



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: FEBRUARY 3, 2025
FROM: DEREK COLE, CITY ATTORNEY
SUBJECT: AMENDMENT TO CITY MANAGER EMPLOYMENT AGREEMENT

Background and Analysis

The City Manager began employment on November 7, 2023. His Employment Agreement entitled him to receive a loan of \$2,500 per month for the first 12 months of his employment. This loan was styled as a housing allowance. The Employment Agreement provides the loan need not be repaid until the end of the Manager's third year of employment (though he would have to pay it back in full if he leaves employment sooner). The agreement indicates; however, the Council may choose to relieve the Manager from the full repayment obligation after his third full year of service.

The proposed amendment to the City Manager agreement would at this time relieve the City Manager of one-half his repayment obligation (\$15,000) while still subjecting the remaining half (\$15,000) to the above terms. The amendment would also allow him to receive—as an allowance, not as a loan—\$1,250 for each month worked for housing for the second year of his service.

Fiscal Impact

The immediate effect of approval of the Amendment to the City Manager Agreement would be to confirm the City will incur the \$15,000 share of his employment allowance last year. As originally drafted, the Employment Agreement called for the City Manager to repay that amount (unless excused after three full years of employment). In addition, the City would be obligated to pay \$1,250 for all of the 12 months the City Manager has worked or will work following the completion of his first full year of service.

ATTACHMENTS:

1. Proposed Resolution
2. Proposed Amendment to City Manager Agreement