

ATTACHMENT A

AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT

City Attorney

This Amendment No. 2 is dated this _____ day of _____, 2019, between the City of Santa Rosa (“City”) and Sue Gallagher, (“City Attorney” or “employee”).

RECITALS

WHEREAS, the City and the City Attorney entered into an Employment Agreement dated April 18, 2017; and

WHEREAS, on June 26, 2018, the Council approved by resolution RES-2018-109, Amendment No. 1 to the Employment Agreement; and

WHEREAS, the City Attorney’s Employment Agreement provides that, “The City Attorney’s compensation shall change by the percentage of the cost of living salary adjustment, if any, paid to the City’s executive management employees for the 2018-19 fiscal year and each fiscal year thereafter. The City Attorney’s compensation shall also change by the benefits adjustment, if any, paid to the City’s executive management employees for the 2017-18 fiscal year and each fiscal year thereafter. In addition, upon completion of an annual performance evaluation as set forth in section 5, the City Council shall consider whether to provide a merit increase in the City Attorney’s salary subject to the maximum salary range establish for the City Attorney classification”; and

WHEREAS, the City Council has completed the City Attorney’s annual performance evaluation; and

WHEREAS, on July 18, 2017, the Council approved, by resolution, for the City’s executive management, a 2.5% cost of living salary increase and an increase of City contribution for the 2019-2020 fiscal year equal to 0.25% of base wage to employee Retiree Health Savings Plan, for a total City contribution of 0.75%, and these benefits take effect on the first full pay period following July 1, 2019; and

WHEREAS, on December 3, 2019, the Council approved for the City Attorney, by resolution, a 7.5% merit increase, a 2.5% increase in deferred compensation for a total contribution of five percent

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5% of base pay and a 2.5% cost of living adjustment to salary and an increase to the City contribution for the 2019-2020 fiscal year in an amount equal to 0.25% of base wage, to employee Retiree Health Savings Plan, for a total City contribution of 0.75%, to take effect on July 7, 2019.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual benefit to be derived by the parties, it is agreed to amend the Employment Agreement for the City Attorney as follows:

1. Section 3. Salary:

The parties hereby agree to amend Section 3 Salary, to read as follows:

“3. Salary. The City Attorney’s annual compensation, including salary and benefits, shall be fixed from time to time by ordinance adopted by the City Council as required under the City Charter. The monthly salary, effective May 12, 2019, shall be eighteen thousand and nine hundred and sixteen dollars (\$18,916). The monthly salary, effective July 7, 2019, shall be nineteen thousand and three hundred and eighty-eight dollars (\$19,388). Subject to the limitations set forth in Government Code section 3511.2, the City Attorney’s compensation shall change by the percentage of the cost of living salary adjustment, if any, paid to the City’s executive management employees for the 2018-19 fiscal year and each fiscal year thereafter. Said cost of living increases shall not exceed the annual California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the Department of Industrial Relations, unless expressly approved by the Santa Rosa City Council. The City Attorney’s compensation shall also change by the benefits adjustment, if any, paid to the City’s executive management employee for the 2017-18 fiscal year and each fiscal year thereafter. In addition, upon completion of an annual performance evaluation as set forth in section 5, the City Council shall consider whether to provide a merit increase in the City Attorney’s salary subject to the maximum salary range established for the City Attorney classification. Whether to provide a merit increase, and the amount of any such increase, shall be in the exclusive discretion of the

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City Council, and such determinations shall be final. In setting the City Attorney’s annual compensation, the Council recognizes the City Attorney’s salary should be set at a reasonable differential higher than the salaries of the attorneys whom she supervises, giving consideration for the comprehensive responsibilities of managing the City Attorney’s Office.”

2. Section 9. Benefits

The parties hereby agree to amend Section 9 Benefits, subsection b. Retiree Health Savings Plan (RHS) to read as follows:

“b. Retiree Health Savings Plan (RHS)

A Retiree Health Savings Plan (RHS) shall be provided under the same terms it is provided to other executive management employees. Participation is mandatory and currently requires the employee to make the following monetary contributions: (1) an ongoing contribution equal to 0.5% of base salary, (2) an annual contribution equal to the value of 25% of sick leave that was earned but unused in the immediate past fiscal year, and (3) upon separation, a contribution equal to the value of 50% of unused vacation. Effective the first full pay period following July 1, 2019, the City will increase its contribution for the 2019-2020 fiscal year in an amount equal to one-quarter percent (0.25%) of the City Attorney’s base wage to her Retiree Health Savings Plan for a total contribution of one half percent (0.75%) of base wage.”

3. Section 11. Deferred Compensation - 457 Plan

The parties hereby agree to amend Section 11 Deferred Compensation – 457 Plan, to read as follows:

“11. Deferred Compensation – 457 Plan. Effective May 12, 2019, the City will increase its contribution by two and a half percent (2.5%) for a total contribution amount equal to five percent (5%) of the City Attorney’s base pay for each pay period into a 457 Deferred Compensation Program.”

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4. Section 14. Expense Reimbursement

The parties hereby agree to amend Section 14 Expense Reimbursement, to read as follows:

“14. Expense Reimbursement. The City shall reimburse the City Attorney for actual and necessary expenses incurred by the City Attorney within the scope of her employment in accordance with the City’s reimbursement schedules and policies. The City Attorney’s expense claim shall be supported by appropriate written documentation verifying the contents of the report prior to authorization of reimbursement. Reimbursable expenses include dues in professional organizations and reasonable continuing education expenses.

5. Except as set forth herein, all other terms of the Employment Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 as of the day and year first above written.

MAYOR

CITY ATTORNEY

By: _____
Tom Schwedhelm

By: _____
Sue Gallagher

APPROVED AS TO FORM:

Chief Assistant City Attorney