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City of Las Cruces[®]
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Council Action and Executive Summary

Item # 1 Ordinance/Resolution# 14-118

For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of January 21, 2014
 (Adoption Date)

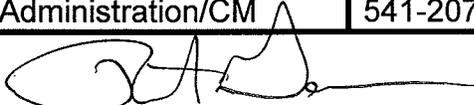
Please check box that applies to this item:

QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION APPROVING AMENDMENTS TO THE AGREEMENT EMPLOYING ROBERT L. GARZA AS CITY MANAGER.

PURPOSE(S) OF ACTION:

Approve amendments to the City Manager's employment agreement.

COUNCIL DISTRICT: ALL		
<u>Drafter/Staff Contact:</u> Janice L. Jones	<u>Department/Section:</u> Administration/CM	<u>Phone:</u> 541-2076
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

On December 13, 2010, the Council approved by resolution a contract for City Manager Robert L. Garza.

On Monday, January 6, 2014, the Council met in closed session with Mr. Garza to review terms and conditions of his employment contract.

The parties have agreed to the following amendments of the existing contract:

Section 3: Compensation

- Increase to \$172,910.40 (4% increase)

Section 8: General Business Expenses

- Convert cell phone reimbursement to a fixed monthly allowance at \$75 per month

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A", January 20, 2014 Employment Contract

(Continue on additional sheets as required)

SOURCE OF FUNDING:

Is this action already budgeted?	Yes	<input checked="" type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
	<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.	
Does this action create any revenue?	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY _____.
	No	<input checked="" type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

The cost of these contract amendments for the remainder of FY 2014 is \$2,771.00. Sufficient funding exists in the City Manager Department Budget to cover these costs in the current budget year.

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
General Fund	10100080 610111	\$2,771.00	\$67,957.42	\$65,186.42	Payment of City Manager's salary for remainder of current fiscal year

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve amendments to the agreement employing Robert Garza.
2. Vote "No"; this will require the parties resume negotiations.

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

N/A

RESOLUTION NO. 14-118

A RESOLUTION APPROVING AMENDMENTS TO THE AGREEMENT EMPLOYING ROBERT L. GARZA AS CITY MANAGER.

The City Council is informed that:

WHEREAS, on December 13, 2010, the Council approved by resolution a contract for City Manager Robert Garza; and

WHEREAS, on Monday, January 6, 2014, the Council met in closed session with Mr. Garza to review terms and conditions of his employment contract; and

WHEREAS, the parties are bringing forward amendments to the existing contract; and

WHEREAS, the City Manager's salary is increased by six thousand, six hundred fifty (\$6,650.00) dollars to one hundred and seventy-two thousand, nine hundred ten (\$172,910.00) dollars; and

WHEREAS, the changes will take effect on the next full pay period following the adoption of this resolution.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the changes to the contract employing Robert Garza, attached herein as Exhibit "A" is hereby approved.

(II)

THAT City staff is hereby authorized do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 2014.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:

City Attorney

VOTE:

Mayor Miyagishima:	_____
Councillor Silva:	_____
Councillor Smith:	_____
Councillor Pedroza:	_____
Councillor Small:	_____
Councillor Sorg:	_____
Councillor Levatino:	_____



City of Las Cruces

**EMPLOYMENT
AGREEMENT**

City Manager

Amended January 20, 2014
(Changes on pages 2 and 4, Bold and Underlined)

**CITY MANAGER EMPLOYMENT AGREEMENT
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CITY MANAGER EMPLOYMENT AGREEMENT

This Agreement is made and entered into this 13th day of December 2010, by and between the City of Las Cruces, a New Mexico home rule municipality ("Employer"), and Robert L. Garza ("Employee").

- A. Employee is an individual who has the education, training, and directly related experience needed to effectively manage a local government agency.
- B. Employee is subject to the ICMA Code of Ethics.

Employer and Employee agree as follows:

Section 1: Term

This agreement was originated on January 1, 2011 through December 31, 2013. The parties agreed to add 3 additional years to the employment term which will remain in full force in effect through December 31, 2016, unless terminated by the Employer or Employee as provided in Section 9, 10 or 11 of this agreement.

Section 2: Duties and Authority

Employer hereby employs Employee as City Manager to perform the functions and duties specified in the Employer's City Charter, Ordinances, and Personnel Manual and to perform other legally permissible and proper duties and functions as prescribed by the City Council.

Section 3: Compensation

- A. Employer agrees to pay Employee an annual base salary of ~~\$166,260~~ \$172,910.40 payable in installments at the same time and method that other employees of the Employer are paid.
- B. Employer may increase the compensation of the Employee annually dependent upon the results of the performance evaluation conducted under the provisions of Section 12 of this Agreement. Increased compensation may be in the form of a salary increase and/or benefits. The employer will meet with the employee annually in January to review the terms and conditions of this agreement. This meeting will be separate from the annual performance evaluation meeting held annually in July. This separation will enable the parties to focus independently on these two distinct elements of employment.
- C. The Employee is not automatically entitled to any annual increase in pay that may be granted to any other employee.

Section 4: Health Disability and Life Insurance Benefits

- A. The Employee shall be eligible for and receive all benefits normally provided to other non-represented employees. Said benefits shall be provided for in the same manner as made available to other employees.

Section 5: Leave Accrual and Credit

- A. The Employee shall accrue sick, vacation, and personal leave on an annual basis at the highest rate provided to any other employees.
- B. The Employee will maintain all leave balances accrued with Employer prior to the date of this agreement.
- C. The Employee shall, at least once during each year of this Agreement, take a two-week consecutive vacation. This two week vacation will be "Paid Executive Leave", separate from Annual Leave and will not require use of any accrued Annual Leave.
- D. The Employee is entitled to accrue all unused leave, without limit. In the event the Employee's employment is terminated, either voluntarily or involuntarily, the Employee shall be compensated for all accrued sick leave through the termination date at a ratio of two hours of leave to one hour of pay (2:1) and for all accrued annual leave at one hour of leave to one hour of pay (1:1).
- E. The Employee shall be entitled to holiday, jury, and bereavement leave as provided to any other regular employee.
- F. The Employee may elect to sell back accrued sick leave at a two to one (2:1) ratio (two hours of sick leave for one hour of pay) in any amount at any time.

Section 6: Vehicle Use Allowance

- A. The employee does not have a vehicle allowance.
- B. The Employer shall reimburse the Employee at the IRS standard mileage rate for any business use of the vehicle beyond and outside the greater Las Cruces area. For purposes of this Section, the greater Las Cruces area is defined as locations within a 40 mile radius of City Hall, 700 N. Main Street, Las Cruces, NM 88001.

Section 7: Retirement

- A. The Employee shall be required to continue his enrollment with the Public Employee Retirement Association ("PERA"). The Employer shall make all appropriate contributions on the Employee's behalf as provided for in Employer's Resolution concerning contributions to PERA for non-union represented employees.

- B. The Employee may contribute a part of his base salary to a deferred compensation plan in lieu of a portion of the compensation described in section 3.

Section 8: General Business Expenses

- A. Employer agrees to budget for and to pay for professional dues and subscriptions of the Employee necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer.
- B. Employer agrees to budget for and to pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference, the New Mexico Municipal League, and such other national, regional, state, and local governmental groups and committees in which Employee serves as a member. Employee will be required to notify the Mayor and City Council prior to departure for any planned travel out of state.
- C. Employer also agrees to budget for and to pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and for the good of the Employer.
- D. Employer recognizes that certain expenses of a non-personal but job related nature are incurred by Employee, and agrees to reimburse or to pay said general expenses. City finance staff charged with closing out all travel orders is authorized to disburse such moneys upon receipt of duly executed expenses, receipts, statements or personal affidavits. All record keeping must be in line with standard travel procedures required of City employees.
- E. The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer shall pay for the reasonable membership fees and/or dues to enable the Employee to become an active member in local civic clubs or organizations.
- F. The Employer shall provide Employee with a computer, software, and **a monthly allowance in the amount of \$75 for** cell phone **expenses** required for the Employee to perform the job and to maintain communication with City Council and operational units of the organization.

Section 9: Termination

For the purpose of this agreement:

- A. Termination shall occur when the majority of the governing body votes to terminate the Employee at a duly authorized public meeting.
- B. Termination shall occur when the Employee dies or becomes permanently disabled. "Permanent disability" shall mean the Employee's physical or mental inability to substantially performing his duties under this Agreement for a period of sixty (60) calendar days, which inability shall be certified by a physician duly licensed to practice in the State of New Mexico and acceptable to the Employer and the Employee or his legal representative.
- C. If the Employer, citizens or legislature acts to amend any provisions of the City of Las Cruces Charter and Personnel Manual pertaining to the role, powers, duties, authority, responsibilities of the Employee's position that substantially changes the form of government, the Employee shall have the right to declare that such amendments constitute termination.
- D. 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 agreement and will be regarded as a termination.
- E. If the Employee resigns following an offer to accept resignation, whether formal or informal, by the Employer as representative of the majority of the governing body that the Employee resigns, then the Employee may declare a termination as of the date of the suggestion.
- F. In the event that this Agreement is materially breached by either party, notice and opportunity to cure within thirty (30) days must be given to the breaching party with a 30 day period, before the breach shall provide the basis for termination. Written notice of a breach of contract and the opportunity to cure shall be provided in accordance with the provisions of Section 19.

Section 10: Severance

Severance shall be paid to the Employee when employment is terminated as defined in Section 9, as follows:

- A. If the Employee is terminated with two or more years remaining on this Agreement's term, the Employee shall receive severance pay equal to eighteen (18) months of base salary. If the Employee is terminated with between one and two years remaining on this Agreement's term, the Employee shall receive severance pay equal to twelve (12) months of base salary. If the Employee is terminated during the last year of this Agreement's term, the Employee shall receive severance pay equal to six (6) months of base salary.
- B. Severance shall be paid in a lump sum unless otherwise agreed to by the Employer and the Employee.
- C. In addition to any applicable severance pay, the Employee shall also be compensated for all accrued sick leave, annual leave, and all paid holidays in the same way described in section 5.
- D. Subject to this Agreement, the Employee is at all times subject to removal at the discretion of the Employer. However, if the Employee is terminated because of a conviction of a felony, or for cause, then the Employer is not obligated to pay severance under this section. For the purpose of this section only, and not for any other reason or claim of entitlement, cause shall include, but not be limited to the following:
 - i. Dereliction of duty;
 - ii. Failure to report any criminal conviction;
 - iii. Flagrant or continued failure to obey work rules and regulations, as required by the City Council, or for flagrant or continued violations of this Agreement;
 - iv. Dishonesty in the execution of job duties;
 - v. For mis-use of City funds or issued credit cards.
- E. If the Employee voluntarily resigns or terminates employment, the Employer is not obligated to pay severance under this section. Section 5 provisions will remain in full force and affect.

Section 11: Resignation

In the event that the Employee voluntarily resigns his position with the Employer, the Employee shall provide a minimum of 30 days notice unless the parties agree otherwise.

Section 12: Performance Evaluation

- A. Employer shall annually review the performance of the Employee. The evaluation shall take place within the month of July.
- B. The performance evaluation process will include a form, criteria, and format which shall be mutually agreed upon by the Employer and Employee prior to the period of evaluation.
- C. The process, at a minimum, shall include the opportunity for both parties to:
 - i. Prepare a written evaluation,
 - ii. Meet and discuss the evaluation in a closed meeting, and
 - iii. Present a written summary of the evaluation.
- D. The final written evaluation should be completed and delivered to the Employee within 30 days of the evaluation meeting. The evaluation is not considered a public document pursuant to Las Cruces Municipal Code 1997, Section 22-211(5).

Section 13: Hours of Work

It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

Section 14: Outside Activities

The employment provided for by this Agreement shall be the Employee's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may elect to accept limited teaching, consulting or other business opportunities with the understanding that such arrangements shall not constitute interference with or a conflict of interest with his or her responsibilities under this Agreement.

Section 15: Moving and Relocation Expenses

- A. The Employee agrees to maintain residence within the corporate boundaries of the City of Las Cruces after employment as outlined in the City Charter.

Section 16: Indemnification and Litigation Expenses

- A. Beyond that required under Federal, State or Local Law, the Employer shall defend, save harmless and indemnify the Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of the Employee's duties as City Manager or resulting from the exercise of judgment or discretion in connection

with the performance of program duties or responsibilities, unless the act or omission involved willful or wanton conduct.

- B. Legal representation, provided by the Employer for the Employee, shall extend until a final determination of the legal action including any appeals brought by either party. The Employer shall indemnify employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorneys fees, and any other liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of his or her duties. Nothing in this Agreement is intended to alter or amend any of the rights or obligations found in the New Mexico Tort Claims Act and case-law interpreting same.
- C. The Employer agrees to pay all reasonable litigation expenses of the Employee throughout the pendency of any litigation to which the Employee is a party, witness or advisor to the Employer. Such expense payments shall continue beyond the Employee's service to the Employer as long as litigation is still pending. Further, in the event that the litigation continues after the Employee's service under this Agreement is complete, the Employer agrees to pay the Employee reasonable consulting fees and travel expenses when the Employee serves as a witness, advisor or consultant to the Employer regarding pending litigation.
- D. Each of the parties shall bear all expenses (including attorney's fees) incurred by such party in connection with the preparation, review and negotiation of this Agreement.
- E. In the event that either party incurs legal expenses to enforce any provision of this Agreement in a court of law, those expenses shall be borne by the party seeking enforcement during the pendency of any such action. However, the prevailing party in such a dispute will be entitled to recover legal expenses, including reasonable attorney's fees and costs in addition to any other relief to which the prevailing party may be entitled.

Section 17: Bonding

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

Section 18: Other Terms and Conditions of Employment

The Employer, only upon agreement with the Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the City of Las Cruces Charter or any other state or federal law.

Section 19: Notices

Notice pursuant to this Agreement shall be sufficient if in writing and mailed either by depositing in the custody of the United States Postal Service, postage prepaid, or by e-mail with receipt requested, addressed as follows:

EMPLOYER: City of Las Cruces Mayor and City Council
 Copy: City Attorney
 P.O. Box 20000
 Las Cruces, NM 88004
 (or)
CityCouncil@las-cruces.org
Legal_main_line@las-cruces.org

EMPLOYEE: Robert L. Garza, City Manager
 P.O. Box 20000
 Las Cruces, NM 88011
 (or)
RLGarzaPE@Gmail.com

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service or upon verification of receipt of electronic mail.

Section 20: General Provisions

- A. Integration: This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this agreement during the life of the agreement. Such amendments shall be incorporated and made a part of this agreement.
- B. Binding Effect: This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.
- C. This Agreement shall become effective on January 1, 2011 and is further amended on this 22nd day of January, 2013.
- D. Severability: The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

CITY OF LAS CRUCES:

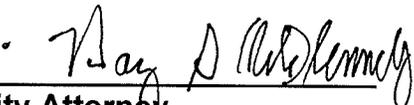
ATTEST:

By: _____
Ken Miyagishima, Mayor

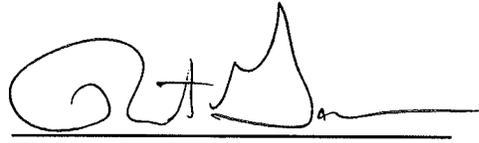
Esther Martinez, City Clerk

APPROVED AS TO FORM:

EMPLOYEE:



City Attorney



Robert L. Garza