



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 02/03/2026

ITEM NO: 11

DATE: February 3, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Adopt a Resolution to Approve the First Amendment to the Employment Agreement Between the Town of Los Gatos and the Town Manager and Authorize the Mayor to Execute the Amendment; Modify the Management Salary Schedule to Reflect a New Salary of \$366,000; and Authorize a Budget Adjustment in the Amount of \$19,766 funded from Available General Fund Unassigned Fund Balance**

RECOMMENDATION: Adopt a resolution approving the first amendment to the Employment Agreement between the Town of Los Gatos and the Town Manager; authorize the Mayor to execute the agreement; modify the Management Salary Schedule to reflect the new salary of \$366,000 for the Town Manager; and authorize a Budget Expenditure Adjustment in the total amount of \$19,766 which includes a \$14,230 merit increase and \$5,536 for costs associated with payroll, retirement and taxes from the Available General Fund unassigned balance.

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 \$19,766 prorated to February 15, 2026, effective date through the remainder of the fiscal year. The requested budget adjustment will be funded from the available General Fund unassigned balance, and additional salary and benefits costs for Fiscal Year (FY) 2025/26 will be reflected in fund and account number 111-2101-51111. Funding for the ongoing costs each year will be incorporated into the proposed future year budgets for Council approval.

PREPARED BY: Vilcia Rodriguez
Human Resources Division Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

PAGE 2 OF 3

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DATE: February 3, 2026

STRATEGIC PRIORITY:

This item is not associated directly with a specific strategic priority; however, it aligns with the Town's Core Goal of Good Governance.

BACKGROUND:

As an appointee of the Town Council, the Town Manager is employed under an Employment Agreement (Attachment 4) specifying the terms and conditions of employment. The terms and conditions of employees 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 Council reviews the Town Manager's performance and compensation annually through a performance evaluation. In accordance with the agreement terms for Town Manager, Chris Constantin, the Town Council completed the evaluation for the period of November 2024 through November 2025.

Based upon the completion of a satisfactory performance review, the Town Council authorized an eleven-point twenty-five percent (11.25%) merit increase effective February 15, 2026, equivalent to \$366,000 annually, and an increase in management leave hours from 40 to 80 hours. The Council further approved establishing the January 1, 2026 rate as the baseline for benefit costs; any future rate adjustments must be negotiated with the Town Council. These changes are reflected in the first amendment to the employment agreement along with authorizing additional activities under Section 1.E ("Other Activities") and correcting a clerical error.

CONCLUSION:

Based upon the completion of a satisfactory performance review in Closed Session, it is recommended that the Town Council adopt a resolution approving the first amendment to the Employment Agreement between the Town of Los Gatos and the Town Manager; authorize the Mayor to execute the agreement; modify the Management Salary Schedule to reflect the new salary of \$366,000 for the Town Manager; and authorize a Budget Expenditure Adjustment in the total amount of \$19,766 which includes a \$14,230 merit increase and \$5,5,536 for costs

PAGE 3 OF 3

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associated with payroll, retirement and taxes from the Available General Fund unassigned balance.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Resolution
2. First Amendment to the Employment Agreement – Town Manager
3. Salary Schedule for Town Council and Management
4. Employment Agreement - Town Manager