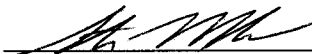


CITY OF SAN LEANDRO
STAFF REPORT

DATE: May 3, 2010
TO: City Council
FROM: Stephen L. Hollister, City Manager

APPROVED AND
FORWARDED
TO CITY COUNCIL



Stephen L. Hollister
City Manager

SUBJECT PROJECT/PROJECT DESCRIPTION:

RESOLUTION APPROVING EMPLOYMENT AGREEMENT WITH CITY MANAGER
STEPHEN L. HOLLISTER

SUMMARY AND RECOMMENDATION

On April 19, 2010, the City Council met in closed session to evaluate the job performance of the City Manager. The City Council made the following determinations:

1. City Manager Stephen L. Hollister will be reappointed as City Manager effective July 1, 2010.
2. The employment agreement with City Manager Hollister includes the following noted provisions:
 - Salary at 15% above next highest compensated employee
 - Six months salary and benefits severance clause or 180 days notice if agreement is not renewed or extended
 - Annual review of performance using City Council developed priorities
 - Term – July 1, 2010 to June 30, 2011

BACKGROUND

Analysis

The current City Manager contract expires on June 30, 2010. The effective date of this City Manager contract is July 1, 2010 and expires June 30, 2011.

Current City Council Policy

The City Manager is appointed pursuant to Article IV, Section 400 of the San Leandro City Charter and is employed under the provisions of a contractual services agreement for a defined period of time. The contract may be renewed by the City Council if the job performance is deemed satisfactory.

Previous City Council Action(s)

The City Council has employed Stephen L. Hollister as City Manager since December 15, 2008.

City Council Committee Review and Action

Not Applicable

Applicable General Plan Policy

Not Applicable

Permits and/or Variances Granted

Not Applicable

Environmental Review

Not Applicable

Code Compliance Review

Not Applicable

Board/Commission Findings

Not Applicable

Summary of Public Outreach Efforts

Not Applicable

Fiscal Impact

There is no change in salary and benefits provided to the City Manager. The City Manager is also subject to the 2010 one day a month furlough.

Budget Authority

The position is funded in account #010-12-020-4101.

Attachments

None.

CONCLUSION

A resolution approving the employment agreement with City Manager Stephen L. Hollister is on the City Council agenda for May 3, 2010.

IN THE CITY COUNCIL OF THE CITY OF SAN LEANDRO

RESOLUTION NO. 2010-

RESOLUTION APPROVING EMPLOYMENT AGREEMENT WITH
CITY MANAGER STEPHEN L. HOLLISTER

An Employment Agreement between the City of San Leandro and Stephen L. Hollister as City Manager for the City of San Leandro, a copy of which is attached, has been presented to this Council.

The Council is familiar with the contents thereof.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

That said agreement is hereby approved and execution thereof is hereby authorized.

Introduced by Councilmember _____ and passed and adopted this

_____ day of _____, 2010 by the following called vote:

Members of the Council:

AYES:

NOES:

ABSENT:

ATTEST:

Marian Handa, City Clerk

EMPLOYMENT AGREEMENT

THIS AGREEMENT is between the CITY OF SAN LEANDRO ("City") and STEPHEN L. HOLLISTER and is dated for convenience this 1st day of July, 2010.

Recitals

City desires to employ Stephen L. Hollister as City Manager of the City of San Leandro.

Stephen L. Hollister desires to serve as City Manager of the City of San Leandro.

The City Council, as the appointing authority, and Stephen L. Hollister desire to agree in writing to the terms and conditions of Stephen L. Hollister's employment as City Manager.

AGREEMENT

1. DUTIES

- (a) City agrees to employ Stephen L. Hollister ("Employee") as City Manager of the City of San Leandro to perform the functions and duties specified in the charter, ordinances, and resolutions of City. Employee shall also perform other legally permissible and proper duties and functions as the City Council may from time to time assign.
- (b) Employee shall perform his duties to the best of his ability in accordance with the highest possible and ethical standards of the profession and shall comply with all general rules and regulations established by the City.
- (c) Employee shall not engage in any activity that is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Prior to performing any services under this Agreement, and annually thereafter, the Employee must complete disclosure forms required by law.

2. TERM

- (a) The term of this Agreement shall commence on July 1, 2010 and terminate on June 30, 2011. This agreement may be terminated in accordance with the provisions set forth in Paragraph 3 or terminated by the event of the death or permanent disability of Employee.
- (b) Employee agrees to remain in the exclusive employment of the City during the term of the Agreement.
- (c) City agrees to give the Employee at least 180 days notice if it does not intend to renew or extend this agreement upon its expiration.

3. RESIGNATION AND TERMINATION

- (a) Employee may resign at any time with or without cause and agrees to give City at least ninety (90) days advance written notice of the effective date of his resignation. Upon notice of resignation, or sooner, Employee, in consultation with the City Council, will develop a "transition plan" and Employee will, if requested, assist the City Council in the recruitment and hiring process for the position of City Manager on a permanent or interim basis.
- (b) Subject to the provisions of the Charter, City may at any time terminate Employee upon thirty (30) days advance written notice.
- (c) The parties recognize and affirm that: 1) Employee is an "at will" employee whose employment may be terminated by the City without cause, and 2) there is no express or implied promise made to Employee for any form of continued employment. This Agreement is the sole and exclusive basis for an employment relationship between Employee and City.

4. SEVERANCE PAY

If Employee is terminated by the City Council while still willing and able to perform the duties of City Manager, City agrees to pay Employee a cash payment equal to six (6) months salary and benefits. At the option of the Employee, the cash payment may be paid in (1) a lump sum upon date of termination; or (2) a lump sum on January 1 of the calendar year following termination. Such payment will release City from any further obligations under this Agreement. Provided however, if Employee is terminated for cause, including but not limited to conviction of any criminal offense, then City shall have no obligation to continue the employment of Employee in any capacity.

5. SALARY

For the term of this Agreement, City agrees to pay Employee a salary 15% above step five of the salary range of the highest paid City management employee as shown in the City Council adopted Pay Plan (hereafter referred to as "the Baseline Salary"). Employee's compensation shall be adjusted whenever the Baseline Salary is adjusted so that Employee's salary shall not be less than 15% above the Baseline Salary at any time during the term of the Agreement.

6. AUTOMOBILE

Employee's duties require that he shall have the use of an automobile at all times during his employment with City. At the option of Employee, City shall either provide Employee with an automobile or reimburse Employee \$475.00 per month for the expense of owning, maintaining, and insuring a personal automobile.

7. OTHER SUPPLEMENTAL BENEFITS

The City shall provide the Employee the same benefits as provided to management employees and as they may be amended from time to time. All actions taken by the City relating to benefits for management employees shall be considered actions granting the same benefits to Employee. As used herein and without limitation of the foregoing, benefits for Employee include but are not

limited to twenty-five (25) days of annual vacation leave, twelve (12) days of annual sick leave, management incentive pay of 120 hours per calendar year paid equally at each pay period, holidays, retirement benefits and payments, health insurance, dental insurance, life insurance, and management development allowance.

8. PERFORMANCE EVALUATION

The City Council shall evaluate Employee's performance at least annually. In addition, every year, the City Council and Employee will set goals and objectives for the ensuing year (Exhibit A hereof).

9. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

The City Council, by resolution, shall fix any other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with provisions of this Agreement or law.

10. NOTICES

Any notices required by this Agreement shall be in writing and either given in person or by first-class mail with postage prepaid and addressed as follows:

TO CITY: City Council
c/o Mayor Anthony B. Santos
City of San Leandro
835 East 14th Street
San Leandro, CA 94577

TO EMPLOYEE: Stephen L. Hollister
City Manager
City of San Leandro
835 East 14th Street
San Leandro, CA 94577

11. ARBITRATION

Any controversy or claim arising out of or pertaining to this Agreement, or breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be enforced as provided by California law.

12. ENTIRE AGREEMENT

This Agreement is the final expression of the complete agreement of the parties with respect to the matters specified herein and supersedes all prior oral or written understandings. Except as prescribed herein, this Agreement cannot be modified except by written mutual agreement signed by the parties.

13. ASSIGNMENT

This Agreement is not assignable by either City or Employee.

14. SEVERABILITY

In the event that any provision of this Agreement is finally held or determined to be illegal or void by a court having jurisdiction over the parties, the remainder of the Agreement shall remain in full force and effect unless the parts found to be void are wholly inseparable from the remaining portion of the Agreement.

15. COUNTERPARTS

This Agreement shall be executed simultaneously in three counterparts, which shall be identified by number, and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, The City has caused this Agreement to be signed and executed on its behalf by its Mayor and duly attested by the City Clerk. It has also been executed by the Employee.

Stephen L. Hollister, Employee

Anthony B. Santos, Mayor
City of San Leandro

ATTEST:

Marian Handa, City Clerk

APPROVED AS TO FORM:



for Jayne W. Williams, City Attorney

EXHIBIT A

CITY COUNCIL PRIORITIES – CITY MANAGER GOALS FOR FISCAL YEAR 2010-11

The following City Council/City Manager goals reflect City Council's Fiscal Year 2010-11 goals as developed at their 2010 retreat, and a review of the City Manager's goals and objectives. The City Manager's goals and initiatives will be addressed in four focus areas:

- Financial
- Organizational development
- Development and planning
- Infrastructure

City Council/City Manager Goals

- Maintain and increase the City's fiscal stability
- High levels of police, fire and emergency response to the San Leandro community
- Maintain and enhance the City's infrastructure
- Enhanced quality of life to the citizens of San Leandro
- Well-planned, high quality, sustainable, long-term development
- Support quality schools for the San Leandro community
- San Leandro shoreline as an accessible, self-supporting, community asset