

# STAFF REPORT

## *City Council Consent Item*

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**DATE:** August 7, 2023

**TO:** Honorable Mayor and Council Members

**FROM:** Merritt Perry, City Manager

**SUBJECT:** Ratify First Amendment to Employment Agreement for Finance Director

### **STAFF RECOMMENDATION:**

Staff recommends that the council ratify First Amendment to the Agreement for At-Will Employment for Finance Director Aaron Felmlee.

### **EXECUTIVE SUMMARY**

On June 20, 2023, the City Council provided direction to the City Manager to amend the contract with Finance Director Felmlee to increase the “opt out pay” should he wish to opt out of City health insurance. The attached First Amendment to his contract with the change, includes an “opt out” amount of \$10,000 instead of the \$6,000, the amount currently available to all other employees. This change will provide additional compensation to the Finance Director and result in a significant cost savings to the City. Staff requests Council approve the First Amendment to the Employment Agreement with Finance Director Felmlee.

### **FISCAL IMPACT:**

Approving the First Amendment to the Agreement with the Finance Director will be revenue neutral if the Finance Director continues to obtain health insurance through the City. If the Finance Director opts out of city-provided health insurance, the City will save approximately \$19,500 annually. The current cost of health insurance for an employee with family is approximately \$29,500, annually.

### **RECOMMENDED ACTION:**

Ratify First Amendment to the Agreement for At-Will-Employment for Finance Director, Aaron Felmlee. Consent Agenda vote.

### **ATTACHMENTS:**

- Finance Director - First Amendment to At-Will Employment Agreement