



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 12/06/2022

ITEM NO: 9

DATE: November 3, 2022
TO: Mayor and Town Council
FROM: Salina Flores, Human Resources Director
SUBJECT: Approve an Amendment to the Employment Agreement Between the Town of Los Gatos and the Town Manager Effective on the Anniversary Date and Authorize Salary and Benefits Budget Adjustments in the Amount of \$11,626 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 effective on the anniversary date and authorize salary and benefits budget adjustments in the amount of \$11,626 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 (Attachment 2) 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.

PREPARED BY: Salina Flores
Human Resources Director

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

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SUBJECT: Approve an Amendment to the Employment Agreement Between the Town of Los Gatos and the Town Manager Effective on the Anniversary Date, and Authorize Salary and Benefits Budget Adjustments in the Amount of \$11,626 from Available General Fund Capital/Special Projects Reserve

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DISCUSSION (continued):

In accordance with the agreement terms for Town Manager Laurel Prevetti, the Town Council completed the evaluation for her seventh year in the position, from October 2021 through September 2022.

Based upon the satisfactory completion of the performance review in Closed Session, Council recommended that the Town Manager's annual base salary increase three percent (3%) to \$275,783 annually, retroactive to the anniversary date of September 2, 2022.

The Employment Agreement also provides authorization for the Town Manager to receive the same benefits as Town Unrepresented Management employees. Unrepresented Management employees who worked for the Town in 2021, received a one-time pandemic related bonus lump sum payment in the amount of \$2,500. The amendment includes this same one-time pandemic related bonus lump sum payment in the amount \$2,500. The Town Manager would also have the new Council adopted Juneteenth holiday.

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 three percent (3%) to \$275,783 annually, effective in the pay period that includes September 2, 2022.

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 the fiscal year is \$11,626. The requested budget adjustment in the amount of \$11,626 from available General Fund Capital/Special Project Reserve will provide funding for the additional salary and benefit cost for Fiscal Year (FY) 2022/23. Funding to support the FY 2023/24 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. Employment Agreement – Town Manager
3. Salary Schedule for Town Council and Management