

**Council Meeting: September 18, 2012****SUBJECT: Amendment to Agreement for Services between the City of Sunnyvale and the City Manager****BACKGROUND**

In accordance with the current Agreement for Services between the City of Sunnyvale and the City Manager, the City Council provides informal mid-year reviews of performance and compensation. An outcome of the recent informal performance discussions is the recommendation of the Council sub-committee to amend the current Agreement for Services to modify the Paid Time Off cap and accrual rate.

EXISTING POLICY

7.3 Legislative Management Sub-Element: Goal 7.3D: 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. Policy 7.3D.1: Maintain a recruitment and selection process that ensures a highly competent workforce. Action Statement 7.3D.1a: Maintain a competitive pay and benefit package for employees.

DISCUSSION

The following amendments to the Agreement for Services, dated September 30, 2008, between the City of Sunnyvale and City Manager Gary Luebbers are being requested:

Section 6. Benefits

B. Sixty (60) hours of Paid Time Off (PTO) will be added to the current leave balance for City Manager Gary Luebbers and the PTO cap will increase by 120 hours effective October 1, 2012. An additional allocation of sixty (60) hours of PTO will be added to the current leave balance effective January 1, 2013. These additions do not reflect an ongoing accrual but are one time allocations.

FISCAL IMPACT

The fiscal impact of the amendments to the City Manager's contract will vary based on how much of the additional PTO grant is actually taken as PTO versus how much is cashed out, if any. To the extent the PTO is taken as time off, there is no fiscal impact to the City of this action. To the extent it is cashed

out, each hour costs the City approximately \$120, up to a total of \$14,400 if all of the additional PTO granted were to be cashed out. The additional cost of the potential cash out of PTO will be absorbed within the current Employee Benefits Fund as this time has previously been accrued and budgeted.

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. That the City Council authorize the Mayor to execute the Amendment to the Agreement for Services between the City of Sunnyvale and the City Manager.
2. Do not authorize the requested Amendment to the Agreement for Services between the City of Sunnyvale and the City Manager.

RECOMMENDATION

Staff recommends approval of Alternative #1: That the City Council authorize the Mayor to execute the Amendment to the Agreement for Services between the City of Sunnyvale and the City Manager.

Reviewed by:

Teri Silva, Director of Human Resources
Prepared by: Lisa Velasco, Human Resources Manager

Attachments

- A. Amendment to Agreement for Services Between the City of Sunnyvale and Gary M. Luebbers, City Manager for the City of Sunnyvale

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

The Agreement for Services dated September 30, 2008, by and between the City Council of the City of Sunnyvale ("City") and Gary M. Luebbers ("Employee") for services to be performed by Employee in the position of City Manager, is amended as set forth below.

1. **Section 6. Benefits** - The following language shall be added to Subsection B:
 - B. Effective October 1, 2012, an additional sixty (60) hours of PTO shall be added to the City Manager's accrued PTO total. Additionally, the City Manager's PTO cap shall be increased by 120 hours to an aggregate total of 1160 hours. Moreover, on January 1, 2013, an additional sixty (60) hours of PTO shall be added to the City Manager's accrued PTO total.
2. All other terms and conditions from the September 30, 2008, Agreement for Services, including all subsequent Amendments, shall remain the same.

The signatures of the parties below indicate that each has read and understood this Amendment and will abide by the terms stated herein. This Amendment has been executed by the parties on the dates noted.

CITY MANAGER

CITY OF SUNNYVALE
CITY COUNCIL

by: _____
GARY M. LUEBBERS

MAYOR

Date: _____

Date: _____

ATTEST:

APPROVED AS TO FORM:

CITY CLERK

MICHAEL MARTELLO
Interim City Attorney

Date: _____

Date: _____