

Contract w/City Manager

HUNTINGTON BEACH CITY COUNCIL

MONDAY, AUGUST 5, 2019

Contract Terms

Four years, w/1 year added as each year passes

Severance: 9 months, then 3 months taken away after 1 year

“At will” relationship

\$260,000/year

2.5% at 55 Cal-PERS (employee pays 8% of salary towards it)

Retiree Medical:

- Ability to purchase insurance using City plans
- No other DC contribution today.

Deferred Comp: none

Executive Leave = 100 hours

General Leave accrual = that of a 5-9 year employee

Initial leave bank (40 hours EL, 40 hours GL)

Auto allowance = \$450/mo

Rental assistance = \$3,500/mo for up to six months (w/receipts)

Home Loan/Equity Sharing

- About a 3% loan
- Non forgivable
- 50-50 equity split at end
- Up to six times salary

Terms	Proposed Contract	Former CM Wilson's Contract (2008)	Mr. Chi's current Monrovia Contract	DK's Newport Contract
Contract Term	4 years, rolls forward 1 year each year unless cancelled	Evergreen	3 years, rolls forward 1 year each year unless cancelled.	1 year, rolls forward 1 year unless cancelled
Salary	\$ 260,000	\$ 266,843	\$ 231,380	\$ 268,000
Pension Program	2.5% at 55, employee pays EE Share (8%)	2.5% at 55, employee pays EE Share (8%)	2.7% at 55, employee pays EE Share (8%)	2.5% @ 55, employee pays 14%
Deferred Compensation	\$ -	\$ -	\$ 19,000	N/A
Retiree Medical	Ability to purchase health insurance from City's plan providers, no subsidy	Ability to purchase health insurance from City's plan providers, plus monthly subsidy	Full Medical Paid	DC Plan - \$400/mo, can buy insurance from city plans
Starting Leave Bank	40 hours EL, 40 hours GL	160 hours GL, 80 Hours EL	N/A	N/A
Executive Leave/Year	100 hours	80 hours	100 hours	80 hours
Leave Accrual Rate/Year	200 hours/year	200-224 hours/year	200 VL, 96 SL	200 hours/year
Severance	During first 12 months, 9 months severance. During months 13+, 6 months severance.	6 months	15 months	During first 12 months, 9 months severance. During months 13+, 6 months severance.
Auto Allowance	\$450/Mo	\$600/Mo	\$450/Mo	\$500/mo
Moving Assistance	\$0	\$20,000	N/A	\$15,000
Rental Assistance	Up to \$21,000		N/A	N/A
Home Loan	Up to 6 times salary, 3.02% (est) interest, equity split 50-50. Not forgivable	\$200,000, 0% Interest, forgivable in portions each year (fully forgiven in 2013)	N/A	City co-owned house @ about \$1M. Sold in 2012.
Educational Incentive	N/A	N/A	\$525/year	N/A
Phone Allowance	Business portion of use	Business portion of use	Unknown	Business portion of use

How Rolling Terms Work

ROLLING FOUR YEAR TERM

September 30, 2019 to September 29, 2023.

After one year goes by (on September 29, 2020), term extends by one additional year unless Council stops it.

Next end of term: September 29, 2024

And so on...

FOUR YEARS, THEN ROLLING 2-YEAR TERM

September 30, 2019 to September 29, 2023.

After three years go by (on or about September 29, 2022), term extends by one additional year unless Council stops it.

Next end of term: September 29, 2024

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(This is not best idea because on September 15, 2023, the CM is left wondering if the CM has 16 days left to work or will be given 1 year + 16 days)

REGARDLESS....

The City Manager's Contract is at will, and even if let go without cause in the first year, only severance (9 months or 6 months) is owed.

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ROLLING FOUR YEAR TERM

Year 1

Sept 30, 2019 to
Sept 29, 2020

Year 2

Sept 30, 2020 to
Sept 29, 2021

Year 3

Sept 30, 2021 to
Sept 29, 2022

Year 4

Sept 30, 2022 to
Sept 29, 2023

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Sept 29, 2023

Year 5

Sept 30, 2023 to
Sept 29, 2024

Year 6

Sept 30, 2024 to
Sept 29, 2025

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Section 2 (c) – Rolling 4-year Term

The term of this AGREEMENT shall be for four years, commencing on September 30, 2019 and ending on September 30, 2023, unless terminated by either party hereto as provided herein. On or about September 29, 2020, and annually on each succeeding anniversary of MR. CHI's start date, the term of this AGREEMENT shall be automatically extended for one additional year unless prior to such date by majority vote of the total membership of the City Council at a regular meeting and in compliance with the City Charter, including Charter Section 404(d), the City Council takes formal action to not extend this AGREEMENT for one additional year. Any such decision by the City Council to not extend the Term by one additional year shall constitute a termination of this AGREEMENT upon completion of the remaining three-year term.

Section 2 (c) – Four Years, then Rolling 2

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