



Council Agenda Report

To: Mayor Silverstein and the Honorable Members of the City Council

Prepared by: Trevor Rusin, Interim City Attorney

Date prepared: June 28, 2023 Meeting date: July 10, 2023

Subject: Amendment No. 1 to the Employment Agreement for City Manager Services between the City of Malibu and Steven L. McClary

RECOMMENDED ACTION: Approve the Amendment to the June 13, 2022, City Manager Employment Agreement.

FISCAL IMPACT: No additional appropriation is required. The costs associated with the Amendment to the Employment Agreement will not require a revision to the FY 2023-24 Adopted Budget.

WORK PLAN: This item was not included in the Adopted Work Plan for Fiscal Year 2022-2023. This project is part of normal staff operations. Staff continue to work on ongoing projects and normal business while the FY 2023-24 Work Plan is finalized.

DISCUSSION:

The City Manager's contract, which was originally entered into on June 13, 2022 (but effective as of May 15, 2022), calls for an evaluation and review of the City Manager's salary. The City Manager does not receive the COLA adjustment that other City employees receive, and as a result Mr. McClary did not receive the 7.5% COLA approved by the City Council last year for City employees, nor the 5.1% COLA approved by the Council for the current year.

Attached is a proposed Amendment No. 1 to the City Manager Employment Agreement between the City and Steven L. McClary. The attached amendment would retain all the terms and conditions of the current Employment Agreement, except that it would increase: (1) the City Manager's salary from \$235,000 to \$260,000; and (2) the City Manager's monthly car allowance from \$400 to \$625 per month (an annual increase from \$4,800 to \$7,500). The amendment would be effective as of May 15, 2023 (one year from the effective date of his contract)

ANALYSIS:

The Proposed Amendment to the City Manager Agreement

Pursuant to the 2022 Employment Agreement, Mr. McClary began serving as the City Manager on May 15, 2022. The agreement is for a four-year term ending on May 14, 2026. However, recent increases in inflation and cost-of-living have caused the City Manager's compensation to fall behind those of his regional counterparts, particularly given current inflation rates. To correct this situation, and in reflection of the quality of Mr. McClary's work and dedication to the City, the Amendment proposes the following:

- An increase in the City Manager's salary from \$235,000 to \$260,000 (an increase of approximately 10.6%).
- An increase in the City Manager's monthly car allowance from \$400 to \$625.

Compensation of City Managers in the Area

The terms and conditions of the proposed Amendment are generally comparable to those offered for other city manager positions within the Los Angeles County region. For example:

- The City of Oxnard increased its manager's salary by 14.4% in June 2022, to \$319,200.
- The salary of the City Manager in Agoura Hills is \$273,729
- The salary of the City Manager in Calabasas is \$252,000
- The salary of the City Manager in Westlake Village is \$283,095
- The salary of the City Manager in Redondo Beach is \$265,000

During his tenure, Mr. McClary has proven himself as a city manager through a number of challenging circumstances. He has also developed familiarity and a connection with the community, the issues facing the City, and the employees and residents of the City. The proposed amendment reflects this work, and the current market for City Manager services.

ATTACHMENTS:

Amendment No. 1 to City Manager Employment Agreement

AMENDMENT NO. 1 TO EMPLOYMENT AGREEMENT

THIS AMENDMENT NO. 1 (this "Amendment") to the June 13, 2022, City Manager Employment Agreement, is made and entered into as of the ____ day of _____, 2023, by and between the CITY OF MALIBU, a Municipal Corporation (hereinafter the "City") and STEVEN L. McCLARY (hereinafter "Employee").

RECITALS

A. The City employs Employee in the position of City Manager pursuant to the terms of the June 13, 2022 (effective May 15, 2022), City Manager Employment Agreement between the parties (the "Agreement").

B. The parties now desire to amend certain benefits of the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and in the Agreement amended hereby, the parties agree as follows:

1. **Subsection A (Salary) of Section 5 (Compensation) of the Agreement is amended to read in its entirety as follows:**

"Salary. City agrees to pay Employee for the services required by this Agreement a monthly base annual salary of Two Hundred Sixty Thousand Dollars (\$260,000.00), payable in installments at the same time as other employees of the City are paid."

2. **Subsection E (Car Allowance) of Section 5 (Compensation) of the Agreement is amended to read in its entirety as follows:**

"Car Allowance. City agrees to pay Employee a monthly car allowance of Six Hundred Twenty-Five Dollars (\$625.00) per month. The car allowance is intended to reimburse Employee for the use of his private vehicle for City business. Employee must provide his own automobile for his use in performing his duties and is responsible for all maintenance, repair, fuel, and insurance expenses for said vehicle."

3. **This Amendment is effective, and shall apply, as of May 15, 2023.**

4. **All other terms of the Agreement remain unchanged.**

IN WITNESS WHEREOF the parties execute this Amendment as of the day and year first above written.

Amendment No. 1
Steven L. McClary Employment Agreement

CITY OF MALIBU

CITY MANAGER

Bruce Silverstein, Mayor

Steven L. McClary

ATTEST:

Kelsey Pettijohn, City Clerk

APPROVED AS TO FORM:

THIS DOCUMENT HAS BEEN REVIEWED
BY THE CITY ATTORNEY'S OFFICE

Trevor Rusin, Interim City Attorney