

TO: Mayor Dan Gelber and Members of the City Commission

FROM: Ricky Arriola, City Commissioner

CC: Jimmy L. Morales, City Manager

DATE: March 13, 2019

SUBJECT: **City Manager's New Employment Agreement**

At the February 19, 2019 Committee of the Whole meeting, I was directed to meet with the City Manager regarding the negotiation of his new employment agreement. To this end, and with the intent of establishing concrete performance measures in the contract, the Mayor and members of the Commission agreed to provide the City Manager with proposed performance goals, objectives, or priority initiatives for discussion during the contract negotiations.

The proposed Employment Agreement is attached hereto, the financial terms of which include: (1) a term of up to four (4) years, expressly subject to the annual review and evaluation of the City Manager; (2) an adjustment in the City Manager's base pay, to \$305,736.60; (3) a \$1,000 increase to the City Manager's current deferred compensation 457 Plan (for a total contribution of \$25,000), in addition to an IRA account in the maximum amount of \$7,000, to the extent permitted by IRS regulations; (4) a car allowance adjustment, to \$800 monthly; (5) long-term care insurance; (6) additional accrued leave of 120 hours per year; and (6) continuation of health insurance for a period of one year following termination or expiration. The existing performance incentive provisions of the contract, to permit a one-time performance incentive of up to 10% of the City Manager's base salary, remain unchanged from the current agreement.

In addition, the contract now includes performance goals and objectives, set forth in Exhibit "A" to the Employment Agreement, representing the feedback received from each member of the Commission as to the proper operation of the City and the achievement of the City's policy objectives. These goals, if approved, shall form the basis for the City Commission's annual evaluation of the City Manager, and any determinations as to performance incentives or bonuses to be paid to the City Manager, or the renewal or termination of the Agreement.