

**10.3.** Approving the Second Amendment to City/District Manager Stefan Chatwin's Employment Agreement



DATE: September 16, 2024

TO: Mayor and Members of the City Council  
President and Members of the Estero Municipal Improvement  
District (EMID) Board of Directors

FROM: Benjamin Stock, City Attorney/District Legal Counsel

DEPARTMENT: City Attorney

SUBJECT: SECOND AMENDMENT TO CITY/DISTRICT MANAGER STEFAN  
CHATWIN'S EMPLOYMENT AGREEMENT

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### RECOMMENDATION

It is recommended that the City Council/EMID Board of Directors (City Council) adopt resolutions approving the second amendment to the City/District Manager's Employment Agreement which adjusts the annual compensation from \$316,057 to \$328,067.

### BACKGROUND/ANALYSIS

Stefan Chatwin was appointed as City/District Manager effective June 21, 2022, and continues to serve in that position. Pursuant to the Employment Agreement between the City/District and Mr. Chatwin, his performance is to be evaluated on an annual basis during the term of his employment.

On August 19, 2024, the City Council/EMID Board conducted its annual review of Mr. Chatwin's performance. Based on that review, the City Council/EMID Board instructed that a contract amendment adjusting the City Manager's base compensation be prepared for consideration, per Paragraph 7, Salary, the Employment Agreement which states, "Increases in salary will be determined by the City Council/District Board as part of Employee's performance evaluations, and in no case shall Employee's annual salary increase exceed that of other across the board increases for Management employees." The City/District Manager's Employment Agreement, Paragraph 7, Salary, set his base compensation at \$274,000 per year which was adjusted effective June 1, 2023 as part of the Koff & Associates compensation study. It was adjusted again effective July 1,

2023 to align with changes approved in the Compensation and Benefits Plan for Management.

Effective July 1, 2024, the Compensation and Benefits Plan for Management provided an across-the-board increase to base salary based on the SF-Bay Area CPI-U to April 2023 to April 2024 (Urban) which equated to 3.8%.

Adjustments to the City/District Manager's compensation require City Council/EMID Board action by resolution. Attached for the City Council/EMID Board's consideration is a resolution amending Paragraph 7 of the City/District Manager's Employment Agreement, increasing the base annual compensation rate by 3.8% to \$328,067 effective July 1, 2024, in alignment with what other Management employees received. In order to implement this contract amendment, the City Council /EMID Board must adopt the attached resolution. If adopted, then both the Mayor/President and City/District Manager would execute the contract amendment, as shown in Attachment 3, thereby adjusting the City Manager's base compensation.

### California Environmental Quality Act

CEQA General Rule Exemption

### FISCAL IMPACT

Approving the Second Amendment to the City/District Manager's Employment Agreement will adjust the annual compensation for the City/District Manager from \$316,057 to \$328,067 effective July 1, 2024. A 3.8% increase was budgeted in FY24/25 budget so there is no additional fiscal impact at this time.

### ATTACHMENTS:

Attachment 1 – City Resolution

Attachment 2 – EMID Resolution

Attachment 3 – Second Amendment to the Employment Agreement

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOSTER CITY  
APPROVING THE SECOND AMENDMENT TO THE CITY MANAGER'S EMPLOYMENT  
AGREEMENT

CITY OF FOSTER CITY

WHEREAS, the City of Foster City and Stefan Chatwin entered into an Employment Agreement on June 21, 2022, which appointed Stefan Chatwin as the City Manager for the City of Foster City; and

WHEREAS, on June 20, 2023, the City Council adopted City Resolution No. 2023-70, approving the First Amendment to City Manager's Employment Agreement; and

WHEREAS, pursuant to the Employment Agreement, the City Council is required to evaluate the City Manager's performance annually; and

WHEREAS, based on its review, the City Council has determined that the City Manager's base compensation should be adjusted; and

WHEREAS, the City Manager's Employment Agreement requires that adjustments to compensation and benefit be approved by resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Foster City, that the City Manager's Employment Agreement is hereby amended, as outlined in the Second Amendment.

PASSED AND ADOPTED as a resolution of the City Council of the City of Foster City at the Regular Meeting held on the 16<sup>th</sup> day of September 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
PATRICK SULLIVAN, MAYOR

ATTEST:

\_\_\_\_\_  
PRISCILLA SCHAUS, CITY CLERK

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ESTERO MUNICIPAL  
IMPROVEMENT DISTRICT APPROVING THE SECOND AMENDMENT TO THE  
DISTRICT MANAGER'S EMPLOYMENT AGREEMENT

ESTERO MUNICIPAL IMPROVEMENT DISTRICT

WHEREAS, the Estero Municipal Improvement District and Stefan Chatwin entered into an Employment Agreement on June 21, 2022, which appointed Stefan Chatwin as the District Manager for the Estero Municipal Improvement District; and

WHEREAS, on June 20, 2023, the EMID Board of Directors adopted EMID Resolution No. 3734, approving the First Amendment to City/District Manager's Employment Agreement; and

WHEREAS, pursuant to the Employment Agreement, the Board of Directors is required to evaluate the District Manager's performance annually; and

WHEREAS, based on its review, the Board of Directors has determined that the District Manager's base compensation should be adjusted; and

WHEREAS, the District Manager's Employment Agreement requires that adjustments to compensation and benefit be approved by resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Estero Municipal Improvement District, that the District Manager's Employment Agreement is hereby amended, as outlined in the Second Amendment.

PASSED AND ADOPTED as a resolution of the Board of Directors of the Estero Municipal Improvement District at the Regular Meeting held on the 16<sup>th</sup> day of September 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
PATRICK SULLIVAN, PRESIDENT

ATTEST:

\_\_\_\_\_  
PRISCILLA SCHAUS, DISTRICT SECRETARY

**SECOND AMENDMENT TO THE EMPLOYMENT AGREEMENT BETWEEN  
THE CITY OF FOSTER CITY AND STEFAN CHATWIN**

This document constitutes the Second Amendment to the Employment Agreement entered into as of the 21st day of June, 2022 by and between the City of Foster City/Estero Municipal Improvement District hereinafter called "City/District" and Stefan Chatwin, hereinafter called "Employee".

The Second Amendment is entered into with reference to the following facts and circumstances:

- A. Paragraph 7 of the Employment Agreement shall be amended to read as follows:
7. Effective July 1, 2024, City/District agrees to pay Employee \$328,067 in base salary per year during the remaining term of this Agreement for his services. All salary payments to Employee shall be payable in installments at the same time as the other employees of the City/District are paid and subject to the customary withholding. Increases in salary will be determined by the City Council/District Board as part of Employee's performance evaluations, and in no case shall Employee's annual salary increase exceed that of other across the board increases for Management Employees.
- B. All other terms and conditions of the Employment Agreement shall remain in force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed on the date first above written by their respective officers duly authorized in that behalf.

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

\_\_\_\_\_  
CITY OF FOSTER CITY/  
ESTERO CITY MUNICIPAL  
IMPROVEMENT DISTRICT

By: PATRICK SULLIVAN, MAYOR/PRESIDENT

\_\_\_\_\_  
STEFAN CHATWIN

ATTEST

\_\_\_\_\_  
Priscilla Schaus, City Clerk/District Secretary

Approved as to Form

\_\_\_\_\_  
Benjamin Stock, City Attorney/District Legal Counsel