



TO: T.C. Broadnax, City Manager
FROM: Mayor Strickland, on behalf of the City Manager Performance Review Committee
COPY: City Council and City Clerk
SUBJECT: Resolution – Amending City Manager Employment Agreement – March 17, 2015
DATE: March 16, 2015

SUMMARY:

A Resolution amending the Employment Agreement with City Manager T.C. Broadnax to address merit pay and salary compression by changing the annual base salary and the deferred compensation contribution.

COUNCIL SPONSORS:

Mayor Strickland

STRATEGIC POLICY PRIORITY:

Encourage and promote an open, effective, results-oriented organization.

BACKGROUND:

On February 11, 2014, the City Council adopted Resolution No. 38846, authorizing the execution of an agreement with T.C. Broadnax to serve as the City Manager of the City of Tacoma for the period of February 13, 2014, through February 12, 2016. The Employment Agreement provides for annual City Manager performance reviews by the City Council and eligibility for annual merit increases tied to performance outcomes. A related ordinance providing for an increase to the City Manager classification salary table is scheduled for first reading before the City Council on March 17, 2015 (Substitute Ordinance No. 28287).

In accordance with the Employment Agreement, the City Manager received an annual performance review in January 2015 and was rated in four key areas: assisting the City Council with Policy Making, Internal Administration, External Relations, and Personal Accomplishments. The Employment Agreement further provides that “[i]n conjunction with Employee’s January 2015 performance review, and annually thereafter, Council agrees to review Employee’s salary in relation to issues of compression with salaries of executive management staff.” The City Council reviewed the City Manager’s annual base salary in relation to issues of compression with salaries of executive management staff, and determined that compression issues exist.

This Resolution will amend the Employment Agreement to: (1) increase the annual base salary from \$235,373 to \$243,318, which is Step 4D of the City Manager classification (under the proposed salary table set forth in Substitute Ordinance No. 28287), effective retroactive to February 13, 2015; and (2) change the annual deferred compensation from “up to three percent (3%) of Employee’s salary,” to the maximum annual amount permitted pursuant to Section 457 of the Internal Revenue Code at the time of the execution of the amended Employment Agreement.

ISSUE:

It is necessary to amend the existing Employment Agreement with City Manager T.C. Broadnax to address merit pay, deferred compensation contributions, and salary compression issues.

RECOMMENDATION:

It is recommended that the City Council take the necessary action to approve this legislation.



FISCAL IMPACT:

Fiscal impact information is as provided by the Management and Budget Office.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
0010 – General Fund	20000	5110100	\$11,823
TOTAL			\$11,823

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
General Fund Revenues			\$11,823
TOTAL			\$11,823

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
N/A			
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$11,823

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A