

TO: Mayor and Councilmembers
Marlene Best, City Manager
Shawn Hagerty, City Attorney

FROM: James Jeffries, City Clerk

DATE: April 21, 2025

SUBJ: Updated Council Meeting Materials – April 23, 2025

NEW BUSINESS:

- (14) Resolution Appointing an Interim City Manager and Approving Employment Agreement. (City Council)**

The attached documents replace the ones provided in your Revised Agenda packet published on April 20, 2025.



MEETING DATE April 23, 2025

ITEM TITLE RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE APPOINTING GARY HALBERT AS INTERIM CITY MANAGER AND APPROVING EMPLOYMENT AGREEMENT

DIRECTOR/DEPARTMENT Rida Freeman, Human Resources

SUMMARY

On April 23, 2025, the City Manager position became vacant. The City needs to select an interim City Manager to serve during the recruitment and selection of a permanent City Manager.

The City Council has engaged in a process of review of candidates to consider for appointment to interim City Manager and directed that this matter be brought for consideration of the appointment of Gary Halbert as interim City Manager during the recruitment for a new permanent City Manager. Gary Halbert has over 30 years of local government management and leadership experience. Gary retired from the City of Chula Vista in 2020 where he spent 6 years as the City Manager.

Government Code section 21221(h) allows the City to hire a CalPERS retiree to fill a vacant position on an interim basis during the recruitment for a permanent appointment. This section requires that the appointment be made by the City Council to a position requiring specialized skills, be a one-time appointment, and that the employee does not exceed 960 hours worked in a fiscal year. Section 7522.56 imposes similar restrictions, consistent with Section 21221(h). The law also sets the compensation which must be paid for a CalPERS retiree, as not more than the maximum nor less than the minimum monthly base salary paid to other employees performing comparable duties as listed on the City's publicly available pay schedule, reflected as an hourly rate by dividing the monthly base pay by 173.333. The proposed hourly rate is based on the current monthly compensation for the City Manager position, as contained on the publicly approved salary schedule.

The attached resolution will appoint Gary Halbert as the interim City Manager in compliance with Section 21221(h) and approves the corresponding Employment Agreement.

FINANCIAL STATEMENT

Under the Employment Agreement, Halbert would be paid at a rate of \$126.14 per hour. This amount is dictated by Section 21221(h), and the Employment Agreement does not provide for any benefits other than the salary/wage. This rate is supported by the funding available in the FY 2024-25 City Manager Operating Budget.

CITY ATTORNEY REVIEW N/A • Completed

RECOMMENDATION

Adopt the Resolution of the City Council of the City of Santee Appointing Gary Halbert as Interim City Manager and Approving Employment Agreement.

ATTACHMENT

1. Resolution
2. Employment Agreement

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, APPOINTING GARY HALBERT AS INTERIM CITY MANAGER AND APPROVING EMPLOYMENT AGREEMENT

WHEREAS, Government Code section 21221(h) permits the City Council to appoint a California Public Employees' Retirement System ("CalPERS") retiree to a vacant position requiring specialized skills during recruitment for a permanent appointment, and provides that such appointment will not subject the retired person to reinstatement from retirement or loss of benefits so long as it is a single appointment that does not exceed 960 hours in a fiscal year; and

WHEREAS, the position of City Manager became vacant on April 23, 2025; and

WHEREAS, the City Council desires to appoint Gary Halbert as an interim appointment retired annuitant to the vacant position of City Manager for the City of Santee under Gov. Code section 21221(h), effective April 24, 2025; and

WHEREAS, the City Council, the City and Gary Halbert certify that Gary Halbert has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, pending the recruitment, selection and employment of a City Manager, the City desires to appoint Gary Halbert as interim City Manager, pursuant to the authority provided under Government Code section 21221(h), to provide the leadership, managerial and organization skills necessary to manage the City effectively and efficiently; and

WHEREAS, an appointment under Government Code Section 21221(h) requires an active, publicly posted recruitment for a permanent replacement; and

WHEREAS, the current status of this recruitment is open as directed by the City Council on April 18, 2025, and the vacancy has been publicly posted and applications are being accepted; and

WHEREAS, this Section 21221(h) appointment shall only be made once and therefore will end on the date immediately preceding the date on which the permanent replacement for the vacant position of City Manager for the City of Santee commences his or her employment or, if earlier, the date that this appointment is terminated by the City of Santee or Gary Halbert; and

WHEREAS, it is understood by Gary Halbert and the City that the combined total hours to be served by Gary Halbert in any fiscal year for all CalPERS employers combined shall not exceed the 960 hour limitation set forth in California Government Code section 21221(h) and section 7522.56(d); and

WHEREAS, the City Council has reviewed a proposed employment agreement by and between Gary Halbert and the City of Santee and it is attached hereto; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

RESOLUTION NO.

WHEREAS, the base salary for this position is \$21,862.99 and the hourly equivalent is \$126.14; and

WHEREAS, the hourly rate paid to Gary Halbert will be \$126,14; and

WHEREAS, Gary Halbert has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Santee, California, as follows:

SECTION 1. As required by Government Code sections 7522.56 and 21221(h), the City Council makes the following findings:

- (A) All facts set forth in the Recitals to this Resolution are true and correct.
- (B) Gary Halbert has the specialized skills needed to perform the work required of the Interim City Manager until a permanent City Manager is appointed and thereafter begins his or her service.
- (C) It is in the best interests of the City of Santee to enter into an employment agreement with and to appoint Gary Halbert as interim City Manager for the City of Santee pursuant to the authority provided under Government Code section 21221(h).

SECTION 2. Gary Halbert is hereby appointed as interim City Manager of the City of Santee in accordance with Government Code section 21221(h) and with the provisions of the employment agreement on file with the City Clerk.

SECTION 3. The employment agreement with Gary Halbert is hereby approved by the City Council of the City of Santee, effective April 24, 2025.

ADOPTED by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 23rd day of April 2025, by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

APPROVED:

JOHN W. MINTO, MAYOR

ATTEST:

JAMES JEFFRIES, CITY CLERK

Mayor
John W. Minto
City Council
Ronn Hall
Laura Koval
Rob McNelis
Dustin Trotter

**CITY OF SANTEE
LIMITED-TERM APPOINTMENT AGREEMENT
(CALPERS RETIREE DURING A VACANCY)**

Gary Halbert
[REDACTED]

Dear Gary:

If accepted by you and approved by the City Council, this agreement represents the terms of your appointment as interim City Manager with the City of Santee ("City"). In light of your status as a CalPERS retiree, this is a limited-term appointment subject to the requirements set forth in this letter.

This agreement is made because the City has determined that your specialized skills in the areas of City management are necessary to perform the duties of Interim City Manager. We have also determined that your employment will ensure the efficient continued operation of the City during the recruitment for a permanent City Manager.

The terms of this agreement include:

- The term of your appointment will be from April 24, 2025, until the day immediately preceding the date on which the permanent replacement for the vacant position of City Manager for the City of Santee commences his or her employment or, if earlier, you or the City Council terminates this agreement. You are an at-will employee and can be terminated at any time, with or without notice and without cause.
- Your rate of pay in the position will be an hourly rate of \$126.14.
- You will not receive any further payments or benefits other than the hourly rate unless required by state or federal law.
- Your hours **cannot exceed 960 hours** in a fiscal year (inclusive of all hours worked for any CalPERS employer).
- You will be reimbursed for documented and necessary business expenses.

The City and you make this agreement with the mutual understanding that the appointment complies with the requirements applicable to the employment of CalPERS retirees, as codified in Government Code sections 7522.56 and 21221(h). Specifically, an appointment under Sections 7522.56 and 21221(h) is permissible if all of the following requirements are met:

- (1) The appointment is made by the City Council;
- (2) The appointment is to a vacant position during recruitment for a permanent appointment;
- (3) The appointment is either during an emergency to prevent stoppage of public business or because the retiree has specialized skills needed in performing the work;

- (4) The retiree is appointed to the vacant position no more than once;
- (5) The rate of pay for the employment shall not be less than the minimum, nor exceed the maximum, paid by the City to other employees performing comparable duties on a monthly basis, divided by 173.333 to equal an hourly rate;
- (6) The compensation paid to the retiree is limited to the hourly rate and no other benefits may be provided;
- (7) The total hours worked by the retiree in a fiscal year, for all CalPERS employers, cannot exceed 960 hours;
- (8) The retiree cannot have received unemployment insurance payments in the prior 12-month period arising from work performed as a retiree for any public employer; and
- (9) For any retirees with a retirement effective date on or after January 1, 2013, the appointment must occur at least 180 days following the date of retirement unless the employer certifies that the appointment is necessary to fill a critically needed position before 180 days have expired and the governing body approves the appointment in a public meeting.

With respect to the requirement at (1), your appointment to the position of interim City Manager will not be effective unless and until it is approved by resolution of the City Council.

In addition, the City, in good faith, has determined that your appointment meets (2) – (7) of the foregoing requirements as follows:

- (2) If approved, your appointment will be to the vacant City Manager position during the City's recruitment for a permanent appointment;
- (3) This appointment is made because you possess the specialized skills, as identified in the first paragraph of this agreement, necessary for the purpose of the appointment and your employment will ensure the efficient continued operation of the City during the recruitment.
- (4) If approved, the appointment will be a one-time appointment and will not be renewed.
- (5) The compensation you will receive is no more than the maximum nor less than the minimum monthly base salary paid to other employees performing comparable duties as listed on the City's publicly available pay schedule divided by 173.333 to determine an hourly rate.
- (6) Your compensation consists of the hourly rate only; no further benefits will be provided.
- (7) Your hours will not exceed 960 hours in a fiscal year.

By executing this agreement, you are also, in good faith, determining that your appointment meets each of the foregoing requirements, including the unemployment insurance requirement noted at (8) above. That is, while the City is not in a position to do so, by signing the acknowledgment at the conclusion of this agreement you are certifying that you have not received unemployment insurance payments within the past 12 months arising from work performed as a retiree for any public employer. Further, by signing this agreement, you are confirming that the 180 day waiting period described in (9) above has been met.

Notwithstanding (7) above, the City has no way of monitoring the hours that you work for another CalPERS employer. As such, it is your responsibility to ensure that the total hours worked for the City and any other CalPERS employer do not exceed 960 hours during the fiscal year. The City's understanding is that you have not worked for any other CalPERS employer this fiscal year and will not do so during your employment with the City. In addition,

the City is aware of your status as a retiree with service credit from SDCERS, which as a separate retirement system does not restrict employment with CalPERS local agencies after retirement.

There is no right to continued public employment expressed by this agreement. All limited-term appointments are subject to the business necessity of the City and are at-will; therefore, the appointment may end with or without cause and without notice.

If you have additional questions or comments feel free to contact me directly.

Sincerely,

John Minto
Mayor

Acknowledgment:

I, _____, agree to this Limited-Term Appointment Agreement (CalPERS Retiree), and hereby warrant that I understand and agree with all of the terms and conditions of employment as set forth in this agreement. Further, I hereby certify to the City of Santee that I have not received unemployment insurance payments within the past 12 months arising from work performed as a retiree for any public employer. I also confirm that the 180 day waiting period described above has been met.

Signature

Date: _____