

RESOLUTION NO. 20141002-035

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

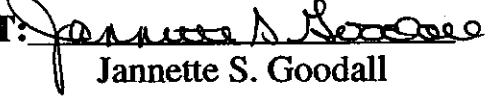
That the City Council establishes the following compensation and benefits for City Manager Marc A. Ott, to become effective at the beginning of the first pay period for the 2014-2015 Fiscal Year:

1. Annual salary of \$279,198.40, paid in accord with normal payroll practices.
2. Annual deferred compensation contributions equal to the maximum permissible annual contribution for which he is eligible, as announced by the Internal Revenue Service for each calendar year. At the effective date of this Resolution that amount is \$23,000.00 per year.
3. Executive allowance equivalent to \$7,200.00 per year, subject to applicable taxes.
4. Cell phone and data allowance equivalent to \$1,620.32 per year plus an annual \$225.00 device allowance, subject to applicable taxes.
5. OASDI tax equivalent to the annual maximum tax for each calendar year.
6. Medicare tax at the rate established by federal law. At the effective date of this Resolution the tax is equal to 1.45% of annual salary plus allowances.

7. Participation in the City of Austin Employee Retirement System on terms applicable to full time, exempt City employees.
8. Accrual of 23 hours of paid personal leave per month with no maximum accumulation. Cash pay out of personal leave balance upon separation from the City.
9. Participation in those group benefits plans and programs set forth in Chapter A, Section III.B. of the City of Austin Personnel Policies under the terms and conditions applicable to full time (40 hours per week) exempt employees of the City.
10. Reimbursement up to \$500.00 per year for out of pocket expenses for one physical examination annually, on the same conditions applicable to City executives.
11. Service incentive pay in accordance with City of Austin Personnel Policies, Chapter A.
12. Severance package in the event of involuntary separation, forced resignation, or change in the form of government, consisting of one annual gross increment of each of the following items: salary; deferred compensation contribution; executive allowance; cell phone allowance; OASDI tax; and Medicare tax. The City Manager shall not be entitled to this severance package if his employment is terminated because of a conviction of a crime of moral turpitude or any criminal act involving the performance of his duties.

BE IT FURTHER RESOLVED:

The content of this Resolution, including compensation and benefits, shall be reassessed at least annually. This resolution is not funded beyond one year. This Resolution does not create a definite term of employment for the City Manager. Removal of the City Manager is controlled by Article V, § 1 of the Charter of the City of Austin.

ADOPTED: October 2, 2014 **ATTEST:** 
Jannette S. Goodall
City Clerk

ADDENDUM

TO: Marc Ott
FROM: Bill Spelman
ABOUT: 26 July conversation with City Council
DATE: 2 October 2014

As you recall, we met in executive session on 26 June 2014 to discuss your work over the previous twelve months. In the course of our frank but cordial conversation, several important issues were raised. It was my understanding that the Council wanted notes on this conversation to be provided to you and to interested members of the public.

You opened the conversation by reminding us of what we all know, but sometimes forget: Austin is internationally recognized for its vibrant economy and its quality of life; citizen satisfaction with city services is much higher than in most cities, and among the highest in the country; our employees are exceptionally good at what they do, and happy doing it. We're on all of those Top 10 lists for a reason, and our growing pains, occasional missteps, and frequent (usually healthy) disagreements should not cause us to lose sight of the bigger picture: This is a thriving, healthy city with a government that works.

The Council was particularly proud of the city's response to the Hallowe'en floods. Key staff members moved mountains to provide badly needed services, very quickly, to thousands of flood victims. Given the city's budget constraints and the complexity of the operation, this was a remarkable achievement.

This is not to say that everything works, all the time. No organization with a \$3 billion budget and 12,000 employees can always get it right. Our conversation focused on the issues where improvement is most needed.

Despite our city's capacity to rise to the occasion in situations like the Hallowe'en flood, some of us remain concerned that staff move much more slowly on projects or issues they disagree with or fear will be controversial. Several Council Members perceived that staff were unwilling to volunteer information on controversial or potentially embarrassing issues. This may be an indication that staff fear making a mistake or taking an unpopular position. You agreed that your job was to make sure the council is provided with objective information, and with the benefit of staff's perspective and recommendations. Further, your staff has an obligation to surface potential problems or unintended consequences. The Council recognizes that its work depends on a free flow of information and ideas, and would appreciate anything you can do to assuage staff that disagreements and honest mistakes are just part of doing the city's business. We all agreed that this message should be reinforced.

Some councilmembers expressed frustration that even routine projects sometimes move slowly or get stuck, and that issues remain unresolved, sometimes for months. When a Single Point of Contact is assigned to a project, this often solves the problem, but there is often a delay before the problem is recognized and someone is assigned. The heart of the matter may be our cumbersome regulations and procedures, but some of us are concerned that the City Manager's Office is overtaxed.

Some councilmembers were concerned about an apparent growth in management employees relative to front-line staff. You assured us that this, together with the recurring problem of vacancy savings, would be addressed during this and future budget processes.

We are pleased that your relationship with the City Auditor has improved, and look forward to similar improvements in your ability to work productively with AFSCME and other employee unions.

Finally, the Council recognizes that your management style – staying at a high level, avoiding micromanagement, delegating the authority to deal with most details – is appropriate for your position and can be very effective so long as you retain the ability to intervene when necessary to get closure or move things along. Nevertheless, some of us have found it difficult to bring to your attention cases where intervention was necessary. We agreed that a closer working relationship, including more frequent meetings with individual Council members, would go a long way to dealing with these concerns.

These notes, like the conversation itself, are offered in the spirit of improving the Council's ability to make good policy and the staff's ability to carry it out effectively. Thank you for your service to this community. It's a better place because of what you do.