



STAFF REPORT
TOWN COUNCIL MEETING OF MARCH 10, 2020

To: Honorable Mayor and Members of the Town Council

From: Jeffrey Mitchell, Town Attorney

Subject: Amendment to Town Manager's Employment Agreement

Date: March 10, 2020

RECOMMENDATION:

Adopt Resolution 20-__ approving an amendment to the Town Manager's employment agreement concerning the term of the agreement and the severance payment that would be due to the Town Manager if the agreement were to be terminated other than For Cause.

DISCUSSION:

Sean Rabe was hired as Town Manager in June 2017. Currently the Town Manager's agreement is for a term of five years, unless terminated early as provided for in the agreement. If the agreement were to be terminated by the Town Council other than "For Cause" (as defined in the agreement), the Town Manager would be entitled to receive six month's severance pay.

The Town Council recently completed an annual review of Mr. Rabe's performance, and directed that an item be placed on the March agenda to consider an amendment to his agreement that would:

1. Remove the five year term from the agreement. The effect of this change is that the Town Manager's agreement will remain in effect until the agreement is affirmatively terminated by either of the parties.
2. Increase the severance benefits due in the event of a not-For Cause termination by the Town to nine months.

CEQA:

Not applicable.

FINANCIAL IMPLICATIONS:

Increase in potential severance payment obligation.

ATTACHMENT:

- A Resolution 20-__
- B Amendment No. 2 to Employment Agreement

TOWN OF LOOMIS

RESOLUTION 20 -__

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS
APPROVING AMENDMENT NO. 2 TO THE TOWN MANAGER'S
EMPLOYMENT AGREEMENT**

WHEREAS, the Town of Loomis currently employs Sean Rabe as Town Manager pursuant to the terms of an Employment Agreement dated June 14, 2017, as amended November 7, 2018 (the "Agreement"); and

WHEREAS, Section 6 of the Agreement describes generally the term of the Agreement and the circumstances under which the Town Council can terminate Mr. Rabe's employment; and

WHEREAS, the Town Council, having recently completed its annual review of Mr. Rabe's performance, desires to amend his employment agreement as set forth in Amendment No. 2, attached hereto.

NOW THEREFORE, BE IT RESOLVED by the Town Council of the Town of Loomis that:

- 1. Amendment No. 2 to the Employment Agreement with Sean Rabe is hereby adopted, effective immediately upon execution by both parties.

PASSED AND ADOPTED this 10th day of March, 2020, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor

Attest:

Town Clerk

**Amendment No. 2
to the Employment Agreement
between the Town of Loomis and Sean Rabe
Dated June 14, 2017**

This Amendment No. 2 to the Employment between the **Town of Loomis** ("Town") and Sean Rabe ("Employee") which was entered into on June 14, 2017, is made and entered into this 10th day of March, 2020 (the "Effective Date").

RECITALS

WHEREAS, the Town and Employee entered into the June 14, 2017 Employment Agreement ("Original Agreement"), to employ Employee as Town Manager; and

WHEREAS, the Original Agreement was previously amended on November 7, 2018 ("Amendment No. 1"), which together with the Original Agreement are referred to hereafter as the "Agreement");

WHEREAS, the Town and Employee now desire to approve an amendment to the Agreement to modify certain terms of employment, effective as of the Effective Date.

NOW, THEREFORE, IT IS MUTUALLY AGREED by parties hereto to amend said Agreement as follows:

I. Amendments.

A. Section 6.1 of the Agreement is hereby amended to read as follows:

"6.1 Term.

The term of this Agreement will begin on the Effective Date and will continue until terminated in the manner provided in Sections 6.2 and 6.3 of this Agreement."

B. Section 6.2.2 of the Agreement is hereby amended to read as follows:

"6.2.2 Termination Without Cause.

6.2.2.1 If the Town terminates Employee's employment for any reason other than for cause, the Town shall provide Employee severance payment of nine (9) months base salary to be paid as a lump sum payment on the effective date of the termination, and shall pay COBRA premiums for medical and dental insurance for nine (9) months or until Employee becomes re-employed, whichever occurs first. As a condition to receipt of this severance payment, Employee agrees that he will execute a Release Agreement in the form presented to him by Town at the time of his termination without Cause.

6.2.2.2 Employee's employment shall not be terminated during the 30-day period preceding or the 90-day period following any election for seats on the City Council, except For Cause."

(Remainder of page intentionally blank)

II. Remaining Terms Unaffected:

Except as expressly provided herein, nothing in this Amendment No. 2 shall be deemed to waive or modify any of the other provisions of the Agreement. In the event of any conflict between this Amendment No. 2 and the Agreement, the terms of this Amendment shall control.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as the date herein set forth.

Town of Loomis

Employee

By: _____
Jan Clark-Crets, Mayor

By: _____
Sean Rabe

Approved as to form:

By: _____
Jeffrey Mitchell, Town Attorney

Attest:

By: _____
Crickett Strock, Town Clerk