



City of Grass Valley City Council Agenda Action Sheet

Title: Approval of modifications of Police Chief, Fire Chief, and Deputy City Manager I/II Employment Agreements

CEQA: Not a project

Recommendation: That Council 1) approve the amended and restated updated Police Chief and Fire Chief Employment Agreements to include educational and longevity incentive pays, deferred compensation benefits, retiree health provisions, and other related revisions, subject to legal review; 2) approve Amendment No. 1 to the Deputy City Manager I/II Employment Agreement increasing the deferred compensation amount, subject to legal review; 3) authorize the City Manager to execute the Agreements and Amendment subject to legal review; and 4) authorize the Finance Director to make any necessary budget transfers, adjustments and/or amendments to complete this action.

Prepared by: Timothy M. Kiser, City Manager

Council Meeting Date: 11/12/2025

Date Prepared: 11/04/2025

Agenda: Consent

Background Information: In an effort to retain and appropriately compensate the City's key executive leadership team – including the Police Chief, Fire Chief, and Deputy City Manager I/II – staff is proposing replacing or amending their existing employment agreements to maintain parity with comparable jurisdictions and ensure long-term organizational stability.

The Police Chief's amended and restated agreement is proposed to be updated to include potential educational pay, longevity pay, increased deferred compensation, and retiree health benefits. Similarly, the Fire Chief's amended and restated agreement is recommended for revision to add longevity pay, adjust the salary range to align with that of the Police Chief, include enhanced deferred compensation benefits, and establish retiree health benefits. The Deputy City Manager's agreement is proposed to be amended to increase the City's deferred compensation contribution up to a maximum of \$5,000 annually. See the attached agreements for specific details.

These adjustments are essential to keeping the City of Grass Valley's top management positions competitive with other agencies of similar size and complexity. The City's ability to retain experienced, high-performing department heads directly impacts the effectiveness, continuity, and institutional knowledge of City operations. Stable leadership in these critical areas – public safety and administration – ensures consistent service delivery, efficient management of resources, and effective implementation of City Council priorities.

For the Fire Chief and Police Chief, the proposed retiree health benefits are structured to reward and encourage long-term commitment to the City. To be eligible, the employee must retire in good standing with more than 20 years of service with the City of Grass Valley. To mitigate future financial impacts, staff recommends increasing the City's medical reserves by one million dollars from unallocated reserves. The interest generated from this reserve will be used to fund the retiree health benefit obligations, thereby creating a sustainable approach to managing these long-term commitments.

These proposed updates demonstrate the City's continued investment in its leadership team and its proactive approach to recruitment and retention of essential executive personnel who guide the organization and deliver high-quality public service to the community.

Council Goals/Objectives: This proposed action executes portions of the work tasks towards achieving / maintaining the Strategic Plan goal to maintain a Productive and Efficient Workforce.

Fiscal Impact: The cost differential savings realized through the underfilling of various management positions will offset the cost of the proposed contract adjustments for the Police Chief, Fire Chief, and Deputy City Manager I/II. Additionally, the proposed retiree health benefits for the Police Chief and Fire Chief are anticipated to have minimal long-term fiscal impact. By increasing the City's medical reserve by one million dollars from unallocated General Fund reserves, the interest earnings from this reserve will be sufficient to offset the projected future cost of the retiree health benefits, thereby maintaining a fiscally responsible and sustainable approach.

Funds Available: Yes

Account #: General Fund Account 100

Reviewed by: City Manager

Attachments:

- Amended and Restated Agreement for Police Chief
- Amended and Restated Agreement for Fire Chief
- Amendment No. 1 for Deputy City Manager Position I/II