



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 11/16/2021

ITEM NO: 17

DATE: November 10, 2021
TO: Mayor and Town Council
FROM: Lisa Velasco, 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

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.

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. In accordance with the agreement terms for Town Manager Laurel Prevetti, the Town Council completed the evaluation for her sixth year in the position, from September 2020 through September 2021.

Based upon the satisfactory completion of the performance review in Closed Session, Council recommended that the Town Manager's annual base salary increase two-percent (2%) to \$267,750 annually, effective in the pay period that includes October 1, 2021. While the written review stated an effective date of October 1, 2021, this was intended to bring consistency

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

DISCUSSION (continued):

between the Town Attorney and Town Manager; however due to the Employment Agreement language, it should be revised to the anniversary date.

The Employment Agreement also provides authorization for the Town Manager to receive the same benefits as Town Management employees. Pending receipt of Council authority to provide an additional one-time eight (8) hour floating holiday (not subject to cash out) to be used by June 30, 2022 for unrepresented Management employees, the same holiday should be provided to the Town Manager.

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 two-percent (2%) to \$267,750 annually, effective in the pay period that includes September 2, 2021. Pending receipt of Council authority to provide a floating holiday to unrepresented Management employees, the same holiday should be provided to the Town Manager.

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 \$5,847 and is included in the 2021/22 Operating Budget.

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