



Agenda Report

MEETING DATE: Tuesday, April 12, 2022

TO: City Council

FROM: DEPUTY CITY MANAGER MANNING

SUBJECT: APPOINTMENT OF RENE MENDEZ AS CITY MANAGER AND APPROVAL OF CONTRACT FOR EMPLOYMENT

STATEMENT OF ISSUES:

With the departure of former City Manager Huffaker, the City Council must appoint a new City Manager and enter into a contract for employment with the selected candidate.

RECOMMENDED ACTION:

It is recommended that the City Council adopt a resolution appointing Rene Mendez as City Manager and approving a contract between the City of Watsonville and Rene Mendez for employment as City Manager; and authorizing the Mayor to execute the Employment Contract.

DISCUSSION:

Former City Manager Matthew Huffaker resigned from the City in December of 2021 to become the City Manager for the City of Santa Cruz. After an extensive review of proposals, the City Council awarded a contract to Peckham and McKenney on November 30, 2021 to conduct an executive recruitment to fill the City Manager position. Peckham and McKenney, led by consultant Maria Hurtado, conducted a community survey and a community forum seeking widespread input for the characteristics and qualifications desired in a new City Manager. Additional input was provided by the City Council and the City's Executive Team to create the candidate profile. The position was widely advertised and twenty-eight applications were received and reviewed. The consultant conducted preliminary interviews of seventeen candidates and recommended eight of the highest qualified and most competitive candidates to the City Council for consideration.

The City Council narrowed down the candidate pool and invited five candidates to interview ultimately selecting Rene Mendez based on his extensive public sector experience and desired qualifications for the position. Mr. Mendez has served in the capacity of City Manager for the City of Gonzalez since 2005 and was previously a County Administrative Officer for the County of Inyo. Mr. Mendez has a Master of Arts in Public Policy and a Bachelor of Arts in Economics.

The terms of the proposed Employment Agreement include among other terms, a base salary of \$240,000 per year, a contribution to deferred compensation of \$10,000 per year, and a temporary housing allowance of \$2,000 per month for six months provided that he reside within the City limits within one year of his employment. Furthermore, he will be eligible for the benefits as outlined in the Executive Team Compensation and Benefits Plan including health, life, and disability insurance; administrative, vacation and sick leave; and holidays. The City Council will review the City Manager's performance and compensation on an annual basis.

While the term of the contract is for five years, either party may terminate at any time without cause, upon providing sixty-day notice. The City may terminate for cause for the specific reasons set forth in the Employment Agreement by providing him with a written notice of termination, which shall be effective immediately. Termination by the City of the Employment Agreement without cause will trigger payment of up to six months of severance pay to Mr. Mendez.

If approved Mr. Mendez's employment would commence on July 1, 2022.

STRATEGIC PLAN:

The appointment of a City Manager supports all aspects of the Strategic Plan, but specifically Goal 7-Efficient and High Performing Government.

FINANCIAL IMPACT:

The salary and benefits for this position are included in the current City Manager department budget.

ALTERNATIVE ACTION:

The City Council could elect not to move forward with this appointment.

ATTACHMENTS AND/OR REFERENCES (If any):

None.