

AMENDMENT NO. 2 TO EMPLOYMENT AGREEMENT

City Manager

This Amendment No. 2 to Employment Agreement is dated this ____ day of _____, 2023, between the City of Santa Rosa (“City”) and Maraskeshia Smith, (“City Manager” or “employee”).

RECITALS

WHEREAS, the City and the City Manager entered into an Employment Agreement approved by Council on December 7, 2021 by Resolution No. RES-2021-221 (“Employment Agreement”); and

WHEREAS, on March 29, 2022, the Council, by Resolution No. RES-2022-061, approved Amendment No. 1 to the Employment Agreement; and

WHEREAS, the City Manager’s Employment Agreement provides that, “the City Manager shall receive cost of living increases in salary, in accordance with the cost of living increases subsequently provided to other Executive Management employees of the City, pursuant to the City’s Compensation Plan for Executive Management employees; and

WHEREAS, the City Manager’s Employment Agreement provides that, “upon completion of each annual performance evaluation as set forth in section 6, the City Council shall consider whether to provide a merit increase in the City Manager’s salary subject to the maximum salary range established for the City Manager classification. Whether to provide a merit increase, and the amount of any such increase, shall be in the exclusive discretion of the City Council”; and

WHEREAS, on November 9, 2021, the Council, by Resolution No. RES-2021-193, adopted a three-year Wages, Hours and other Terms and Conditions of Employment Agreement for Employees in the City’s Unit 10 – Executive Management plan (Unit 10 Agreement); and

WHEREAS, the Unit 10 Agreement provided a 2.5% cost of living salary adjustment effective July 2, 2023; and

WHEREAS, on December 6, 2022 and March 14, 2023, the Council conducted an evaluation of the City Manager in accordance with Section 6 of the Employment Agreement and determined to provide the City Manager merit increases as set forth below.

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 Manager as follows:

1. **Section 2. At-Will Employment.**

Section 2 of the Employment Agreement, entitled At-Will Employment, is hereby amended to read as follows:

“2. **At-Will Employment.** The City employs the City Manager as an at-will employee to serve at the pleasure of the City subject to the terms and conditions set forth below. The City Manager’s employment with the City ~~is for no specified term and~~ is at the mutual consent of both the City Manager and the City. There are no express or implied agreements contrary to the foregoing. The City Manager understands and agrees that she has no constitutionally protected property or other interest in continued employment with the City. The City Manager understands that, notwithstanding any other applicable laws, resolutions, and policies, she has no right to pre- or post-disciplinary due process. The City Manager further understands and agrees that she works at the will and pleasure of the City and that she may be terminated at any time, with or without cause, subject to the provisions of Section 7, below.”

2. **Section 3. Term:**

Section 3 of the Employment Agreement is hereby amended to read as follows:

“3. **Term.** This Agreement shall commence on the Effective Date specified above and shall remain in effect ~~until terminated until January 3, 2028, subject to the termination provisions of Section 7, below. Nothing in this Section 3 modifies the at-will nature of the City Manager’s employment as set forth in Section 2, above.~~”

3. **Section 4. Salary:**

Section 4 of the Employment Agreement is hereby amended to read as follows:

“4. **Salary.**

- a. **Scheduled Increases.** The City Manager’s salary shall be ~~\$276,750 annually, effective April 10, 2022, \$290,588 annually, effective January 1, 2023, and shall be increased thereafter as follows:~~

- i. Effective July 2, 2023, the City Manager's annual salary shall be increased by a 2.5% Cost of Living Salary Adjustment, resulting in an annual salary of \$297,853 as of that date.
- ii. Effective December 3, 2023, the City Manager's annual salary shall be adjusted by a merit increase equal to 5% of \$276,750 (\$13,838 annually), resulting in an annual salary of \$311,691 as of that date.
- iii. Effective at the beginning of the first pay period in June 2024, the City Manager's annual salary shall be adjusted by a merit increase equal to 6% of \$276,750 (\$16,605 annually), resulting in an annual salary of \$328,296 as of that date.
- iv. The intent of the merit increases is to bring the City Manager's salary into alignment with the current average salary for City Manager classifications in the City's current list of comparable jurisdictions, as used for salary comparisons City-wide.
- v. The City Manager will be entitled to receive an additional merit increase in June of 2025 if and as needed to align the City Manager's salary with the then-current average salary for City Manager classifications in the City's then-current list of comparable jurisdictions, as then used for salary comparisons City-wide.

b. Future Salary Adjustments. ~~Thereafter, the~~ The City Manager shall also continue to receive cost of living increases in salary in accordance with the cost of living ~~increases~~ subsequently schedule provided to other Executive Management employees of the City, pursuant to the City's Compensation Plan for Executive Management employees. 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. In addition, upon completion of each annual performance evaluation as set forth in Section 6, the City Council shall consider whether to provide a merit increase in the City Manager's salary subject to the maximum salary range established for the City Manager classification. Whether to provide a merit increase, and the amount of any such increase, shall be in the exclusive discretion of the City Council."

4. Section 10. Benefits:

Section 10 of the Employment Agreement is hereby amended to add a new subsection d, regarding Wellness Benefits, to read as follows:

"d. Wellness Benefit. Effective January 1, 2023, the City shall pay \$400 monthly (\$4,800 annual cost) to assist in health and wellness costs for the City Manager. The City Manager shall not in addition receive the \$500 annual wellness payment provided to other Executive Management employees."

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5. Section 15. Moving Expenses:

Section 15 of the Employment Agreement is hereby amended and renamed to read as follows:

"15. Moving Expenses and Housing Loan.

a. **Moving Expenses.** The City agrees to provide the City Manager with a moving allowance to assist with the actual costs incurred by her in relocating her permanent residence to Santa Rosa. This may include a partial relocation at the date of commencement of duties with a final relocation to occur thereafter. This relocation assistance may contribute to the actual cost of temporary housing in addition to moving costs and shall not exceed ten thousand dollars (\$10,000). The City Manager agrees to obtain three (3) competitive bids for such services and utilize the lowest bid unless otherwise agreed by the City. Relocation assistance may include packing, shipping, insuring, and storage of household goods by commercial mover, packing materials, van rental, insurance, gasoline, storage, and other out-of-pocket expenses related to a self-service move, or a combination thereof, and transportation of vehicles. Payment of this relocation assistance shall be paid following submission of invoices from the City Manager evidencing such allowable costs.

b. **Housing Loan.** The City Manager will explore options for a housing loan with the City's Finance Department, tax advisor and City Attorney. Council can review and make a policy decision regarding a possible housing loan in future years."

6. 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 MANAGER

By: _____
Natalie Rogers

By: _____
Maraskeshia Smith

APPROVED AS TO FORM:

City Attorney