

REVISED

Date: 6-11-24
Item No.: 6

City Council Memorandum

City of Arts & Innovation

.....

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 11, 2024

FROM: MAYOR PRO TEM, STEVEN HEMENWAY WARDS: ALL

SUBJECT: APPROVAL OF THE FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT FOR THE CITY ATTORNEY

ISSUE:

Approve the attached First Amendment to the Employment Agreement with City Attorney Phaedra A. Norton.

RECOMMENDATION:

That the City Council:

1. Approve the attached First Amendment to the Employment Agreement with City Attorney Phaedra A. Norton effective April 9, 2024.
2. Adopt the attached Resolution amending the Master Fringe Benefit and Salary Plan to reflect the revisions to the City Attorney Employment Agreement.

DISCUSSION:

On May 14, 2024, the City Council reviewed and approved revisions in closed session to the employment agreement for the City Attorney. Consistent with Chapter 2.32.030 of the Riverside Municipal Code, the following provisions are included in the proposed amended City Attorney Employment Agreement:

1. Term of the agreement shall be extended by two (2) years, expiring on July 20, 2026.
2. The City Council reviewed and approved a salary adjustment of 3% to the salary range for the City Attorney effective July 19, 2024.
3. In the second year of the extended term, dependent upon performance, the City will make a deferred compensation contribution equal to 457 plan Annual IRS limit into 401A or 457 plan. The amount of the Employer Contribution to the 401 (a) Defined Contribution Plan or 457 Plan shall be determined for each calendar year based on:
 - a) The annual elective deferral limit for governmental 457 (b) deferred compensation plans within the meaning of Section 457 (b)(2)(A) of the

Internal Revenue Code (“IRC”), as adjusted for the cost-of-living in accordance with Section 457 (e)(15) of the IRC, plus

- b) Age-50 Catch-Up amount for the year as defined in Section 414 (v)(2)(B) of the IRC, as adjusted for the cost-of-living in accordance with Section 414 (v)(2)(C) of the IRC.

The annual amount will be deposited into the 401 (a) Plan in 24 equal installments throughout the year.

The Employer contributions will cease upon termination of Employee’s employment.

STRATEGIC PLAN ALIGNMENT:

Adopting the Resolution to amend the Master Fringe Benefits and Salary Plan to amend the employment agreement for the City Clerk contributes to the City of Riverside’s Strategic Priority of a High Performing Government, Goal 5.1: *Attract, develop, engage and retain a diverse and highly skilled workforce across the entire City organization.*

1. **Community Trust** – Necessary adjustments to the Fringe Benefit and Salary Plan allows the City to retain a highly skilled workforce.
2. **Equity** – The amendments to this employment agreement are exclusive for the City Attorney. Benefits are regularly reviewed to ensure they reflect equitable internal alignment.
3. **Fiscal Responsibility** – Negotiated modifications or adjustments to employee benefits are only recommended when necessary and within policy parameters for minimal fiscal impact. The recommended adjustments align with the Fringe Benefits and Salary Plan.
4. **Innovation** – Modifications to fringe benefits ensure appropriate alignment both internally and within the City’s market basket.
5. **Sustainability & Resiliency** – Fringe benefit adjustments are necessary to retain a diverse range of highly skilled employees who can adapt to the changing needs of the City both internally and externally.

FISCAL IMPACT:

The ~~total~~ fiscal impact of the ~~amendments~~ 3% salary increase effective July 19, 2024, to the City Attorney's employment agreement is \$11,709 in FY 2024/25 and annually thereafter. The fiscal impact of the deferred compensation contribution in the second year of the contract term (FY 2025/26) is dependent upon the City Attorney's performance and may range from \$0 to \$30,500. This amount represents a 12-month estimate for the fiscal year spanning July 1, 2025, through June 30, 2026, based on the current IRS contribution limits for calendar year 2024 and does not assume any increases in the IRS contribution limit in future calendar years. Costs will be absorbed in the City Attorney's operating budget in the General Fund, Salaries account number 1300000-411100.


Prepared by: Rene Goldman, Human Resources Director

Certified as to

Availability of funds: Kristie Thomas, Finance Director

Approved as to form: Susan Wilson, Assistant City Attorney

Respectfully submitted,



Steven Hemenway
Mayor Pro Tem

Attachments:

1. Resolution Amending the Fringe Benefits and Salary Plan
 - a. Exhibit A – First Amendment to the City Attorney Employment Agreement
 - b. Exhibit B – Resolution amending the Fringe Benefit and Salary Plan