



Agenda Report

TO: CCCSWA BOARD OF DIRECTORS

FROM: KENTON L. ALM, GENERAL COUNSEL

DATE: DECEMBER 2, 2009

SUBJECT: AMENDMENT TO CONTRACT WITH PAUL MORSEN TO PERFORM
RESPONSIBILITIES OF EXECUTIVE DIRECTOR

SUMMARY

The Board on February 8, 2008 entered into a Temporary Employment Agreement with Paul Morsen which provides for payment of cash in lieu of certain benefits offered by the City of Walnut Creek. Walnut Creek provides certain human resource and employment benefits services by contract for Authority employees and assigns them to a bargaining group only for the purpose of benefits. Though Mr. Morsen does not receive benefits as such, the Executive Director position is assigned to the Executive Management group. Walnut Creek reduced its benefit package for employees as of July 1, 2009 and, at his request, an amendment to his contract is needed to reflect a similar value of reduction to Mr. Morsen.

RECOMMENDED ACTION

1. Approve amendment to contract of Paul Morsen effective 12-11-09 and authorize execution of contract by Board Chair.
2. Alternatively, provide direction as to an another course of action.

DISCUSSION

The Temporary Employment Agreement between the Authority and Mr. Morsen provides a flat sum of compensation which essentially provides cash in lieu of the value of certain benefits not provided Mr. Morsen, including medical, dental, vision and an automobile allowance etc. The City of Walnut Creek, in an effort to address a reduction in revenues being felt by most local governments, reduced certain fringe benefits for its employees earlier this fiscal year. These reductions were shared by CCCSWA staff in accordance to the bargaining group they are assigned to for the purpose of benefits. Because Mr. Morsen receives compensation rather than the actual benefits, the action by the City of Walnut Creek did not automatically impact Mr. Morsen.

Mr. Morsen has requested that his Contract be amended to reflect a reduction in total compensation to account for the reduction in benefits which is applicable to other Walnut Creek employees in the executive group. The Walnut Creek Human Resources Department estimates that the cash equivalent value of the reduction in benefits for an Executive Management employee is \$557 per month. Accordingly an amendment to Mr. Morsen's Contract has been prepared to reflect a reduction in his total compensation amount by

\$557 per month in order that he would be treated similarly to other Authority and Walnut Creek employees.

Authorization is sought for the Board Chair to execute an amendment to Mr. Morsen's contract reducing the total compensation by \$557 per month effective 12-11-09.

ATTACHMENT

A. Proposed Consulting Agreement Amendment