



## Legislation Text

---

**File #:** 21-922, **Version:** 1

---

**FROM:**

Human Resources

**SUBJECT:**

Interim City Manager Employment Agreement

**RECOMMENDATION:**

**DISCUSSION:**

On September 21, 2019, the City Council voted to appoint Shannon Yauchzee to serve as Interim City Manager pending the recruitment of a permanent City Manager, unless the agreement is terminated sooner by the City or Mr. Yauchzee. The appointment was conditioned on approval of an agreement setting forth the terms of employment. That agreement is before the Council tonight.

The job of the City Manager is defined by the Fontana Municipal Code and state law. In addition, the City Council may receive assistance from the Interim City Manager with managing the recruitment for a new City Manager.

Normally, the working after retirement rules limit retirees to a maximum of 960 hours per fiscal year. However, the 960 hour limitation has been waived under Executive Order N-25-20, as modified by Executive Order N-35-20, for retired annuitants appointed to ensure adequate staffing in response to COVID-19. That waiver continues in effect. It is imperative for the City to have continuous leadership in its chief executive position in order to ensure proper management and operation of the City to address the challenges created by the COVID-19 pandemic. As such, all hours worked by Mr. Yauchzee in his role as Interim City Manager are subject to the waiver of the 960 hour limit and will not count toward the 960-hour per fiscal year limit so long as the COVID-19 state of emergency remains in effect.

The rate of pay for an Interim City Manager who is retired from CalPERS is dictated by law and governed by Government Code sections 21221(h) and 7522.56. Specifically, Section 7522.56(d) - which supersedes Section 21221(h) to the extent of conflicts - provides that "the rate of pay for the employment shall not be less than the minimum, not exceed the maximum, paid by the employer to other employees performing comparable duties, divided by 173.333 to equal an hourly rate." Section 21221(h) further provides that this rate must be "listed on a publicly available pay schedule for the vacant position."

The City Manager's salary is set by contract and is reflected as a fixed amount on the publicly available pay schedule, not a range. So in effect, a retired annuitant would be paid at the same rate (reflected as an hourly rate) as the most recent city manager but the total cost to the City would be less since the compensation for a retired annuitant is limited to an hourly rate. The hourly rate to be paid to Mr. Yauchzee for his service as interim City Manager shall be \$143.11. He will not receive

any other compensation or benefits.

Mr. Yauchzee is a CalPERS retiree and will not be enrolled in CalPERS, except for administrative recordkeeping purposes, or create any CalPERS obligations on his behalf for the City.

**FISCAL IMPACT:**

This expense is within the approved budget. Mr. Yauchzee will be engaged to perform the Interim City Manager services without benefits ordinarily provided to City employees. His compensation of \$143.11/hr is in compliance with the requirements of Government Code section 21221(h).

**MOTION:**

Approve the Interim City Manager Employment Agreement.