

CITY OF SAN LEANDRO

MEMORANDUM

DATE: January 10, 2012
TO: City Council
FROM: Stephen Cassidy, Mayor

RESOLUTION APPROVING EMPLOYMENT AGREEMENT WITH CHRIS ZAPATA AS CITY MANAGER FOR THE CITY OF SAN LEANDRO

SUMMARY AND RECOMMENDATION

On January 5, 2012, the City Council met in closed session and voted to appoint Chris Zapata as City Manager for the City of San Leandro. (See attached press release.) The terms of the proposed employment agreement with Mr. Zapata, including compensation and benefits, have been negotiated with Mr. Zapata, subject to the approval of the City Council at its regular meeting of January 17, 2012. A copy of the proposed employment agreement is attached to the resolution approving the agreement.

In sum, the agreement provides the following:

1. Zapata will be appointed as City Manager, effective January 30, 2012.
2. The term of the agreement is for three (3) years, unless extended or terminated.
3. The annual salary is set at \$223,000 per year for each year of the contract, e.g. the salary is frozen at its starting amount for the duration of the contract.
4. Under the contract, Zapata will pay all of his portion of the CalPERS contribution and Zapata will not receive a car allowance.
5. Zapata will receive a one-time relocation payment of \$16,500, subject to a pro-rated reimbursement if his employment is terminated prior to the end of the three year term.
6. Zapata will be entitled to receive a severance equal to six (6) months base salary and benefits if the City terminates his employment "without cause"; and Zapata shall receive no severance if the agreement is terminated "for cause."
7. The Council will conduct an annual review of Zapata's performance and performance goals.

BACKGROUND

Analysis

On June 30, 2011, Stephen Hollister retired from the position of City Manager, and the City Council appointed Assistant City Manager, Lianne Marshall, to serve as the Interim City Manager, pending the recruitment and hiring of a new City Manager.

With the assistance of an executive search firm, the City Council sought public and employee input, and engaged in a nation-wide search for qualified candidates. The recruitment attracted an outstanding pool of candidates, 51 in total, and after serious and due consideration, the City Council identified Chris Zapata as the best choice for San Leandro.

Current Agency Policies

The City Manager is appointed pursuant to Article IV, Section 400 of the San Leandro City Charter and is employed under the provisions of a contractual services agreement for a defined period of time. The contract may be renewed by the City Council if the job performance is deemed satisfactory.

Fiscal Impact

The agreement provides for a base salary that is higher than the former City Manager salary but offset by Zapata paying 100% of the employee share of pension, forgoing potential salary increases over the first three (3) years of employment, and by not receiving a monthly automobile allowance.

A review of compensation and benefits of City Manager positions indicate that the proposed salary is generally within the average for cities of comparable size and complexity in the region and is fair and competitive.