

City Council Agenda Report May 17, 2022

TO:

Honorable City Council

FROM:

Arnold M. Alvarez-Glasman, City Attorney

SUBJECT:

FIRST AMENDMENT TO THE CITY MANAGER EMPLOYMENT

AGREEMENT BETWEEN THE CITY OF NORWALK AND JESUS M.

GOMEZ

Background:

On January 9, 2018, the then City Council unanimously selected and appointed Jesus M. Gomez as City Manager of the City of Norwalk. Following his appointment an Employment Agreement was entered into between the City and Mr. Gomez.

Pursuant to the Employment Agreement, Mr. Gomez was to receive annual performance evaluations. Due to various unforeseen circumstances, including changes in City Council and the COVID-pandemic, a comprehensive performance evaluation was not completed. However, the City Council for several months has been engaged in conducting a thorough and detailed evaluation of Mr. Gomez. The result was to provide the City Manager a positive and highly complementary evaluation and to review certain elements of the terms in his Employment Agreement.

In particular, the City Council noted Mr. Gomez' successful management of the City throughout the multiple years of the pandemic. City Hall and the services of the City remained opened during this challenging time. The City Council expressed appreciation of Mr. Gomez and his staff's efforts in the areas of public safety, economic development, and community programing and services. The City Council continues to express their goals in achieving a safe community and a leader in the area of community and economic development. The City Council has set for Mr. Gomez the goal of continuing to keep the City as the leader in cities in the region and has set the highest standards for the City Manager and the entire management team.

Before the City Council is the consideration of a First Amendment to the Employment Agreement which memorizes the changes to Mr. Gomez' terms of employment. Specifically, the following amendments to his Employment Agreement are incorporated in the attached First Amendment:

• Extension of his term of employment to five (5) years commencing February 1, 2022.

FIRST AMENDMENT TO THE CITY MANAGER EMPLOYMENT AGREEMENT BETWEEN THE CITY OF NORWALK AND JESUS M. GOMEZ

This FIRST AMENDMENT TO THE CITY MANAGER EMPLOYMENT AGREEMENT BETWEEN THE CITY OF NORWALK AND JESUS M. GOMEZ ("First Amendment") is entered into on the 17th day of May, 2022, by and between the CITY OF NORWALK, a Municipal Corporation, hereinafter referred to as "City" and JESUS M. GOMEZ, hereinafter referred to as "Employee," amending certain terms of employment as provided in the CITY MANAGER EMPLOYMENT AGREEMENT BETWEEN THE CITY OF NORWALK AND JESUS M. GOMEZ ("Agreement") effective January 16, 2018.

I. RECITALS

- A. Effective January 16, 2018, City and Employee entered into an Employment Agreement whereby Employee was appointed to the position of City Manager and to exercise the powers and duties set forth in Chapter 2.04 of Title 2 of the Norwalk Municipal Code.
- B. Effective May 17, 2022, City and Employee agree to the terms of this First Amendment to the Agreement which modifies Employee's salary and other essential terms of employment.
- C. All terms and conditions of employment contained in the Agreement and not specifically amended by this First Amendment shall remain in full force and effect.

NOW, THEREFORE, City and Employee agree as follows:

II. AMENDMENTS TO AGREEMENT

The following Sections to the Agreement are amended to read as follows:

- (a) Section 2 of the Agreement is amended as follows:
 - 2. <u>Term</u>. Unless sooner terminated, the term of this Agreement shall commence on the Effective Date of February 1, 2022 and shall continue for a term of five (5) years to January 31, 2027 ("Term").
- (b) Section 6 of the Agreement is amended as follows:

6. Salary and Benefits.

A. <u>Base Salary</u>. From the Effective Date of this Agreement, City shall pay Employee an annual base salary of \$310,274.00, subject to legally permissible or required deductions and withholding, prorated and paid on City's normal paydays ("Base Salary"). Employee's compensation is for all hours worked and for all services under this Agreement, including those as an executive director or involving any other position, office or appointment

associated with the City. Employee shall be exempt from the overtime pay provisions of California law (if any) and federal law.

- B. Cost of Living Adjustments to Base Salary. [DELETED]
- C. <u>Performance Pay and Salary Adjustments Based Upon Management/Directors Adjustments</u>. Beginning on February 1, 2023, the City Council may, but is not required to, consider bonuses, incentives, merit increases, performance pay or other compensation enhancements in conjunction with the annual salary review set forth in Section 8. Any such compensation enhancements shall be in an amount as determined by the City Council and at the City Council's discretion may be based on the level of completion of goals or other criteria formally identified by the City Council. Notwithstanding the foregoing, Employee shall receive adjustments to his salary in the same percentage and at the same time as provided to other City's Management or Director personnel.

[All other provisions of Section 6 are unchanged except that vacation and sick leave starting balances have been provided to Employee and Early Start Incentive Pay has been paid to Employee.]

(c) Section 10 of the Agreement is amended as follows:

10. Severance.

- A. If City terminates this Agreement (thereby terminating Employee's employment) without cause, prior to the expiration of the Term of this Agreement and while Employee is willing and able to perform the City Manager's duties under this Agreement, the City shall pay Employee severance pay of a lump sum cash payment equal to the lesser of the following: (i) the cash value of twelve (12) months of Base Salary then in effect, which shall be adjusted each year on the anniversary date of February 1 (commencing February 1, 2023) to add an additional one (1) month of additional severance pay for each year Employee is employed during the term of this Agreement up to a maximum of eighteen (18) months; or (ii) the prorated cash value of one month of Employee's annual Base Salary then in effect multiplied by the number of months (or portion thereof) remaining on the Term ("Severance").
- B. Notwithstanding any other provision or the term of this Agreement, the maximum severance that Employee may receive under this Agreement as a result of termination, shall not exceed the limitations provided in Government Code Section 53260-53264. In addition, in the event Employee is convicted of a crime involving an abuse or office or position, Employee shall reimburse the City for any paid leave or cash settlement (including separation benefits or severance, if applicable), to the extent and as provided by Government Code Sections 53243-53243.4.

IN WITNESS WHEREOF, the City of Norwalk has caused this First Amendment to be signed and executed on its behalf by its Mayor and duly attested by its City Clerk, and Jesus M. Gomez has signed and executed this FIRST AMENDMENT TO THE CITY MANAGER EMPLOYMENT AGREEMENT BETWEEN THE CITY OF NORWALK AND JESUS M. GOMEZ, in duplicate, the day and year first written above.

JESUS M. GOMEZ

Jesus M Gomez City Manager

ATTEST

Theresa Devoy City Clerk CITY OF NORWALK

Rick Ramirez

Mayor

APPROVED AS TO FORM

Amold M. Alvarez-Glasman

City Attorney