

AGENDA
SPECIAL MEETING OF THE CITY COUNCIL
CITY OF LAKEWOOD, COLORADO
VIRTUAL MEETING
DECEMBER 19, 2022
6:00PM

To watch the Council meeting live, please use either one of the following links:

City of Lakewood Website: [Lakewood.org/CouncilVideos](https://lakewood.org/CouncilVideos)

or

Lakewood Speaks: [Lakewoodspeaks.org](https://lakewoodspeaks.org)

How to Connect to Provide Public Comment:

By Computer: <https://lakewood.zoom.us/j/83620828098>

By iPad, iPhone, or Android device on the Zoom App, enter webinar ID: **836 2082 8098**

By Telephone: **720-707-2699**

Webinar ID: **836 2082 8098, #**

Participant ID: **#**

Press *9 to Request to Speak, you will be prompted when to speak.

Press *6 to Unmute

The City of Lakewood does not discriminate on the basis of race, age, national origin, color, creed, religion, sex, sexual orientation or disability in the provision of services. People with disabilities needing reasonable accommodation to attend or participate in a City service program, can call 303-987-7080 or TDD 303-987-7057. Please give notice as far in advance as possible so we can accommodate your request.

ITEM 1 – CALL TO ORDER

ITEM 2 – ROLL CALL

ITEM 3 – STATEMENT OF CONFLICT OF INTEREST

ITEM 4 – RESOLUTION 2022-73 – APPROVING AMENDMENTS TO THE 2014 EMPLOYMENT AGREEMENT WITH CITY MANAGER KATHLEEN HODGSON AND ESTABLISHING THE 2022 EMPLOYMENT AGREEMENT

ITEM 5 – ADJOURNMENT

STAFF MEMO

DATE OF COUNCIL SPECIAL MEETING: DECEMBER 19, 2022/ AGENDA ITEM NO. 4

To: Members of the Lakewood City Council

From: Mayor Adam Paul, Mayor Pro Tem Sharon Vincent

Subject: **AMENDING THE CITY MANAGER'S EMPLOYMENT AGREEMENT**

SUMMARY STATEMENT: The City Council is entertaining a motion to approve a Resolution to amend those portions of the City Manager's employment agreement that expired on December 8, 2022.

BACKGROUND INFORMATION: Amending the City Manager's employment agreement is a matter that has been in front of the City Council since April 2022.

- | | |
|--------------------------|--|
| April 29, 2022 | City Manager Report delivered to City Councilmembers boxes |
| May 6, 2022 | Annual Review materials sent to the City Councilmembers |
| May 9, 2022 | Executive Session - Direction given by City Council to Mayor and Mayor Pro-Tem to review existing provisions of City Manager's Employment Agreement |
| August 5, 2022 | Current agreement, bonus info and salary data provided to all members of the City Council |
| August 15, 2022 | Status update from Mayor and Mayor Pro-Tem as to the negotiations regarding re-incentivizing the City Manager's employment agreement |
| November 18, 2022 | Executive Session to brief the City Council on the status of negotiations |
| November 30, 2022 | Agreement materials including a salary survey and other supporting materials sent to City Councilmembers |
| December 5, 2022 | Special Meeting of the City Council was held at which a motion to recess into executive session to discuss the proposed amendments was not approved. No members of the City Council chose to discuss the matter in open session. |
| December 8, 2022 | Several incentives provided within 2014 Employment Agreement expired. |
| December 19, 2022 | Special Meeting called to review the proposed amendments to the City Manager's 2014 Employment Agreement and to take action upon a Resolution setting forth the proposed amendments. |

A RESOLUTION

APPROVING AMENDMENTS TO THE 2014 EMPLOYMENT AGREEMENT WITH CITY MANAGER KATHLEEN HODGSON AND ESTABLISHING THE 2022 EMPLOYMENT AGREEMENT

WHEREAS, Kathleen Hodgson has served the City of Lakewood in the capacity of City Manager for 13 years, and in conformance with City Charter provision 3.5, Ms. Hodgson's job performance was positively reviewed by the City Council in May, 2022;

WHEREAS, Ms. Hodgson has an ongoing employment agreement dated December 8, 2014, (2014 agreement) with the City of Lakewood that includes certain incentive provisions that concluded on December 8, 2022, and the parties to this agreement desire to re-incentivize the 2014 agreement to the benefit of both parties.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lakewood, that for good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto hereby agree to the following:

Section 1. The 2014 Employment Agreement by and between the City of Lakewood and City Manager Kathleen Hodgson is hereby amended as follows:

5. Compensation.

(a) Commencing on April 1, 2023, and annually thereafter, the City Manager's Base Salary shall automatically be adjusted to reflect the average increase for all City employees for the corresponding year. In addition, the Employee shall be eligible for a further 3% increase based on an overall performance rating of "Meets" or "Exceeds Expectations" during the Annual Review (outlined in section 6). The Base Salary shall be payable in installments, less legally required withholdings, consistent with the City's payroll procedures in effect from time to time.

(b) In addition to the Base Salary, the City shall, on behalf of the Employee, contribute the full cost of participation in the Lakewood Employee's Money Purchase Pension Plan, and the City shall, on behalf of the Employee, contribute the then maximum amount allowable under applicable regulation to the City of Lakewood Amended and Restated Deferred Compensation Plan (together, the "Additional Compensation").

6. Annual Review.

The City and Employee agree that subject to the City's Personnel Policy and the Lakewood City Charter, as applicable, the City shall annually review Employee's job performance prior to April of each year. The Annual Review process will be coordinated, facilitated, and led by the Mayor and Mayor Pro Tem, with the technical assistance of the Director of Human Resources or designee and will culminate in written feedback and a consensus rating of "Does Not Meet", "Meets" or "Exceeds" expectations. This rating will be used for the purpose of determining the additional salary increase as described in section 5.

9. Benefits.

(a) In addition to the unexpired benefits set forth in the 2014 employment agreement, and any other unexpired benefits, the Employee shall receive 20-days of Executive Leave Time which may be used in any manner desired with the intent of advancing leadership succession & organizational development planning for the City by the Employee. Executive Leave Time shall be used in full day (8 hour) increments, and executive leave that is not used by the end of each calendar year shall be compensated and not carry over to the following calendar year.

12. Termination and Severance.

(a) If Employee is terminated because of a conviction of a felony, the City is not obligated to pay Severance.

(b) For purposes of this Employment Agreement, "Total Compensation" shall include base Salary, Additional Compensation, prior year Bonus (if any), the annual costs of health insurance for Employee and all dependents, the annual costs of life insurance, costs of short-term and long-term disability, and the annual automobile allowance.

(c) Upon termination, or an election to become "Retired," meaning the Employee voluntarily separates from employment with the City, the Employee shall also be compensated for all accrued sick leave, vacation time, and all paid holidays.

(d) In the event of termination of the Employee's employment by the City without cause, i.e. not terminated pursuant to subsection (a) of this Section, the City shall pay Severance to Employee, in lump sum, an amount equal to two years Total Compensation, calculated from Employee's final day of employment. In the event the Employee elects to become Retired from the City, the City shall pay to employee, in lump sum, an amount equal to the pro-rata Total Compensation earned as of her final day of employment.

Section 2. All other provisions of the 2014 Employment Agreement shall remain in force and effect. Any perceived conflicts between the provisions of the 2014 Employment Agreement and the amendments as set forth in Section 1 of this Resolution shall be resolved in conformance with the terms set forth within this Resolution. This amended agreement shall hereinafter be known as the 2022 Employment Agreement.

INTRODUCED, READ AND ADOPTED by a vote of ___ for and ___ against at a virtual special meeting of the City Council on December 19, 2022, at 6:00 o'clock p.m.

Adam Paul, Mayor

ATTEST:

Jay Robb, City Clerk

APPROVED AS TO FORM:

Alison McKenney Brown, City Attorney