



Council Meeting: June 29, 2010

SUBJECT: Amendment to Agreement for Services Between the City of Sunnyvale and the City Manager.

BACKGROUND

The recommended adjustments to the existing contract to provide a benefit that was agreed to at the start of employment for City Manager Luebbers and to provide a benefit that currently exists for all City of Sunnyvale employees.

Based on a prior commitment by the City Council, City Manager Luebbers will have five (5) days restored to his paid time off (PTO) balance.

The following language will be added to the City Manager's Agreement for Services under Section 6 – Benefits. This additional language would be added to the current agreement:

At the time of leaving City employment, the City Manager may, at his option, take compensation for accrued paid time off (1) in a single lump sum, or (2) remain on the payroll for the period of time of the accrued paid time off with continued receipt of all benefits until all applicable leave time is used. If City Manager elects to remain on the City's payroll for any length of time after his termination, it shall be for compensation purposes only and he shall have none of the duties or authority of the City Manager, or represent himself as such.

EXISTING POLICY

7.0 Planning and Management Element, Legislative Management Sub-Element Goal D: Maintain a quality workforce, consistent with state and federal laws, City Charter, and adopted policies in order to assure that City services are provided in an effective, efficient, and high quality manner; Action Statement D.1a: Maintain a competitive pay and benefit package for employees.

DISCUSSION

The recommended revisions are minimum changes to the current Agreement and are consistent with the prior commitments regarding Paid Time Off (PTO) restoration. The buyout/run out benefit option is available to all City of Sunnyvale employees with the City Manager approval. In this case the City Council must approve for the City Manager.

FISCAL IMPACT

There is no immediate fiscal impact to the City of Sunnyvale. The paid time off (PTO) balance of five (5) days will be restored to the current balance of the City Manager. The benefits revision is consistent with all other City employees and will have a fiscal impact upon the termination of employment.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1. City Council authorizes the Mayor to execute the Amendment to the City Manager Agreement.
2. Not approve the amendment that modifies the Agreement for Services between the City of Sunnyvale and City Manager Gary Luebbers and direct staff to continue discussions with the City Manager and City Council.

RECOMMENDATION

Staff recommends approval of Alternative #1; authorize the Mayor to execute the Amendment to the Agreement for Services between the City of Sunnyvale and City Manager Gary Luebbers. This action is consistent with prior commitments made to the City Manager and implements the benefits section that is provided to all City of Sunnyvale employees.

Reviewed by:

Teri Silva, Director, Human Resources Department
Prepared by: Teri Silva, Director of Human Resources

Reviewed by:

Robert Walker
Assistant City Manager

Attachments

- A. Amendment to Agreement for Services between the City of Sunnyvale and the City Manager

**AMENDMENT TO AGREEMENT FOR SERVICES
BETWEEN THE CITY OF SUNNYVALE AND
GARY M. LUEBBERS, CITY MANAGER FOR THE CITY OF SUNNYVALE**

The Agreement for Services dated September 30, 2008, by and between the CITY OF SUNNYVALE, a chartered city (“City”) and Gary M. Luebbers, City Manager for the City of Sunnyvale is set forth below.

1. Section 6 – Item F is added and will read as follows:
 - F. At the time of leaving City employment, with approval of the City Council, the City Manager may, at his option, take compensation for accrued paid time off (1) in a single lump sum, or (2) remain on the payroll for the period of time of the accrued paid time off with continued receipt of all benefits until all applicable leave time is used. If City Manager elects to remain on the City’s payroll for any length of time after his termination, it shall be for compensation purposes only and he shall have none of the duties or authority of the City Manager, or represent himself as such.
2. Five (5) days of Paid Time Off (PTO) will be added to the current leave balance for City Manager Gary Luebbers.

IN WITNESS WHEREOF, City and City Manager have executed this Amendment to Agreement for Services.

CITY OF SUNNYVALE
MAYOR

Dated: June ____, 2010 by _____
Melinda Hamilton, Mayor

CITY MANAGER

Dated: June ____, 2010 by _____
Gary M. Luebbers, City Manager