



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 12/05/2023

ITEM NO: 9

DATE: November 28, 2023
TO: Mayor and Town Council
FROM: Katy Nomura, Assistant Town Manager/Acting Human Resources Director
SUBJECT: Approve an Amendment to the Employment Agreement Between the Town of Los Gatos and the Town Manager and Authorize Salary and Benefits Budget Adjustments in the Amount of \$15,682 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 and authorize salary and benefits budget adjustments in the amount of \$15,682 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. 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: Katy Nomura
Assistant Town Manager

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

PAGE 2 OF 2

SUBJECT: Approve an Amendment to the Employment Agreement Between the Town of Los Gatos and the Town Manager and Authorize Salary and Benefits Budget Adjustments in the Amount of \$15,682 from Available General Fund Capital/Special Projects Reserve

DATE: November 28, 2022

DISCUSSION (continued):

In accordance with the agreement terms for Town Manager Laurel Prevetti, the Town Council completed the evaluation for her eighth year in the position, from October 2022 through September 2023.

Based upon the completion of the performance review in Closed Session, Council recommended that the Town Manager's annual base salary increase five percent (5%) to \$289,572 annually, retroactive to the anniversary date of September 2, 2023.

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 five percent (5%) to \$289,572 annually, effective on September 2, 2023. If Council approves the contract amendment and budget adjustment, the Council's action will be reflected in an updated Salary Schedule for Management (see Attachment 3).

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 \$15,682. The requested budget adjustment in the amount of \$15,682 from available General Fund Capital/Special Project Reserve will provide funding for the additional salary and benefit cost for Fiscal Year (FY) 2023/24. Funding to support the FY 2024/25 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 Town Manager Employment Agreement
2. Town Manager Employment Agreement
3. Town Council and Management Salary Schedule