

ITEM 4.4**CITY MANAGER'S REPORT
AUGUST 14, 2023 CITY COUNCIL REGULAR MEETING**

**ITEM: COMPLETE ANNUAL PERFORMANCE REVIEW
PROCESS FOR CITY MANAGER AND CITY ATTORNEY**

**RECOMMENDATION: Adopt Resolution Approving Amendment No. 4 to
the City Manager Employment Agreement,
Amendment No. 3 to the City Attorney Employment
Agreement**

BACKGROUND:

The City Council reviews the performance of the two Council appointed officials, City Manager and City Attorney, each year in July pursuant to their written procedure. The annual evaluation process provides the City Council an opportunity to measure performance and determine salary and contract terms. At the July 10, 2023, regular City Council meeting, the parties met in closed session for their performance discussion as required.

Amendments to the Employment Agreements for City Manager and City Attorney have been prepared in accordance with the direction of the City Council consensus pursuant to the closed session meeting held on July 10, and approved a modification to the severance provisions of the employment agreements for both City Manager and City Attorney. The amendments are attached herein (Attachment B and D). Special Counsel Michael Youril reviewed the resolution and employment contract amendments, which are recommended for City Council review and approval.

FISCAL IMPACT:

The Finance Department is hereby authorized to make appropriate adjustments to the Compensated Absences Liability Account and increase the vacation/sick leave expenditures of each department for FY 23-24, to ensure appropriate coverage, should the amended provisions of the employment agreements be enacted.

ATTACHMENTS:

- A. Resolution Approving Amendment No. 4 to the City Manager Employment Agreement, and Amendment No. 3 to the City Attorney Employment Agreement
- B. Amendment No. 4 to the Employment Agreement for City Manager Stephen J. Salvatore
- C. Employment Agreement, Amendment Nos. 1, 2, and 3 for City Manager
- D. Amendment No. 3 to the Employment Agreement for City Attorney Salvador Navarrete
- E. Employment Agreement, Amendment Nos. 1, and 2 for City Attorney

**CITY MANAGER'S REPORT
AUGUST 14, 2023 CITY COUNCIL REGULAR MEETING
ANNUAL PERFORMANCE REVIEW PROCESS FOR CITY MANAGER & CITY
ATTORNEY**

APPROVALS:

DocuSigned by:
Marcie Scott
3000010E15DF420...

Marcie Scott
Human Resources Consultant

8/10/2023

Date

ATTACHMENT A

RESOLUTION NO. 23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING AMENDMENT NUMBER FOUR TO THE CITY MANAGER EMPLOYMENT AGREEMENT AND AMENDMENT NUMBER THREE TO THE CITY ATTORNEY AGREEMENT

WHEREAS, The City Council reviews the performance of the two Council appointed officials, the City Manager and the City Attorney, each year in July pursuant to their written procedures; and

WHEREAS, at the July 10, 2023 regular City Council meeting, the parties met in closed session for their performance discussion as required; and

WHEREAS, the City Council completed the annual performance evaluations for the City Manager and the City Attorney on July 10, 2023, and approved a modification to the severance provisions of the employment agreements for both the City Manager and the City Attorney; and

WHEREAS, Amendments to the Employment Contracts for the City Manager and the City Attorney have been prepared in accordance with the direction by a majority of the City Council and are recommended for adoption by the City Council; and

WHEREAS, this Resolution approves the modifications to the City Manager and the City Attorney employment agreements; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop hereby approves Amendment Number Four (4) to the City Manager Employment Agreement, and Amendment Number Three (3) to the City Attorney Employment Agreement.

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The foregoing resolution was passed and adopted this 14th day of August, 2023, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Special Counsel

ATTACHMENT B

**Amendment Number Four to Employment Agreement Between the
City of Lathrop and Stephen J. Salvatore
August 14, 2023**

The original Employment Agreement between the City of Lathrop and Stephen J. Salvatore, attached and incorporated herein as Exhibit "A," was entered into between the parties for services of City Manager on or about September 17, 2012.

On or about August 17, 2015, the City Council approved Amendment Number One to the Employment Agreement, which is attached and incorporated herein as Exhibit "B."

On or about November 19, 2018, the City Council approved Amendment Number Two, which is attached and incorporated herein as Exhibit "C."

On or about August 8, 2022, the City Council approved Amendment Number Three, which is attached and incorporated herein as Exhibit "D."

The City Council hereby approves an amendment to the first paragraph of Section 8 of the Employment Agreement to read as follows:

If this Contract is terminated pursuant to Section 6, Paragraph B, D, E, F, G, or City breach of Contract, Employer shall pay severance to Employee in the amount of twelve (12) months of salary. Instead of twelve months of severance pay in accordance with this Section, Employee may elect to treat the non-renewal of the Contract (as described in Section 2) as a termination that entitles him to nine (9) months of severance pay in addition to regular pay during the 90 day notice period of non-renewal referenced in Section 2A. This provision shall be limited by the requirements of Government Code sections 53260 and 53621.

Unless specifically stated above, no other changes to the original agreement (or Amendments) are intended by this Amendment.

EMPLOYEE

CITY OF LATHROP

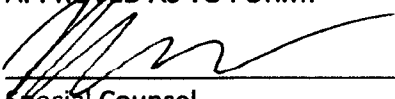
By: _____
Stephen J. Salvatore

By: _____
Sonny Dhaliwal, Mayor

Date: _____

Date: _____

APPROVED AS TO FORM:



Special Counsel

ATTEST:

Teresa Vargas, City Clerk/Government Services Manager

Attachments:

Exhibit "A" – Employment Agreement for Stephen J. Salvatore effective September 17, 2012

Exhibit "B" – Amendment Number One to Employment Agreement dated August 17, 2015

Exhibit "C" – Amendment Number Two to Employment Agreement dated November 19, 2018

Exhibit "D" – Amendment Number Three to Employment Agreement dated August 8, 2022

ATTACHMENT C

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Contract") is made and entered into this 17 day of September, 2012, by and between the City of Lathrop, California, a general law city organized under the laws of the State of California, hereinafter called "Employer," and Stephen J. Salvatore, an individual, hereinafter called "Employee," and is effective as of September 17, 2012 ("Effective Date").

The parties agree as follows:

SECTION 1. DUTIES.

Employer hereby employs Employee as City Manager to perform the functions and duties specified in the laws of the State of California, the Municipal Code of the City of Lathrop, and the Ordinances and Resolutions of the City of Lathrop, and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign.

SECTION 2. TERM.

- A. The term of this Contract shall initially be for three (3) years, commencing as of the Effective Date, and shall be automatically renewed and extended for additional three (3) year periods at the end of each three year period, unless either party shall provide written notice of non-renewal at least ninety (90) days prior to the end of the period in which notice is given.
- B. Nothing in this Contract shall prevent, limit, or otherwise interfere with the right of Employee to resign as City Manager or as an employee of the City at any time for any reason.
- C. Employee shall remain in the exclusive employ of Employer, and shall neither accept other employment nor become employed by any other employer except upon written approval of Employer.
- D. The term "employed" shall not be construed to include occasional teaching, writing, speaking, or consulting performed during Employee's time off.
- E. Employee's initial date of hire was January 1, 2008, but this Agreement is effective as the Effective Date specified above.

SECTION 3. SALARY.

Employer agrees to pay Employee, commencing with the Effective Date for his duties, the base annual salary of one hundred and seventy one thousand one hundred thirty one dollars

(\$171,131) payable in installments at the same time and in the same manner as other Employees of the Employer are paid.

On the one (1) year anniversary of the Effective Date, the City Council shall conduct an annual performance evaluation. This evaluation shall be completed as a joint effort between Employee and Employer. If desired, an outside facilitator, to be mutually agreed upon by Employer and Employee, and at Employer's sole cost, may be utilized. On the subsequent anniversaries, Employer may grant merit increases to the base annual salary and provide other benefits to Employee under this Contract at their discretion.

SECTION 4. HOURS OF WORK.

It is recognized that Employee must devote a great deal of time outside normal office hours to business of Employer. To that end, Employee will be granted management leave at a rate of four (4) weeks of management leave per calendar year. Management leave is fully credited on January 1st of each year.

SECTION 5. AUTOMOBILE ALLOWANCE.

Employer shall receive an a automobile allowance of \$450.00 per month for the general business use of his personal vehicle; however, Employer shall also reimburse Employee at the IRS standard mileage rate for any business use of his personal vehicle for any single business trip totaling more than 100 miles.

SECTION 6. TERMINATION.

This Contract shall terminate upon the occurrence of any of the following events:

- A. The death of Employee.
- B. The dissolution or bankruptcy of Employer.
- C. The disability of Employee, as defined herein.
- D. The majority of the City Council of Employer votes to terminate the Employee at a duly authorized meeting. Except for non-renewal of contract pursuant to 2A, the Employer however shall not terminate Employee within a "cooling off" period of ninety (90) days either before or after an election for which a City Council Member is elected.
- E. If the Employer, citizens or legislature act or acts to amend any provision of applicable law that substantially changes the role, powers, duties, authority, or responsibilities of the Employee, the Employee shall have the right to declare that such amendments constitute termination.

- F. If the Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless any such reduction is pursuant to a City wide furlough program, such action shall constitute a breach of this Contract and will be regarded as termination.
- G. If the Employee resigns following an offer to accept resignation, by majority of the City Council of Employer, then the Employee may declare a termination as of the date of the requested resignation.
- H. Breach of contract declared by either party with a thirty (30) day cure period for either Employee or Employer to be provided. Written notice of a breach of contract shall be provided.
- I. Conviction of Employee of any public offense that is a felony, and/or involves moral turpitude, and /or the punishment for which includes a prohibition of holding public employment.

SECTION 7. CONFIDENTIALITY.

Unless the Employee expressly requests otherwise in writing, the evaluation of the Employee during his service as City Manager shall at all times be conducted in closed session of the City Council and shall be considered confidential to the full extent permitted by law. Nothing herein shall prohibit the Employer or the Employee from sharing the content of Employee's evaluation with their respective legal counsel.

SECTION 8. SEVERANCE PAY.

If this Contract is terminated pursuant to Section 6, Paragraph B, D, E, F, G or City breach of Contract, Employer shall pay severance to Employee in the amount of six (6) months' salary. Instead of six of severance pay in accordance with this Section, Employee may elect to treat the non-renewal of the Contract (as described in herein and in Section 2) as a termination that entitles him to three (3) months' severance pay in addition to regular pay during the 90 day notice period of non-renewal referenced in Section 2A.

If this contract is terminated for any reason specified herein, Employee shall be paid for all accrued and unused sick leave, vacation time, paid holidays; and the value of all benefits including employer's contribution to PERS, Health Insurance allowance, and car allowance. Severance will be paid in one payment within 30 days of termination.

SECTION 9. NOTICE TO RESIGN

Employee may terminate this Contract by providing written notice to the City at least thirty (30) days prior to the effective date of resignation. The Employer shall have no further obligation to provide payments and benefits to Employee for his service as City Manager after the effective date of the resignation except for all accrued and unused management leave, sick leave and vacation time. The City requests that Employee provide six (6) to twelve (12) months advance notice in the event that he determines to retire from service.

SECTION 10. INDEMNIFICATION.

Employer shall defend, save harmless and indemnify Employee in accordance with Division 3.6 of the California Government Code, commencing with section 810.

SECTION 11. BONDING.

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

SECTION 12. DISABILITY, ADJUSTMENTS, HEALTH AND LIFE INSURANCE, COST-OF-LIVING, VACATION AND SICK LEAVE.

Unless otherwise specifically provided herein, all provisions of the Municipal Code and regulations and rules of Employer relating to vacation and sick leave, retirement system contributions, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended also shall apply to Employee as they would to other unrepresented employees of the Employer. An annual cost of living increase adjustment shall be applied to the base annual salary going forward to Employee as established for all other non-represented employees. Additionally, Employee will accrue vacation and sick leave at a rate as outlined in the City's Administrative Policies Manual based on his initial hire date.

SECTION 13. RETIREMENT.

Employer shall pay Employee's contribution to the Public Employees Retirement System in accordance with adopted policies of Employer.

SECTION 14. NOTICES.

Notices pursuant to this Contract shall be in writing given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- | | |
|--------------|---|
| (1) Employer | Mayor, City of Lathrop, 390 Towne Centre Drive, Lathrop, CA |
| (2) Employee | At his address as reflected in his personnel records of the City. |

Alternatively, notices required pursuant to this Contract may be personally served in the same manner as is applicable to civil judicial process. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.


SECTION 15. GENERAL PROVISIONS.

A. The text herein shall constitute the entire Contract between the parties.

B. If any provision, or any portion thereof, contained in this Contract is held unconstitutional, invalid or unenforceable, the remainder of this Contract, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the City of Lathrop has caused this Contract to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and the Employee has signed and executed this Contract, both in duplicate, the day and year first above written.

EMPLOYEE

By: 
Stephen J. Salvatore

Date: 9/12/12

CITY OF LATHROP

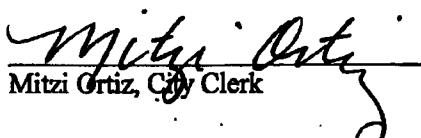

J Chaka Santos, Mayor

Date: 9/17/12

APPROVED AS TO FORM:


Salvador Navarrete, City Attorney

ATTEST:


Mitzi Ortiz, City Clerk

**Amendment Number One to Employment Agreement between
The City of Lathrop and Stephen J. Salvatore
August 17, 2015**

The original Employment Agreement between the City of Lathrop and Stephen J. Salvatore, attached hereto and incorporated herein as Exhibit "A", was entered into between the parties for the services of City Manager on or about September 17, 2012.

The City Council has met and unanimously agreed to renew and extend this Employment Agreement pursuant to the conditions as described in Section 2 of the Employment Agreement.

IN WITNESS WHEREOF the City of Lathrop has caused this Amendment No. 1 to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and the employee has signed and executed this Amendment both in duplicate.

EMPLOYEE

CITY OF LATHROP

By: 

Stephen J. Salvatore


Sonny Dhallwal, Mayor

Date: 8-17-15

Date: 8/17/15

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

ATTEST:


Teresa Vargas, City Clerk

Attachment: Exhibit A – Employment Agreement for Stephen J. Salvatore effective September 17, 2012

Exhibit "B"

**Amendment Number Two to Employment Agreement Between the
City of Lathrop and Stephen J. Salvatore
November 19, 2018**

The original Employment Agreement between the City of Lathrop and Stephen J. Salvatore, attached hereto and incorporated herein as Exhibit "A", was entered into between the parties for services of City Manager on or about September 17, 2012.

On or about August 17, 2015, the City council unanimously agreed to renew and extend the Employment Agreement pursuant to the conditions as described in Section 2 of the Employment Agreement, attached hereto and incorporated herein as Exhibit "B". In addition, the Employment Agreement automatically renewed for an additional 3 years in September 2018.

The City Council has met and with a vote of 4-0, with Councilmember Dresser absent, approves the following amendment to the Employment Agreement, effective November 19, 2018:

1. Increase current base annual salary by 5%;
2. Up to forty (40) hours of sick leave can be cashed out annually; and
3. Employer will contribute \$2,179 per month towards the Employee's health, dental and vision insurance benefits, and any such increases to benefits provided to other management employees.

Unless specifically stated above, no other changes to the original agreement (or Amendment One) are intended by this Agreement.

EMPLOYEE.

By: 
Stephen J. Salvatore

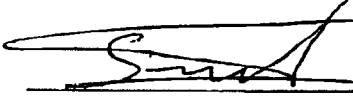
Date: 11-19-18

CITY OF LATHROP


By: 
Sonny Dhaliwal, Mayor

Date: 11/19/18

APPROVED AS TO FORM:


Salvador Navarrete, City Attorney

ATTEST:


Teresa Vargas, City Clerk

Attachments:

- Exhibit "A" – Employment Agreement for Stephen J. Salvatore effective September 17, 2012
- Exhibit "B" – Amendment Number One to Employment Agreement dated August 17, 2015

Exhibit D

**Amendment Number Three to Employment Agreement Between the
City of Lathrop and Stephen J. Salvatore
August 8, 2022**

The original Employment Agreement between the City of Lathrop and Stephen J. Salvatore, attached hereto and incorporated herein as Exhibit "A", was entered into between the parties for services of City Manager on or about September 17, 2012.

On or about August 17, 2015, the City Council unanimously agreed to renew and extend the Employment Agreement (Amendment Number One) attached and hereto incorporated herein as Exhibit "B".

On or about November 19, 2018 the City Council approved Amendment Number Two, attached and incorporated herein as Exhibit "C".

The City Council hereby approves a performance-based increase in the City Manager's current base salary of 6% , effective July 11, 2022.


Unless specifically stated above, no other changes to the original agreement (or Amendments) are intended by this Amendment.

EMPLOYEE

By: 
Stephen J. Salvatore

Date: 8/8/22

CITY OF LATHROP

By: 
Sonny Dhaliwal, Mayor

Date: 8/8/22

APPROVED AS TO FORM:


Michael G. Colantuono
Special Counsel

ATTEST:


Teresa Vargus, City Clerk / Government Services Director

Attachments:

- Exhibit "A" – Employment Agreement for Stephen J. Salvatore effective September 17, 2012
- Exhibit "B" – Amendment Number One to Employment Agreement dated August 17, 2015
- Exhibit "C" – Amendment Number Two to Employment Agreement dated November 19, 2018

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Contract") is made and entered into this 17 day of September, 2012, by and between the City of Lathrop, California, a general law city organized under the laws of the State of California, hereinafter called "Employer," and Stephen J. Salvatore, an individual, hereinafter called "Employee," and is effective as of September 17, 2012 ("Effective Date").

The parties agree as follows:

SECTION 1. DUTIES.

Employer hereby employs Employee as City Manager to perform the functions and duties specified in the laws of the State of California, the Municipal Code of the City of Lathrop, and the Ordinances and Resolutions of the City of Lathrop, and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign.

SECTION 2. TERM.

- A. The term of this Contract shall initially be for three (3) years, commencing as of the Effective Date, and shall be automatically renewed and extended for additional three (3) year periods at the end of each three year period, unless either party shall provide written notice of non-renewal at least ninety (90) days prior to the end of the period in which notice is given.
- B. Nothing in this Contract shall prevent, limit, or otherwise interfere with the right of Employee to resign as City Manager or as an employee of the City at any time for any reason.
- C. Employee shall remain in the exclusive employ of Employer, and shall neither accept other employment nor become employed by any other employer except upon written approval of Employer.
- D. The term "employed" shall not be construed to include occasional teaching, writing, speaking, or consulting performed during Employee's time off.
- E. Employee's initial date of hire was January 1, 2008, but this Agreement is effective as the Effective Date specified above.

SECTION 3. SALARY.

Employer agrees to pay Employee, commencing with the Effective Date for his duties, the base annual salary of one hundred and seventy one thousand one hundred thirty one dollars

Exhibit "A"

(\$171,131) payable in installments at the same time and in the same manner as other Employees of the Employer are paid.

On the one (1) year anniversary of the Effective Date, the City Council shall conduct an annual performance evaluation. This evaluation shall be completed as a joint effort between Employee and Employer. If desired, an outside facilitator, to be mutually agreed upon by Employer and Employee, and at Employer's sole cost, may be utilized. On the subsequent anniversaries, Employer may grant merit increases to the base annual salary and provide other benefits to Employee under this Contract at their discretion.

SECTION 4. HOURS OF WORK.

It is recognized that Employee must devote a great deal of time outside normal office hours to business of Employer. To that end, Employee will be granted management leave at a rate of four (4) weeks of management leave per calendar year. Management leave is fully credited on January 1st of each year.

SECTION 5. AUTOMOBILE ALLOWANCE.

Employer shall receive an a automobile allowance of \$450.00 per month for the general business use of his personal vehicle; however, Employer shall also reimburse Employee at the IRS standard mileage rate for any business use of his personal vehicle for any single business trip totaling more than 100 miles.

SECTION 6. TERMINATION.

This Contract shall terminate upon the occurrence of any of the following events:

- A. The death of Employee.
- B. The dissolution or bankruptcy of Employer.
- C. The disability of Employee, as defined herein.
- D. The majority of the City Council of Employer votes to terminate the Employee at a duly authorized meeting. Except for non-renewal of contract pursuant to 2A, the Employer however shall not terminate Employee within a "cooling off" period of ninety (90) days either before or after an election for which a City Council Member is elected.
- E. If the Employer, citizens or legislature act or acts to amend any provision of applicable law that substantially changes the role, powers, duties, authority, or responsibilities of the Employee, the Employee shall have the right to declare that such amendments constitute termination.

- F. If the Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless any such reduction is pursuant to a City wide furlough program, such action shall constitute a breach of this Contract and will be regarded as termination.
- G. If the Employee resigns following an offer to accept resignation, by majority of the City Council of Employer, then the Employee may declare a termination as of the date of the requested resignation.
- H. Breach of contract declared by either party with a thirty (30) day cure period for either Employee or Employer to be provided. Written notice of a breach of contract shall be provided.
- I. Conviction of Employee of any public offense that is a felony, and/or involves moral turpitude, and /or the punishment for which includes a prohibition of holding public employment.

SECTION 7. CONFIDENTIALITY.

Unless the Employee expressly requests otherwise in writing, the evaluation of the Employee during his service as City Manager shall at all times be conducted in closed session of the City Council and shall be considered confidential to the full extent permitted by law. Nothing herein shall prohibit the Employer or the Employee from sharing the content of Employee's evaluation with their respective legal counsel.

SECTION 8. SEVERANCE P AY.

If this Contract is terminated pursuant to Section 6, Paragraph B, D, E, F, G or City breach of Contract, Employer shall pay severance to Employee in the amount of six (6) months' salary. Instead of six of severance pay in accordance with this Section, Employee may elect to treat the non-renewal of the Contract (as described in herein and in Section 2) as a termination that entitles him to three (3) months' severance pay in addition to regular pay during the 90 day notice period of non-renewal referenced in Section 2A.

If this contract is terminated for any reason specified herein, Employee shall be paid for all accrued and unused sick leave, vacation time, paid holidays; and the value of all benefits including employer's contribution to PERS, Health Insurance allowance, and car allowance. Severance will be paid in one payment within 30 days of termination.

SECTION 9. NOTICE TO RESIGN

Employee may terminate this Contract by providing written notice to the City at least thirty (30) days prior to the effective date of resignation. The Employer shall have no further obligation to provide payments and benefits to Employee for his service as City Manager after the effective date of the resignation except for all accrued and unused management leave, sick leave and vacation time. The City requests that Employee provide six (6) to twelve (12) months advance notice in the event that he determines to retire from service.

SECTION 10. INDEMNIFICATION.

Employer shall defend, save harmless and indemnify Employee in accordance with Division 3.6 of the California Government Code, commencing with section 810.

SECTION 11. BONDING.

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

SECTION 12. DISABILITY, ADJUSTMENTS, HEALTH AND LIFE INSURANCE, COST-OF-LIVING, VACATION AND SICK LEAVE.

Unless otherwise specifically provided herein, all provisions of the Municipal Code and regulations and rules of Employer relating to vacation and sick leave, retirement system contributions, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended also shall apply to Employee as they would to other unrepresented employees of the Employer. An annual cost of living increase adjustment shall be applied to the base annual salary going forward to Employee as established for all other non-represented employees. Additionally, Employee will accrue vacation and sick leave at a rate as outlined in the City's Administrative Policies Manual based on his initial hire date.

SECTION 13. RETIREMENT.

Employer shall pay Employee's contribution to the Public Employees Retirement System in accordance with adopted policies of Employer.

SECTION 14. NOTICES.

Notices pursuant to this Contract shall be in writing given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- | | |
|--------------|---|
| (1) Employer | Mayor, City of Lathrop, 390 Towne Centre Drive, Lathrop, CA |
| (2) Employee | At his address as reflected in his personnel records of the City. |

Alternatively, notices required pursuant to this Contract may be personally served in the same manner as is applicable to civil judicial process. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.


SECTION 15. GENERAL PROVISIONS.

A. The text herein shall constitute the entire Contract between the parties.

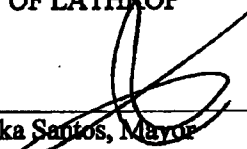
B. If any provision, or any portion thereof, contained in this Contract is held unconstitutional, invalid or unenforceable, the remainder of this Contract, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the City of Lathrop has caused this Contract to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and the Employee has signed and executed this Contract, both in duplicate, the day and year first above written.


EMPLOYEE

By: 
Stephen J. Salvatore
Date: 9/12/12

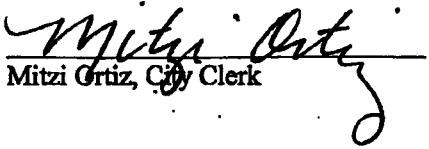
CITY OF LATHROP


J Chaka Santos, Mayor
Date: 9/17/12

APPROVED AS TO FORM:


Salvador Navarrete, City Attorney

ATTEST:


Mitzi Ortiz, City Clerk

**Amendment Number One to Employment Agreement between
The City of Lathrop and Stephen J. Salvatore
August 17, 2015**

The original Employment Agreement between the City of Lathrop and Stephen J. Salvatore, attached hereto and incorporated herein as Exhibit "A", was entered into between the parties for the services of City Manager on or about September 17, 2012.

The City Council has met and unanimously agreed to renew and extend this Employment Agreement pursuant to the conditions as described in Section 2 of the Employment Agreement.

IN WITNESS WHEREOF the City of Lathrop has caused this Amendment No. 1 to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and the employee has signed and executed this Amendment both in duplicate.

EMPLOYEE

CITY OF LATHROP

By: 

Stephen J. Salvatore


Sonny Dhallwal, Mayor

Date: 8-17-15

Date: 8/17/15

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

ATTEST:


Teresa Vargas, City Clerk

Attachment: Exhibit A – Employment Agreement for Stephen J. Salvatore effective September 17, 2012

Exhibit "B"

**Amendment Number Two to Employment Agreement Between the
City of Lathrop and Stephen J. Salvatore
November 19, 2018**

The original Employment Agreement between the City of Lathrop and Stephen J. Salvatore, attached hereto and incorporated herein as Exhibit "A", was entered into between the parties for services of City Manager on or about September 17, 2012.

On or about August 17, 2015, the City council unanimously agreed to renew and extend the Employment Agreement pursuant to the conditions as described in Section 2 of the Employment Agreement, attached hereto and incorporated herein as Exhibit "B". In addition, the Employment Agreement automatically renewed for an additional 3 years in September 2018.

The City Council has met and with a vote of 4-0, with Councilmember Dresser absent, approves the following amendment to the Employment Agreement, effective November 19, 2018:

1. Increase current base annual salary by 5%;
2. Up to forty (40) hours of sick leave can be cashed out annually; and
3. Employer will contribute \$2,179 per month towards the Employee's health, dental and vision insurance benefits, and any such increases to benefits provided to other management employees.

Unless specifically stated above, no other changes to the original agreement (or Amendment One) are intended by this Agreement.

EMPLOYEE

By: 

Stephen J. Salvatore

Date: 11-19-18

CITY OF LATHROP

By: 

Sonny Dhaliwal, Mayor

Date: 11/19/18

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

ATTEST:



Teresa Vargas, City Clerk

Attachments:

Exhibit "A" – Employment Agreement for Stephen J. Salvatore effective September 17, 2012

Exhibit "B" – Amendment Number One to Employment Agreement dated August 17, 2015

**Amendment Number Three to Employment Agreement Between the
City of Lathrop and Stephen J. Salvatore
August 8, 2022**

The original Employment Agreement between the City of Lathrop and Stephen J. Salvatore, attached hereto and incorporated herein as Exhibit "A", was entered into between the parties for services of City Manager on or about September 17, 2012.


On or about August 17, 2015, the City Council unanimously agreed to renew and extend the Employment Agreement (Amendment Number One) attached and hereto incorporated herein as Exhibit "B".

On or about November 19, 2018 the City Council approved Amendment Number Two, attached and incorporated herein as Exhibit "C".

The City Council hereby approves a performance-based increase in the City Manager's current base salary of 6% , effective July 11, 2022.

Unless specifically stated above, no other changes to the original agreement (or Amendments) are intended by this Amendment.


EMPLOYEE

By: 

Stephen J. Salvatore

Date: 8/8/22


CITY OF LATHROP

By: 


Sonny Dhaliwal, Mayor

Date: 8/8/22

APPROVED AS TO FORM:


Michael G. Colantuono
Special Counsel

ATTEST:



Teresa Vargas, City Clerk / Government Services Director

Attachments:

Exhibit "A" – Employment Agreement for Stephen J. Salvatore effective September 17, 2012
Exhibit "B" – Amendment Number One to Employment Agreement dated August 17, 2015
Exhibit "C" – Amendment Number Two to Employment Agreement dated November 19, 2018

ATTACHMENT D

**Amendment Number Three to Employment Agreement Between the
City of Lathrop and Salvador V. Navarrete
August 14, 2023**

The original Employment Agreement between the City of Lathrop and Salvador V. Navarrete, attached and incorporated herein as Exhibit "A," was entered into between the parties for services of City Attorney on or about January 14, 2008.

On or about November 19, 2018, the City Council approved Amendment Number One, which is attached and incorporated herein as Exhibit "B."

On or about August 8, 2022, the City Council approved Amendment Number Two, which is attached and incorporated herein as Exhibit "C."

The City Council hereby approves an amendment to the first paragraph of Section 9 to read as follows:

If this Contract is terminated because of the reasons specified in Section 7. C, 7. D, 7. E, 7. F, 7. G, or an uncured breach by Employer pursuant to 7. H, Employer shall pay severance pay to Employee of twelve (12) months of salary. Employee may elect to treat the non-renewal of the Contract (as described in Section 2.A) as a termination that entitles him to severance pay in accordance with this Section. This provision shall be limited by the requirements of Government Code sections 53260 and 53621.

The City Council hereby further approves the deletion of the third paragraph of Section 9.

Unless specifically stated above, no other changes to the original agreement (or Amendments) are intended by this Amendment.

EMPLOYEE

CITY OF LATHROP

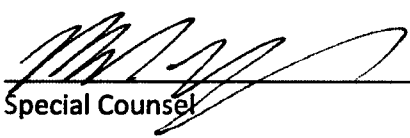
By: _____
Salvador V. Navarrete

By: _____
Sonny Dhaliwal, Mayor

Date: _____

Date: _____

APPROVED AS TO FORM:



Special Counsel

ATTEST:

Teresa Vargas, City Clerk/Government Services Manager

Attachments:

Exhibit "A" – Employment Agreement for Salvador V. Navarrete effective January , 2008

Exhibit "B" – Amendment Number One to Employment Agreement dated November 19, 2018

Exhibit "C" – Amendment Number Two to Employment Agreement dated August 8, 2022

ATTACHMENT E ORIGINAL

EMPLOYMENT CONTRACT

THIS EMPLOYMENT CONTRACT ("Contract") is made and entered into this 11th day of December, 2007, by and between the City of Lathrop, California, a general law city organized under the laws of the State of California, hereinafter called "Employer," and Salvador V. Navarrete, an individual, hereinafter called "Employee," and is effective as of January 14, 2008 ("Effective Date").

The parties agree as follows:

SECTION 1. DUTIES.

A. General.

Employer hereby employs Employee as City Attorney to perform the functions and duties specified in the laws of the State of California, the Municipal Code of the City of Lathrop, and the Ordinances and Resolutions of the City of Lathrop, and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign.

B. Description of Duties.

In amplification of Section 1A. of the Contract, Employee shall serve as general counsel and chief legal advisor to employer, and perform all legal duties for Employer, except

(i) When, in the opinion of Employer, it would be more appropriate to hire outside specialist counsel. In such event, Employee shall assist Employer in selecting such outside specialist counsel. Such outside specialist counsel may serve in lieu of Employee on any particular matter, or may assist Employee; or

(ii) When counsel for Employer is otherwise provided, as in the case of counsel provided by insurers in connection with various insurance policies held by Employer, or provided by the Risk Management Authority of which Employer is a member; or

(iii) When a conflict exists such that Employee is prohibited by law or rules of professional conduct from representing or advising Employer.

C. In further amplification of Section 1.A. of this contract, Employee shall, unless excused by Employer, attend all meetings of the City Council and the Planning Commission of the City of Lathrop, and meetings of such other Boards or Commissions of the City as the City Council may, from time to time, direct.

D. In further amplification of Section 1.A of this Contract, it is recognized and agreed that Employee reports to the City Council of Employer, and not to the City Manager of Employer, but Employee will co-ordinate with the City Manager of Employer to ensure the legal needs of Employer are met. Employee shall operationally be considered a department head with all the rights, duties and obligations thereof.

SECTION 2. TERM.

A. The term of this Contract shall initially be for five (5) years, commencing as of the Effective Date, and shall be automatically renewed and extended for an additional five (5) year period at the end of each renewal and extension period, unless either party shall provide written notice of non-renewal at least ninety (90) days prior to the end of the period in which notice is given. In the event Employer declares its intention not to renew and extend this Contract, then Employee, while continuing to perform all of his duties hereunder, may undertake the pursuit of new employment opportunities.

B. Nothing in this Contract shall prevent, limit, or otherwise interfere with the right of Employee to resign at any time for any reason.

C. Notwithstanding any other provision in this Section 2, this Contract may be earlier terminated in accordance with Section 7 of this Contract

D. Employee shall remain in the exclusive employ of Employer, and shall neither accept other employment nor become employed by any other employer except upon written approval of Employer.

E. The term "employed" shall not be construed to include occasional teaching, writing, speaking, or consulting performed during Employee's time off.

SECTION 3. DISABILITY.

If Employee shall, for whatever reason, become incapable of performing any of the essential functions of City Attorney, even with reasonable accommodation by Employer, either

1. Permanently, or

2. For a period exceeding the period of leave available to the Employee under the Family Medical Leave Act or the California Family Rights Act, or accrued sick leave, whichever is longer, then Employee shall be deemed to have suffered a disability. Employer and Employee agree that the time period specified in this paragraph 2 is a reasonable accommodation by Employer, and that granting longer time would be an undue hardship on Employee.

SECTION 4. SALARY.

Employer agrees to pay Employee, effective January 14, 2008, for his duties, a base annual salary of one hundred fifty thousand dollars (\$150,000) payable in installments at the same time and in the same manner as other Employees of the Employer are paid.

The City Council shall conduct an annual performance evaluation within fifteen (15) days of January 14th each year commencing in 2009. This evaluation shall be completed as a joint effort between Employee and Employer. If desired, an outside facilitator, to be mutually agreed upon by Employer and Employee, and at Employer's sole cost, may be utilized. Upon satisfactory completion of this annual performance review, Employer may grant merit increases to the base salary and other benefits to provide to Employee under this Contract. Any such modifications shall be in writing and signed by Employer and Employee.

SECTION 5. HOURS OF WORK.

It is recognized that Employee must devote a great deal of time outside normal office hours to business of

Employer. To that end, Employee will be granted fifteen (15) days of management leave per calendar year. Management leave is fully credited on January 1st of each year and cannot be cashed out or rolled over.

SECTION 6. AUTOMOBILE ALLOWANCE.

Employer shall receive an automobile allowance of \$450.00 per month for the general business use of his personal vehicle; however, Employer shall also reimburse Employee at the IRS standard mileage rate for any business use of his personal vehicle for any single business trip totaling more than 100 miles.

SECTION 7. TERMINATION

This Contract shall terminate upon the occurrence of any of the following events:

- A. The death of Employee.
- B. The dissolution or bankruptcy of Employer.
- C. The disability of Employee, as defined in Section 3 of this Contract.
- D. The majority of the City Council of Employer votes to terminate the Employee at a duly authorized meeting.
- E. If the Employer, citizens or legislature act or acts to amend any provision of applicable law that substantially changes the role, powers, duties, authority, or responsibilities of the Employee, the Employee shall have the right to declare that such amendments constitute termination.
- F. If the Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this Contract and will be regarded as termination.
- G. If the Employee resigns following an offer to accept resignation, or a suggestion that Employee resign, whether formal or informal, by any member of the City Council of Employer acting as representative of the majority of the City Council, then the Employee may declare a termination as of the date of the suggestion.
- H. Breach of contract declared by either party with a thirty (30) day cure period for either Employee or Employer to be provided. Written notice of a breach of contract shall be provided.
- I. Conviction of Employee of any public offense that is a felony, and/or involves moral turpitude, and/or the punishment for which includes a prohibition of holding public employment.

SECTION 8. CONFIDENTIALITY

- A. Unless the Employee expressly requests otherwise in writing, the evaluation of the Employee shall at all times be conducted in closed session of the City Council and shall be considered confidential to the maximum and full extent permitted by law. Nothing herein shall prohibit the Employer or the Employee from sharing the content of the City Attorney's evaluation with their respective legal counsel.
- B. In the event of termination or resignation, the Employer and Employee agree not to make comments or statements about each other and shall respond to inquiries by only confirming that such termination or resignation occurred. In addition, the Employer and Employee agree not to discuss the circumstances surrounding employment and termination with any person other than their respective legal counsel, including but not limited to members of the media, public, and City staff.

SECTION 9. SEVERANCE PAY

If this Contract is terminated because of the reasons specified in Section 7.C, 7.D, 7.E, 7.F, 7.G, or an uncured breach by Employer pursuant to 7.H, Employer shall pay severance pay to Employee up to a maximum of nine (9) months' salary. Employee may elect to treat the non-renewal of the Contract (as described in Section 2.A) as a termination that entitles him to severance pay in accordance with this Section. A severance bank of six (6) months pay is granted on the 61st day after the Effective Date of this Contract. Employee thereafter shall earn one (1) additional month of severance per year of service, not to exceed a combined total of nine (9) months severance.

If Employee is terminated by the Employer within the three (3) months preceding or following a General Election where one or more City Council seats are contested on the ballot of such election (the "election cool-off period"), then Employee will be granted an additional three (3) months severance (salary only – no payout on additional benefits or leave accruals) to the severance bank currently earned.

If this contract is terminated for any reason specified in Section 7 within the first 60 days of employment, Employee will receive three (3) months of severance pay.

If this contract is terminated for any reason specified in Section 7, Employee shall be paid for all accrued and unused sick leave, vacation time, paid holidays; and the cash value of all benefits including employer's contribution to PERS, Health Insurance allowance, and car allowance. Severance will be paid in monthly installments equal in number to the number of months' severance due employee pursuant to this Section.

SECTION 10. NOTICE TO RESIGN

Employee may terminate this Contract by providing written notice to the City at least thirty (30) days prior to the effective date of resignation. The City shall have no further obligation to provide payments and benefits after the effective date of the resignation. The City requests that Employee provide six (6) to twelve (12) months advance notice in the event that he determines to retire from service.

SECTION 11. VACATION AND SICK LEAVE.

Employee will accrue vacation at a rate of fifteen (15) days per year. Up to forty (40) hours of unused vacation hours earned may be cashed out. Employee will accrue ninety-six (96) hours of sick leave per year. Up to forty (40) hours of sick leave can be cashed out annually after Employee accrues ninety-six (96) hours. There is no cap on accrual.

SECTION 12. DISABILITY, COST-OF-LIVING ADJUSTMENTS, HEALTH AND LIFE INSURANCE.

Employee shall be provided the same disability, COLA adjustments (beginning with 2008 adjustment), health, dental, vision and life insurance benefits that are presently provided to other management employees of Employer and any such increases to benefits will not require City Council action to be effective. Employer will contribute \$1,620 per month towards Employee's cafeteria plan.

SECTION 13. RETIREMENT.

Employer shall pay Employee's contribution to the Public Employees Retirement System in accordance with adopted policies of Employer.

SECTION 14. DUES AND SUBSCRIPTIONS.

Employer shall budget and pay for the professional dues and subscriptions of Employee necessary for his continuation and full participation in national, regional, state and local associations and organizations necessary

and desirable for his continued professional participation, growth and advancement and for the good of Employer.

SECTION 15. PROFESSIONAL DEVELOPMENT.

A. Employer shall budget for and pay the travel and subsistence expenses of Employee for professional official travel, meetings and occasions (maximum of three annually) adequate to continue the professional development of Employee and to adequately pursue necessary official and other functions for Employer, including but not limited to the League of California Cities and such other national, regional, state and local governmental groups and committees thereof of which Employee may serve as a member. Employer shall budget and pay for the travel and subsistence expense of Employee for short courses, institutes and seminars necessary for her professional development and for the good of the Employer.

SECTION 16. REIMBURSEMENT OF EXPENSES.

To the extent Employee necessarily incurs expenses in the performance of her duties, Employee will receive prompt reimbursement therefore. Employee shall submit a claim form to Employer in the form and manner required of any employee. The requirement for a claim form shall apply to mileage reimbursement under Section 6 of this Contract.

SECTION 17. INDEMNIFICATION.

Employer shall defend, save harmless and indemnify Employee in accordance with Division 3.6 of the California Government Code, commencing with section 810.

SECTION 18. BONDING.

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

SECTION 19. OTHER TERMS AND CONDITIONS OF EMPLOYMENT.

Unless otherwise specifically provided herein, all provisions of the Municipal Code and regulations and rules of Employer including but not limited to those relating to vacation and sick leave, retirement system contributions, holidays and other fringe benefits and working conditions, as they now exist or hereafter may be amended also shall apply to Employee as they would to other unrepresented employees of the Employer.

SECTION 20. NOTICES.

Notices pursuant to this Contract shall be in writing given by deposit in the custody of the United State Postal Service, postage prepaid, addressed as follows:

- | | |
|---------------|---|
| (1) Employer: | Mayor, City of Lathrop, 390 Towne Centre Drive, Lathrop, CA 95330 |
| (2) Employee: | Salvador V. Navarete, 3378 Lighthouse Court, Atwater, CA 95301 |

Alternatively, notices required pursuant to this Contract may be personally served in the same manner as is applicable to civil judicial process. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

SECTION 21. GENERAL PROVISIONS.

A. The text herein shall constitute the entire Contract between the parties.

B. If the Employee dies prior to the expiration of the term of employment, any monies that may be due to him from Employer under this Agreement as of the date of his death shall be paid to his beneficiaries or personal representatives.

C. This Contract shall become effective on the date first written above.

D. If any provision, or any portion thereof, contained in this Contract is held unconstitutional, invalid or unenforceable, the remainder of this Contract, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the City of Lathrop has caused this Contract to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and the Employee has signed and executed this Contract, both in duplicate, the day and year first above written.

"EMPLOYER"
CITY OF Lathrop

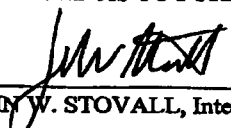
By: 
Kristy Sayles, Mayor

ATTEST:



Rick Caldeira, City Clerk

APPROVED AS TO FORM:



JOHN W. STOVALL, Interim City Attorney

"EMPLOYEE"



Salvador V. Navarrete

**Amendment Number One to Employment Agreement Between the
City of Lathrop and Salvador V. Navarrete
November 19, 2018**

The original Employment Agreement between the City of Lathrop and Salvador V. Navarrete, attached hereto and incorporated herein as Exhibit "A", was entered into between the parties for services of City Attorney on or about January 14, 2008.

The Employment Agreement has automatically renewed in January of 2013 and January of 2018 pursuant to the conditions as described in Section 2 of the Employment Agreement, attached hereto and incorporated herein as Exhibit "B".

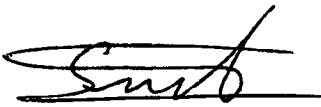
The City Council has met and with a vote of 4-0, with Councilmember Dresser absent, approves the following amendment to the Employment Agreement, effective November 19, 2018:

1. Increase current base salary by 5%; and
2. If Employee resigns his position, he will be paid for all accrued and unused management leave, sick leave and vacation time.

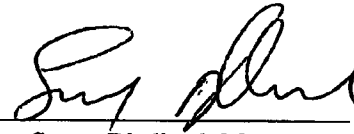
Unless specifically stated above, no other changes to the original agreement (or Amendment One) are intended by this Agreement.

EMPLOYEE

CITY OF LATHROP

By: 

Salvador V. Navarrete

By: 

Sonny Dhaliwal, Mayor

Date: 11-19-18

Date: 11/19/18

APPROVED AS TO FORM:

See page 2

ATTEST:



Teresa Vargas, City Clerk

Attachments:

Exhibit "A" – Employment Agreement for Salvador V. Navarrete effective January 14, 2008.

**Amendment Number One to Employment Agreement Between the
City of Lathrop and Salvador V. Navarrete
November 19, 2018**

The original Employment Agreement between the City of Lathrop and Salvador V. Navarrete, attached hereto and incorporated herein as Exhibit "A", was entered into between the parties for services of City Attorney on or about January 14, 2008.

The Employment Agreement has automatically renewed in January of 2013 and January of 2018 pursuant to the conditions as described in Section 2 of the Employment Agreement, attached hereto and incorporated herein as Exhibit "B".

The City Council has met and with a vote of 4-0, with Councilmember Dresser absent, approves the following amendment to the Employment Agreement, effective November 19, 2018:

1. Increase current base salary by 5%; and
2. If Employee resigns his position, he will be paid for all accrued and unused management leave, sick leave and vacation time.

Unless specifically stated above, no other changes to the original agreement (or Amendment One) are intended by this Agreement.

EMPLOYEE

CITY OF LATHROP


By: _____
Salvador V. Navarrete

By: _____
Sonny Dhaliwal, Mayor

Date: _____

Date: _____

APPROVED AS TO FORM:



Michael G. Colantuono, Special Counsel
11/20/18

ATTEST:

Teresa Vargas, City Clerk

Attachments:

Exhibit "A" – Employment Agreement for Salvador V. Navarrete effective January 14, 2008.

pg 2

**Amendment Number Two to Employment Agreement Between the
City of Lathrop and Salvador V. Navarrete
August 8, 2022**

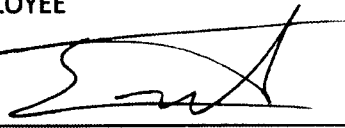
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On or about November 19, 2018 the City Council unanimously approved Amendment Number One, attached herein as Exhibit "B".

The City Council hereby approves a performance-based increase to current base salary of 5% effective July 11, 2022.

Unless specifically stated above, no other changes to the original agreement (or Amendments) are intended by this Amendment.

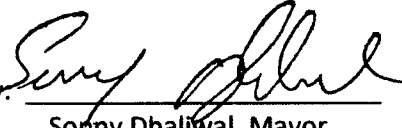
EMPLOYEE

By: 

Salvador V. Navarrete

Date: 8/8/22

CITY OF LATHROP

By: 

Sonny Dhaliwal, Mayor

Date: 8/8/22

APPROVED AS TO FORM:



Michael G. Colantuono
Special Counsel

ATTEST:



Teresa Vargas, City Clerk/Government Services Director

Attachments:

Exhibit "A" – Employment Agreement for Salvador V. Navarrete effective January , 2008

Exhibit "B" – Amendment Number One to Employment Agreement dated November 19, 2018

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