responsibility of the position. Section 3.01(D) of the City Charter.

ANALYSIS

The City Council determined that the City Manager had met the Council’s expectations by performing her duties at a high level over the past year. The City Manager’s compensation is one of the lowest amongst City Managers in the Sacramento region. The City Attorney has

prepared an amendment to the employment agreement to reflect appropriate adjustment to the City Manager's salary for Council review and consideration.

The attached Resolution and amendment to City Manager's employment agreement provide for a 5% salary adjustment to \$263,681.25 per year. All other terms in the agreement pertaining to employment and benefits remain the same. This matter appears in open session in order for the City Council to authorize the Mayor to execute an amendment to the employment agreement for the City Manager.

The adoption of this Resolution complies with the regulations of the California Public Employees' Retirement System and SB 1436 in that the legislative body (i.e., the City Council) shall receive oral report on the changes in salaries, salary schedules or compensation paid in the form of fringe benefits of a "local agency executive", as defined in Government Code Section 3511.1(d). The only "local agency executive" covered by this Resolution is the City Manager, and the salary schedule for the City Manager, as approved by the City Council in open session, is \$263,681.25 per year as shown in Attachment 1. The City Manager's deferred compensation and all fringe benefits remain the same, and as reported orally in open session, are shown in Attachment 2.

FINANCIAL IMPACT

Funding for the City Manager's salary and benefits were included in the Fiscal Year 2021-2022 budget in the General Fund (Fund 010). The increase will be absorbed in the General Fund.

ENVIRONMENTAL REVIEW

This action is not considered a project under Section 15061(b)(3) of the California Environmental Quality Act Guidelines, and as such is exempt from environmental review.

ATTACHMENTS

1. Resolution No. 10684 – A Resolution of the City Council Authorizing the Mayor to Execute an Amendment to the Employment Agreement for the City Manager
2. Current Employment Agreement for the City Manager, as previously amended

Respectfully submitted,

Steven Wang, City Attorney

Attachment 1.

**Resolution No. 10684 – A Resolution of the City Council Authorizing
the Mayor to Execute an Amendment to the Employment Agreement for
the City Manager**

RESOLUTION NO. 10684

A RESOLUTION OF THE CITY COUNCIL AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE EMPLOYMENT AGREEMENT FOR THE CITY MANAGER

WHEREAS, the City Council is required by the Folsom City Charter to appoint a City Manager through the mechanism of an employment agreement to serve as the Chief Executive Officer of the City; and

WHEREAS, the City Council approved an Employment Agreement for the City Manager (“Agreement”) at its regular meeting on May 22, 2018; and

WHEREAS, Section 6 of the Agreement calls for annual performance evaluation of the City Manager; and

WHEREAS, the City Council met in closed session as authorized by the Brown Act on June 22, 2021, July 13, 2021, and July 27, 2021 to discuss assessment criteria and conduct performance evaluation of the City Manager; and

WHEREAS, following a positive performance evaluation, the City Council desires to adjust the City Manager’s compensation; and

WHEREAS, the City Attorney has prepared an amendment to the City Manager’s Employment Agreement, attached hereto as Attachment 1, addressing only the updated salary terms without changing any other provisions of the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that the Mayor is hereby authorized to execute Amendment No. 3 to Employment Agreement for the City Manager as shown in Attachment 1 attached to this Resolution.

PASSED AND ADOPTED this 24th day of August, 2021 by the following roll-call vote:

AYES: Councilmember(s):

NOES: Councilmember(s):

ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Michael D. Kozlowski, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

**ATTACHMENT 1
TO
RESOLUTION NO. 10684**

**AMENDMENT NO. 3 TO
EMPLOYMENT AGREEMENT
FOR THE CITY MANAGER**

This Amendment No. 3 to the Employment Agreement for the City Manager (referred to herein as the "Agreement"), is made and entered into this ____ day of August, 2021, as provided for in Section 17 of the Agreement and for all purposes, including calculation of pay and benefits, is effective as of July 1, 2021.

Exhibit A of the Agreement is hereby modified to reflect Employee's base salary to be \$263,681.25 per year.

Except as amended herein, all other provisions of the Agreement and any previously approved amendments thereto not inconsistent with this Amendment shall remain in full force and effect.

Approved and Authorized:

Michael D. Kozlowski, Mayor
For the City of Folsom - Employer

Accepted and Agreed to:

Elaine Andersen
Employee – City Manager

Approved as to Form:

Steven Wang
City Attorney

Attest:

Christa Freemantle
City Clerk

Attachment 2.
Current Employment Agreement for the City Manager, as previously
amended

CITY OF FOLSOM

EMPLOYMENT AGREEMENT FOR THE CITY MANAGER

THIS AGREEMENT, the effective date of which shall be the 24th day of May, 2018, is by and between the City of Folsom, State of California, a municipal corporation, hereinafter referred to as "Employer," and Elaine Andersen, hereinafter called "Employee."

RECITALS

WHEREAS, Section 3.01 of the Folsom City Charter provides that the City Council shall appoint a City Manager for an indefinite term through the mechanism of an Employment Agreement to serve at the pleasure of the City Council, and the City Council wishes to retain Employee in the position of City Manager; and

WHEREAS, pursuant to the provisions of the Folsom City Charter and Chapter 2.08 of the Folsom Municipal Code, the City Council has determined that Employee shall be the City Manager of the City of Folsom; and

WHEREAS, it is the desire of the City Council to establish terms and conditions of employment; establish compensation and certain benefits; provide a procedure to set goals and objectives to be met and the measurement thereof; provide for a review and evaluation of performance; provide for termination, if necessary; and provide for other subjects related to the status of Employee within this Employment Agreement; and

WHEREAS, the City Council has determined the salary and benefits for this position as outlined in Exhibit A, attached hereto and incorporated herein by reference; and

WHEREAS, it is the desire of the City Council to secure and retain the services of Employee and to provide inducement for her to remain in such employment and to make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security; and

WHEREAS, Employee desires to accept employment with the City of Folsom in the position specified above.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Duties

City Council hereby agrees to employ Employee as City Manager of Employer to perform such legally permissible and proper duties and functions as prescribed by the Municipal Code and/or as the City Council may lawfully assign. Employee shall commence her duties on July 16, 2018, and salary and all accruals provided herein shall begin with commencement of her duties.

Section 2. Termination, Resignation and Severance Pay

A. The City Council shall have the right to terminate the services of Employee at any time, subject to the provisions of the City Charter, Chapter 2.08 of the Folsom Municipal Code, and this Agreement. Employee may resign at any time from her position with Employer subject to providing sixty (60) days advance written notice to Employer, unless the parties hereto otherwise agree, in writing, to a different notice period.

B. In the event Employee resigns or is terminated by the City Council, Employer agrees to pay Employee any accrued and unpaid salary and the cash value of any accrued annual leave or administrative leave, all subject to federal and state withholding requirements. Such amount shall be paid within thirty (30) days of resignation or termination.

C. In the event Employee is terminated by the City Council, Employer agrees to pay Employee a lump sum cash severance payment as set forth on Exhibit "A," attached hereto. The severance payment shall be the equivalent of the cash value of the monthly salary and benefits provided to the Employee with no accrual of annual, vacation, sick or administrative leave during that time period. Employer agrees to make this payment, less withholdings, within thirty (30) days of termination. If Employee is terminated for reasons of criminal misconduct which would amount to a misdemeanor or higher offense under the Penal Code, acts constituting moral turpitude, conflicts of interest or incompatibility of office occurring in the course of employment, whether charges are filed or not, Employer shall have no obligation to make any payments to Employee under this section. If Employee is terminated as a result of a conviction of an offense amounting to a misdemeanor or higher under the Penal Code, or for committing acts constituting moral turpitude, conflicts of interest or incompatibility of office occurring outside the course of her employment, Employer shall have no obligation to make any payments to Employee under this section.

D. In the event Employee is convicted of a crime that involves abuse of her position or office as defined in Government Code section 53243.4, Employee must fully reimburse the Employer for specified funds pursuant to Government Code section 53243, *et seq.*, as set forth below:

1. If Employee is placed on paid administrative leave pending an investigation by the City of any potential abuse of her position, Employee shall be required to fully reimburse the City the cost of the paid administrative leave if she is convicted of a crime involving an abuse of her position.

2. Notwithstanding any other provisions of this Agreement, if Employee has been provided legal criminal defense counsel regarding a charge involving the abuse of her position, Employee must fully reimburse the City for the cost of that counsel if Employee is convicted of a crime involving an abuse of her position.

3. Notwithstanding any other provisions of this Agreement, if this Agreement is terminated, any cash settlement related to the termination that Employee may receive from the Employer shall be fully reimbursed if Employee is convicted of a crime involving an abuse of her position.

Section 3. Compensation

A. Employee's base salary on the effective date of this Agreement shall be payable in installments at the same time as other employees of Employer are paid in the amount set forth in Exhibit A. Employee's salary is reflective of the salary for similar positions in a comparable employment market, based upon a salary survey and takes into account the special expertise, experience and job duties of Employee.

B. The City Council shall review Employee's performance annually, and shall determine compensation based upon Employee's performance. Salary determinations shall be made after the annual budget adoption. The City Council shall have no right to decrease the salary provided to Employee by more than five (5) percent per year, unless voluntarily agreed to by Employee.

Section 4. Expense Allowance

A. Employer's duties require that Employee incur expenses that may not be eligible for reimbursement by the City, but which are nonetheless incurred by Employee in the course of the performance of those official duties and/or functions. Accordingly, to encourage Employee to participate, attend or contribute to events, activities or organizations that enhance and promote the image and interests of the City, the City Council hereby provides to Employee an expense allowance in the fixed amount per month as set forth on Exhibit A as part of Employee's total compensation package.

B. The expense allowance is not intended to prevent or prohibit Employee from seeking reimbursement for expenses that are eligible for reimbursement pursuant to state law and/or City policy, such as personal travel, lodging or meal expenses incurred while on official business.

C. The expense allowance shall be treated as income and shall be subject to all applicable federal and state taxation requirements. The expense allowance is not contingent on the proof of actual expenses incurred by Employee, and Employee shall not be required by the City to maintain any record of non-reimbursable expenses.

Section 5. Auto Allowance

Employer's duties require that Employee have transportation readily available for her unrestricted use during her employment with Employer, and, to the end of assuring that Employee has a vehicle available, the City Manager shall be granted an automobile allowance as set forth on Exhibit A, payable in monthly installments in the regular payroll process.

Section 6. Performance Evaluation

The City Council and Employee shall meet at least once annually to mutually establish goals and performance objectives desired by the City Council to be accomplished during the next year.

Section 7. Administrative Leave

A. Administrative leave shall be commensurate with required job commitments beyond normal work hours, such as attendance at meetings of the City Council and various boards and commissions. It is recognized that Employee has significant job requirements and commitments beyond normal work and Employee shall be credited with administrative leave annually in the amount provided in Exhibit A to this Agreement. Administrative leave shall be credited to Employee on the first day of each calendar year in the full amount specified in Exhibit A.

B. Administrative leave may be used for leave purposes only and has no cash value, except in the event of termination. Administrative leave shall be capped at 80 hours and must be used during the calendar year. Unused hours shall not roll over to subsequent years.

C. In the event of termination, except termination for cause, Employee shall be paid for any unused Administrative Leave on an hour for hour basis.

Section 8. Annual and Sick Leave

Employee shall accrue annual and sick leave as follows:

A. Employee shall accrue, and have credited annual leave at the rate set forth in Exhibit A attached to this Agreement. Annual leave shall be comprised of sick leave, personal leave and vacation.

B. There is an annual leave cap of 320 hours. Employee may accrue the unused portion of any earned annual leave up to 320 hours of annual leave. If Employee reaches an Annual Leave balance of 320 hours, Annual Leave will cease to accrue and Employee will begin accruing Sick Leave until the Annual Leave balance falls below 320 hours. When Employee is accruing Sick Leave, it shall accrue at the same rate as Annual Leave (24 hours per month). Sick Leave would continue to accrue thereafter at the rate of 24 hours per month until and unless the Annual Leave bank balance is below 320 hours.

C. Sick leave may only be used by Employee for purposes enumerated in the City Personnel Rules. Accrued sick leave cannot be cashed out and has no cash value. There is no maximum on the number of hours of sick leave Employee may accrue. Consistent with PERS law, sick leave may be converted to service credit for purposes of retirement.

D. A maximum of 40 hours of accrued Annual Leave is eligible to be cashed out per fiscal year, except upon termination of employment or retirement from the City of Folsom.

E. If Employee participates in voluntary contributions to a 401A plan with annual leave, nothing in this section is intended to affect such contributions provided the contributions are at no cost to the City.

Section 9. Other Benefits

A. Employee shall be entitled to receive the benefits delineated below in the amounts specified in Exhibit A attached to this Agreement. The benefits provided shall be with plans and as provided to other employees in the City. Benefits provided include:

1. Health, Dental and Vision Insurance (payment of premiums)
2. Life Insurance (payment of premiums)
3. Short and long-term disability insurance (payment of premiums)
4. Deferred Compensation
5. Workers' Compensation coverage for on-the-job injuries or illnesses

B. Employer intends to provide Employee with benefits at least equivalent to those benefits available to other City employees. To the extent other benefits are granted to City employees which are not included in this Agreement, the City Council shall consider whether to amend this Agreement to provide such benefits to Employee.

C. Additional and other benefits may be provided to Employee, at the discretion of the City Council, and shall be set forth in Exhibit A.

D. Employer reserves its right to make changes from time to time in the benefits offered and the cost of such benefits to active or retired employees, both before and after retirement.

Section 10. Retirement

Employer agrees to make employer contributions to the California Public Employees Retirement System (PERS) for the 2.7% at 55 PERS plan on behalf of Employee. Employee shall have the employee portion of the PERS contribution regularly deducted from her salary by the City and forwarded to PERS, which account shall accrue to the benefit of Employee. Employee's retirement shall be calculated based on her highest average annual compensation during her last consecutive 12-month period of employment with the Employer. Employee shall pay 100% of the Employee contribution to the PERS Retirement benefit. If Employer modifies the retirement plan provided to other current non-safety employees, then Employee's plan shall conform to the modified plan.

Section 11. Official Travel and Professional Development

Employer shall pay the reasonable travel and subsistence, registration and incidental expenses of Employee incurred for official travel, meetings, and events, and Employer shall pay for the reasonable expenses related to the professional growth and development, and/or professional certification of Employee.

Section 12. Dues and Subscriptions

Employer agrees to pay for the reasonable professional dues and subscriptions of Employee necessary for her continuation and participation in national, regional, state and local associations and organizations necessary and desirable for her continued professional growth and knowledge enhancement, and for the benefit of Employer.

Section 13. Team Building and Executive Team Development

The City Council and Employee acknowledge the importance of team building and executive team development and the City Council supports reasonable programs and activities, as determined by the City Manager, to achieve a cohesive and performance-oriented management team.

Section 14. Defense and Indemnification

To the extent required by state law, Employer shall defend, hold harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties for the position specified in this Agreement. Employer may, in its sole discretion, compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon when, in the judgment of Employer such is the most advisable course of action, but in any event, will defend and indemnify Employee. This provision shall survive any termination or resignation of the Employee or expiration of this Agreement. This paragraph is not intended to provide any rights in excess of those rights provided by state law.

Section 15. Notices

A. Notices pursuant to this Agreement shall be given by first class mail addressed as follows:

1. EMPLOYER: City Council
City of Folsom
50 Natoma Street
Folsom, California 95630

Any Notice to the City Council shall include a copy to the City Attorney at the same address.

2. EMPLOYEE: Elaine Andersen

Folsom, California 95630

B. Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice.

C. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the U.S. Postal Service.

Section 16. Relationship with City Attorney

Notwithstanding the power of the City Manager to appoint all employees of the City, including the City Attorney, Employee hereby acknowledges that pursuant to the Rules of Professional Conduct of the State Bar of California, the City Attorney's client is the City. Employee further acknowledges that the City Attorney is required to advise the City Council if the City Attorney believes that the City Manager has acted, or intends to act in a manner which is

likely to result in damage, injury or liability to the City, or has refused to act to prevent such damage, injury or liability. Employee shall take no action to prohibit the City Attorney from fulfilling such responsibilities.

Section 17. General Provision

A. The text hereof shall constitute the entire Agreement between the parties and shall supersede any and all prior agreements and amendments between the parties. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties unless reduced to writing and signed by a representative of the City Council and the Employee.

B. This Agreement shall be binding on and inure to the benefit of the heirs at law and executors of Employee.

C. If any provision or any portion of the Agreement is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement shall not be affected and shall remain in full force and effect.


D. The Agreement shall become effective immediately upon the execution by both parties.

SIGNATURE PAGE IMMEDIATELY FOLLOWS

IN WITNESS WHEREOF, the Mayor of the City of Folsom, California, pursuant to authority granted to him by the City Charter and Folsom Municipal Code, hereby signs this Agreement on behalf of the City of Folsom as Employer, and Elaine Andersen, as Employee, hereby signs this Agreement, both parties agreeing to the terms and provisions set forth herein.

APPROVED AND AUTHORIZED:

Date: 5/24/18



Stephen E. Miklos, Mayor of the City of Folsom
For the City of Folsom – Employer

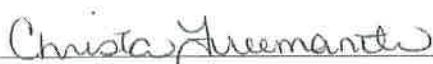
ACCEPTED AND AGREED TO:

Date: 5/23/18



Elaine Andersen
Employee – City Manager

ATTEST:

 5/25/18

Christa Freemantle
City Clerk

APPROVED AS TO FORM:



Steven Wang
City Attorney

EXHIBIT "A"

**CITY MANAGER
TOTAL COMPENSATION**

Base Salary: \$245,000.00 annually

Benefits:

PERS: 2.7% at 55. Employee shall pay her PERS employee contribution.

Deferred Comp: 457 plan. Choice of 3 carriers; City pays 7.5% of Employee's salary per month to the plan of Employee's choice with no matching contribution required of Employee.

Auto Allowance: \$500 per month.

Expense Allowance: \$200 per month.

Tech Allowance: \$100 per month.

Administrative Leave: 80 hours per year.

Administrative leave shall be credited in January. Any unexpended hours shall not "roll over" to the following year and shall have no cash value upon separation.

Annual Leave: 24 hours per month.

Employee shall use Annual Leave as follows:

- A. Employee may accrue the unused portion of any earned annual leave up to a maximum of 320 hours; Employee may not accrue more than 320 hours of Annual Leave. If Employee reaches an Annual Leave balance of 320 hours, Annual Leave will cease to accrue and employee will begin accruing Sick Leave until the Annual Leave balance falls below 320 hours.
- B. A maximum of 40 hours of accrued Annual Leave is eligible to be cashed out per fiscal year, except upon termination of employment or retirement from the City of Folsom.
- C. If Employee participates in voluntary contributions to a 401A plan (if available) with annual leave, nothing in this section is intended to affect such contributions provided the contributions are at no cost to the City.

Sick Leave:

- A. Employee shall not accrue Sick Leave unless employee's Annual Leave

balance is in excess of 320 hours.

- B. When Employee is accruing Sick Leave, it shall accrue at the same rate as Annual Leave (24) hours per month). As an example, should Employee have an Annual Leave bank of 310 hours and accrue 24 hours of leave the following month, 10 hours would accrue as Annual Leave and 14 would accrue as Sick Leave. Sick Leave would continue to accrue thereafter at the rate of 24 hours per month until and unless the Annual Leave bank balance is below 320 hours.
- C. Sick leave may be used by Employee for illness or injury as set forth in City Personnel Rules.
- D. Per the amendment of City's contract with PERS to permit sick leave to be converted to service credit for purposes of retirement, Employee may participate in the program.
- E. Accrued sick leave shall not be cashed out and shall have no cash value.

There shall be no maximum on the number of hours of sick leave Employee may accrue.

Health Insurance: City pays the health insurance premium for Employee, Employee plus 1 or Employee plus family up to the maximum insurance premium rate offered to other Executive Management employees of the City. Employee shall provide contributions to health insurance premiums to the same level required of other City employees.

Employee may participate in any adopted Health Savings Account adopted by the City, at no cost to the City.

Dental Insurance: City pays 100% of the dental insurance premium for Employee, Employee plus 1 or Employee plus family for dental insurance coverage offered to other employees of the City.

Vision Insurance: City pays 100% of the insurance premium for Employee, Employee plus 1 or Employee plus family for vision eye insurance coverage offered to other employees of the City.

Life Insurance: City pays 100% of the premium for a \$70,000 life insurance policy on policies offered to other Executive Management employees of the City. The life insurance may be portable at no additional cost to the City.

Disability: City pays 100% of the monthly premium for both short and long-term disability insurance policies on policies offered to other employees of the City.

Retiree Medical: Employees hired on or before May 8, 2007 who retire with more than 5 years of service with the City of Folsom shall qualify for a monthly City retiree health insurance contribution. Subject to the maximum contribution set forth below, the City's retiree health insurance contribution shall be as follows:

- a) Retiree only – an amount equal to the City's contribution towards active employee health insurance for the category of "employee only."
- b) Retiree and one dependent – an amount equal to the City's contribution towards active employee health insurance for the category of "employee plus one."
- c) Retiree and two or more dependents - an amount equal to the City's contribution towards active employee health insurance for the category of "employee plus two or more" until the retiree reaches age 55. Thereafter, the City's contribution towards a retiree with two or more dependents shall be an amount equal to the City's contribution towards active employee health insurance for the category of "employee plus one" plus \$100.

Effective January 1, 2012, the City's monthly contribution toward the cost of retiree health insurance shall not exceed the maximum monthly contribution paid by the City to active employee health insurance for the categories of employee only (for retiree only), employee plus one (for retiree plus one dependent), and employee plus two or more until age 55 and employee plus one plus \$100 after age 55 (for retiree plus two or more dependents). For retiree medical coverage, retirees are pooled with regular employees for coverage and rate setting.

The January 1, 2012 cap for each category shall be adjusted each January thereafter by an amount not to exceed 3%, depending on the percent increase in the Consumer Price Index (CPI), U.S. Department of Labor, for November - November of the previous year, Index CPI-W, Urban Wage Earners and Clerical Workers, Series #CWUR0400SA0, United States. For example: if the cost of living for the specified period increases by 2%, the cap shall be increased by 2%. If the cost of living for the specified period increases by 4%, the cap shall be increased by 3% (cost of living increases in the cap shall be rounded to the nearest tenth).

Pursuant to applicable law, the City may establish a tax exempt Voluntary Employee Benefit Association (VEBA), Retiree Health Savings Account (RHSA) or other mechanism for all employees to save for additional retiree health insurance and provide a mechanism whereby employees may voluntarily contribute toward

future costs of retiree health insurance premiums and related expenses. Should such a program be established, Employee shall be eligible to participate.

Retired Employees shall receive vision and dental care in the same manner as currently provided to other retired employees.

Severance:

Twelve (12) months' salary and benefits, no accrual of annual or administrative leave during that time period, during the first year of this Employment Agreement, and nine (9) months thereafter with no accrual of annual or administrative leave during that time period. If the number of days remaining on the contract upon discharge is less than the number of days provided for severance, then pursuant to Government Code section 3511.1 and 53260, Employee's severance sum shall be equivalent to the number of days remaining on the contract. Severance benefits shall not include the value of any accrual of annual or administrative leave.

Dated: _____

5/23/18



ELAINE ANDERSEN


**AMENDMENT NO. 1 TO
EMPLOYMENT AGREEMENT
FOR THE
CITY MANAGER**

This Amendment No. 1 to the Employment Agreement for the City Manager (referred to herein as the "Agreement"), is made and entered into this 13th day of July, 2019, as provided for in Section 17 of the Agreement and for all purposes, including calculation of pay and benefits, is effective as of July 1, 2019.

Exhibit A of the Agreement is hereby modified to reflect Employee's base salary to be \$251,125.00 per year.

Except as amended herein, all other provisions of the Agreement and any previously approved amendments thereto remain in full force and effect.

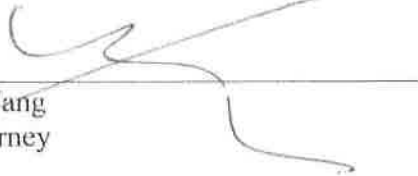
Approved and Authorized:


Kerri M. Howell, Mayor
For the City of Folsom - Employer


Accepted and Agreed to:


Elaine Andersen
Employee - City Manager

Approved as to Form:


Steven Wang
City Attorney

Attest:


Christa Freemantle 7/18/19
City Clerk

**AMENDMENT NO. 2 TO
EMPLOYMENT AGREEMENT
FOR THE CITY MANAGER**

This Amendment No. 2 to Employment Agreement for the City Manager dated September 22, 2015 (referred to herein as the "Agreement"), is made and entered into this 20th day of November, 2019, as provided for in Section 16 of the Agreement and for all purposes, including calculation of pay and benefits, and is effective as of July 1, 2019.

The following provisions in Exhibit A of the Agreement are hereby modified as follows:

1. Dental Insurance in Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the following:

"Dental Insurance: Effective January 1, 2020, City pays 80% of the dental insurance premium for Employee, Employee plus 1 or Employee plus family for dental insurance coverage offered to other employees of the City. If Employee elects dental coverage, Employee will contribute 20% of the monthly premium. If Employee does not elect dental coverage or drops coverage at any time in the future, Employee must wait 2 years to be eligible for dental coverage."

2. Vision Insurance in Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the following:

"Vision Insurance: Effective January 1, 2020, City pays 80% of the insurance premium for Employee, Employee plus 1 or Employee plus family for vision eye insurance coverage offered to other employees of the City. If Employee elects vision coverage, Employee will contribute 20% of the monthly premium. If Employee does not elect vision coverage or drops coverage at any time in the future, Employee must wait 2 years to be eligible for vision coverage."

3. Retiree Medical in Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the following:

"Retiree Medical: The City reserves its right to make changes from time to time in the health benefits offered and the cost of such insurance coverage to active or retired employees, both before and after retirement. Employee acknowledges City's right.

A. Employee hired on or prior to May 8, 2007 who retire¹ from City service may participate in City health insurance plans made available by the City for active employees until age 65 when they move to a Medicare Advantage Plan per Section A.ii.b below. The amount of the City's monthly contribution shall be

¹ "Existing employees" are exclusively permanent and/or probationary employees of the City of Folsom hired on or before May 8, 2007. "Retire" or "retiree" is defined as any City employee who (1) applies for retirement with the Public Employees' Retirement System (PERS) within 90 days after terminating employment with the City, and (2) receives a PERS retirement benefit.

determined as set forth below. Any costs that exceed the maximum paid by the City toward retiree health insurance costs shall be borne by the retiree.

- i. Employee who retire with less than 5 years of service² shall not be eligible to receive any City contribution toward the cost of retiree health insurance.
- ii. Employees who retire with more than 5 years of service shall qualify for a monthly City retiree health insurance contribution.
 - a. Subject to the maximum set forth in A.iii below, the City retiree health contribution shall be as follows:
 - Retiree only – an amount equal to the City’s contribution towards active employee health insurance for the category of “employee only.”
 - Retiree and one dependent – an amount equal to the City’s contribution towards active employee health insurance for the category of “employee plus one.”
 - Retiree and two or more dependents – an amount equal to the City’s contribution towards active employee health insurance for the category of “employee plus two or more” until the retiree reaches age 55. Thereafter, the City’s contribution towards a retiree with two or more dependents shall be an amount equal to the City’s contribution towards active employee health insurance for the category of “employee plus one” plus \$100.
 - b. Retirees and their covered family members who are Medicare eligible must move to an offered Medicare Advantage Plan option when they reach Medicare eligibility. These plans require that they enroll and pay for Medicare parts A and B. Retirees are responsible for showing proof of Medicare enrollment as required by the carrier. Medicare eligible retirees will be dropped from the City’s non-Medicare plan upon Medicare eligibility and/or charged any additional costs associated for noncompliance by the plan carrier.
- iii. Effective January 1, 2012, the City’s monthly contribution toward the cost of retiree health insurance shall not exceed the maximum monthly contribution paid by the City to active employee health insurance for the categories of employee only (for retiree only), employee plus one (for retiree plus one dependent), and employee plus two or more until age 55, and employee plus one plus \$100 after age 55 (for retiree plus two or more dependents). For retiree medical coverage, retirees are pooled with regular employees for coverage and rate setting.

² “Service” is defined as full time (or equivalent) continuous permanent and/or probationary employment status with the City of Folsom.


a. The January 1, 2012 cap for each category shall be adjusted each January thereafter by an amount not to exceed 3%, depending on the percent increase in the Consumer Price Index (CPI), U.S. Department of Labor, for November – November of the previous year, Index CPI-W, Urban Wage Earners and Clerical Workers, Series #CWUR0400SA0, United States. (For example, if the cost of living for the specified period increases by 2%, the cap shall be increased by 2%. If the cost of living for the specified period increases by 4%, the cap shall be increased by 3%. Cost of living increases in the cap shall be rounded to the nearest tenth.)

B. Effective September 1, 2019, employees who retire from City service must have at least 120 months of continuous service as City employee to qualify for dental and vision insurance benefits provided to active employees. If Employee elects this coverage, City shall contribute 5% of the premium per year of City service, up to an 80% City contribution. If Employee does not elect either vision or dental coverage or drops coverage at any time in the future, Employee must wait 2 years in order to be eligible for coverage.

C. Employee under the age of 65 retired from City service and eligible for Retiree Medical coverage, but lives outside the City's health plan coverage area, qualify for a Health Retirement Account (HRA) that will allow retired Employee to use the City's contribution toward Employee's health care plan to join any plan Employee desires in the locality where Employee resides. For details, please contact the City of Folsom Human Resources Department.

Except as amended herein, all other provisions of the Agreement shall remain in full force and effect.

Approved and Authorized:


Kerri M. Howell, Mayor
For the City of Folsom - Employer

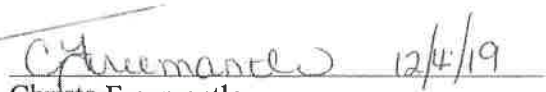
Accepted and Agreed to:


Elaine Andersen
Employee – City Manager

Approved as to Form:


Steven Wang
City Attorney

Attest:


Christa Freemantle
City Clerk