
File ID: 2024-01806

10/15/2024

Discussion Item 26.

Amendment to Contract with the City Manager

File ID: 2024-01806

Location: Citywide

Recommendation: Pass a **Motion** amending the City’s contract with the City Manager: 1) allowing the City Manager to terminate the contract at any time; and 2) setting December 10, 2024 as the date for the City Council to consider whether to extend the contract.

Contact: Brett M. Witter, Assistant City Attorney, (916) 808-5346, bwitter@cityofsacramento.org, City Attorney’s Office

Presenter: None.

Attachments:

- 1-Description/Analysis
- 2-Contract Amendment

Description/Analysis

Issue Detail: The contract between the City and City Manager is set to expire on December 31, 2024. The City Manager has requested that the contract be extended until December 31, 2025. With the appointment of a new mayor and two new councilmembers occurring in early December 2024, the parties agree that it was important to delay the vote on the extension request until the new Mayor and councilmembers were seated and could vote on the item. Accordingly, these proposed contract amendments will ensure that the status quo remains in place until the vote on the extension can occur and sets that date for the Mayor and City Council to consider and vote on the requested extension.

Policy Considerations: Pursuant to the City Charter, the City Manager is the chief executive officer of the city and is responsible for the effective administration of the city government.

Economic Impacts: None.

Environmental Considerations: A contract amendment with the City Manager is considered an administrative activity by a governmental agency and does not constitute a “project” pursuant to

Section 15378(b)(2) of the CEQA Guidelines and therefore is exempt from CEQA review.

Sustainability: There are no sustainability considerations associated with this report.

Commission/Committee Action: None.

Rationale for Recommendation: The Mayor and City Council, as constituted after the November 2024 elections, should have the ability to decide whether to extend the City Manager's contract.

Financial Considerations: None.

Local Business Enterprise (LBE): No goods or services are being purchased.

**AMENDMENT TO EMPLOYMENT AGREEMENT
(CITY MANAGER)**

THIS AGREEMENT is made and entered into on October 15, 2024, by and between the City of Sacramento, a California charter city and municipal corporation ("City"), and Howard Chan ("Employee").

A. On February 7, 2017, the Sacramento City Council appointed Employee as City Manager effective February 7, 2017 ("Start Date"); and

B. The City and Employee entered into an employment agreement designated City of Sacramento contract number 2017-0197, which memorializes certain benefits, terms, and conditions of employment of Employee as the City Manager.

C. City and Employee executed an amendment to contract number 2017-0197 on December 18, 2018, which was designated contract number 2017-0197-01.

D. City and Employee executed a second amendment to contract number 2017-0197 on September 3, 2019, which also rescinded contract number 2017-0197-01. The second amendment is designated contract number 2017-0197-02.

E. City and Employee executed a third amendment to contract number 2017-0197 on October 13, 2020. The third amendment is designated contract number 2017-0197-03.

F. City and Employee executed a fourth amendment to contract number 2017-0197 on May 4, 2021. The fourth amendment is designated contract number 2017-0197-04.

G. City and Employee executed a fifth amendment to contract number 2017-0197 on January 25, 2022. The fifth amendment is designated contract number 2017-0197-05.

H. City and Employee executed a sixth amendment to contract number 2017-0197 on November 1, 2022. The sixth amendment is designated contract number 2017-0197-06.

I. For convenience, contract number 2017-0197, as amended by contract numbers 2017-0197-02, 2017-0197-03, 2017-0197-04, 2017-0197-05, and 2017-0197-06, are collectively referred to herein as contract number 2017-0197.

J. City and Employee now wish to further amend contract number 2017-0197 and rescind any portion of that contract that is inconsistent with this seventh amendment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and the foregoing recitals, which are incorporated into this amendment, the parties agree as follows:

1. Subparagraph b of Paragraph 8 of contract number 2017-0197 is amended to read as follows:

b. By Employee. Employee may terminate this Agreement at any time by providing City with written notice of termination.

2. Paragraph 4 of contract number 2017-0197 is amended to read as follows:

4. Performance Evaluations.

a. Annual Evaluations. The City Council shall conduct annual performance evaluations of the Employee.

b. Evaluation of Contract Extension. Employee has requested that City consider a one-year extension of this Agreement through December 31, 2025. To facilitate the decision on the extension being made by the Mayor and Council that will be in office for the duration of such an extension, City will place an item on the December 10, 2024, City Council agenda for consideration of Employee's request.

3. Except as amended above, all terms of contract number 2017-0197 remain unchanged and in full effect.

The parties have executed this contract amendment the day and year first written above.

EMPLOYEE

Howard Chan

CITY OF SACRAMENTO

By: _____
Darrell Steinberg

Approved as to Form:

Attest:

Susana Alcala Wood
City Attorney

Mindy Cuppy
City Clerk