

CITY COUNCIL RESOLUTION NO. 08-XXX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING REQUEST BY CITY MANAGER TO DEFER SALARY ADJUSTMENT**

WHEREAS, the City Manager Employment Contract between the City and James L. App (the "Contract") requires the City Council to conduct an annual review of the City Manager's performance each year during the term of the Contract; and

WHEREAS, the Contract provides for annual salary adjustments to the base salary for the City Manager on September 1 of each year, based on several criteria; and

WHEREAS, the City Council has conducted such annual review of the City Manager's performance in accordance with the provisions of the Contract; and

WHEREAS, based on such annual review and the terms of the City's Manager's Contract, the City Manager is entitled to an increase in salary to \$164,120 annually; and

WHEREAS, the City Manager has submitted a request that, in light of the fiscal challenges facing the City, his salary increase for 2008-09 be deferred;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Based on the annual review of the City Manager's performance recently conducted by the City Council and the terms of the Contract, the City Council acknowledges that the City Manager is entitled to an increase in salary to \$164,120 annually. However, based on the City Manager's request, attached hereto as Exhibit A and incorporated herein by reference, the City Council approves the City Manager's request that his salary increase for 2008-09 be deferred.

PASSED AND ADOPTED this 2nd day of September, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Frank Mecham, Mayor

ATTEST:

Deborah Robinson, Deputy City Clerk

TO: City Council
FROM: James L. App, City Manager
SUBJECT: Performance Review & Pay Adjustment
DATE: September 2, 2008

First, thank you for the continued opportunity to serve. I am grateful to be part of Paso Robles!

Paso Robles faces some difficulties in the next two years. The economy is faltering; with that comes the challenge of fewer dollars to do the community's work. Already planned budget expenditures have been reduced \$2,000,000 annually; another \$1,000,000 reduction is required. And, the State may "borrow" \$1,300,000 to address their deficit.

Additionally, we find ourselves in an unfamiliar circumstance of great debate over how to pay for an essential resource – water. Should the community decide against a rate that meets the costs of producing and distributing water, then general tax dollars may need to be redirected to cover the costs. With the budget reductions cited above, further reductions to pay for water would likely result in a reduction of public services.

We have discussed these matters and together concluded that prudence dictates protection of financial resources and options. Deferral of my pay increase is the appropriate and logical step.

A handwritten signature in black ink, appearing to read 'James L. App', with a long horizontal line extending to the left.