



# CITY COUNCIL AGENDA REPORT



**DEPARTMENT:** City Attorney

**MEETING DATE:** December 19, 2017

**PREPARED BY:** Craig Steele, City Attorney

**AGENDA LOCATION:** AR-1

**TITLE:** Amendment No. 3 to the Employment Contract for the City Manager

**OBJECTIVE:** To approve an amendment to the employment agreement for Oliver Chi, effective January 1, 2018, to increase his salary by 5% to a monthly salary of \$18,363.51

**BACKGROUND:** The City Council has completed its annual evaluation of Oliver Chi's performance as City Manager. At the conclusion of the evaluation, the City Council directed the City Attorney to prepare a possible compensation adjustment and contract amendment for consideration and discussion in open session. Mr. Chi has informed me that he agrees to the terms of the proposed amendment, subject to the approval of the City Council.

**ANALYSIS:** The attached Amendment No. 3 to the Employment Contract for the City Manager only increases Mr. Chi's salary amount by 5%, to \$18,363.51 from \$17,489.06. Under the terms of his contract, Mr. Chi's salary is subject to adjustment once each year following the annual performance evaluation, with the amount of any such adjustment subject to negotiation and capped at 5% annually. All other provisions of the contract remain in effect and unchanged.

As in previous years, City staff surveyed surrounding Interstate 210 Freeway corridor cities to determine the salaries for those City Manager positions and provided the table below. As the table outlines, the average monthly pay for the City Managers identified in the survey is \$20,836.61. This assessment outlines that even after the increase, Mr. Chi's salary will still be well below the average of the pay of surrounding City Managers (by around 11.9%). It should be noted that the survey average is skewed upward somewhat by the salary of the Pasadena City Manager, but even if that data point is excluded, Mr. Chi's new salary would still be below the average. In fact, even with the proposed 5% adjustment, Mr. Chi's pay would be the lowest of the surveyed cities.

**Survey of I-210 Corridor SGV Cities  
2017 City Manager Pay**

City	City Manager Monthly Pay
Pasadena	\$ 26,962.28
Azusa	\$ 20,649.59
Duarte	\$ 20,297.62
La Verne	\$ 20,175.12
San Dimas	\$ 19,933.28
Arcadia	\$ 19,869.83

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Claremont	\$	19,711.42
Glendora	\$	19,093.75
<b>AVERAGE</b>	<b>\$</b>	<b>20,836.61</b>

**Monrovia City Manager Salary Review**

Current Monthly Salary	\$	17,489.06
Percent Below Average		-16.1%
Salary w/ 5% Increase	\$	18,363.51
Percent Below Average		-11.9%

**FISCAL IMPACT:** The annualized costs of salary and benefits for this position are covered in the existing budget. The salary adjustment is 5% above Mr. Chi's existing salary.

**OPTIONS:** The Council's options are to approve the amendment as presented and agreed to by Mr. Chi, or to reject the amendment and provide further direction to the City Attorney.

**RECOMMENDATION:** The City Attorney recommends that the City Council approve Amendment No. 3 to the Employment Contract between the City of Monrovia and Oliver Chi.

**COUNCIL ACTION REQUIRED:** If the City Council concurs, the appropriate action would be a motion to approve Amendment No. 3 to the Employment Contract between the City of Monrovia and Oliver Chi in the form attached to this staff report and authorize the Mayor to execute it.

**CITY OF MONROVIA**  
**AMENDMENT NO. 3 TO THE EMPLOYMENT CONTRACT FOR CITY MANAGER**

The City of Monrovia, as represented by its City Council, hereinafter referred to as Employer, and Oliver Chi, hereinafter referred to as Employee, in consideration of the mutual promises made herein, agree to amend that certain employment agreement between the parties dated October 13, 2014, as amended (the "Agreement"), as follows (words added are shown in underline, words deleted are shown in ~~strikethrough~~) to be effective January 1, 2018:

1. Article 3 is amended as follows:

**ARTICLE 3. COMPENSATION OF EMPLOYEE**

**Section 3.01. Compensation.** (a) As compensation for the services to be performed hereunder, Employee shall receive a salary of ~~seventeen thousand, four hundred eighty nine dollars and six cents (\$17,489.06)~~ eighteen thousand, three hundred sixty three dollars and fifty one cents (\$18,363.51) per month. Such compensation is, and shall remain, in effect as of the effective date of this amendment no. ~~2~~ 3, and shall be paid to Employee at the same times and in the same manner as payments are made to other City management employees, subject to normal payroll deductions as directed by Employee.

(b) Except as limited in Section 3.01(c), said compensation may be adjusted, by resolution of the City Council and without further amending this agreement, not more than once annually, effective the first pay period after the annual Performance Evaluation is completed and the compensation adjustment is approved beginning in 2015 and in each subsequent year in an amount subject to negotiation between Employer and Employee. An annual compensation adjustment is not required by this Agreement and in no event shall any annual adjustment in compensation exceed 5% of Employee's base annual salary for the immediately previous year.

Except as specifically amended herein, all other provisions of the Agreement shall remain in full force and effect.

Executed and effective as of January 1, 2018, at Monrovia, California.

**CITY OF MONROVIA ("EMPLOYER")**

BY \_\_\_\_\_  
Tom Adams, Mayor  
City of Monrovia

ATTEST

BY \_\_\_\_\_  
Alice D. Atkins, CMC, City Clerk  
City of Monrovia

Oliver Chi ("EMPLOYEE")

BY \_\_\_\_\_  
Oliver Chi

APPROVED AS TO FORM

BY \_\_\_\_\_  
Craig A. Steele  
City Attorney