

# 5% raises for South Tahoe's top 2 employees

By Kathryn Reed

Starting with their next paycheck the city manager and city attorney of South Lake Tahoe will each be receiving a 5 percent raise.

The City Council on June 6 gave the two performance evaluations in closed session.

Mayor Pro Tem Wendy David told *Lake Tahoe News* both employees received "exemplary" reviews.

City Manager Nancy Kerry has a five-year rolling contract and City Attorney Tom Watson has a three-year rolling contract.

Kerry brought forward a plan that actually reduces her base pay. She was making \$187,000, the raise brought it to \$196,000 a year, but now it is \$166,000 as straight salary.

The \$30,000 difference is going to be put into a 457 account, which is similar to a 401(k) in the private sector. This makes it a non-pensionable benefit; in other words, the city does not have to pay PERS on that money. This equates to an ongoing savings to the city of about \$10,000/year.

The city will be contributing \$20,000 to the 457, which will be spread out in each paycheck. This is guaranteed for three years. It's like an employer match with a 401(k), but is still less than paying PERS – which is for the life of the employee – not just while they work for the city.

CalPERS has been an ongoing financial drain on public agencies throughout California. Creative financing will help keep municipalities out of bankruptcy, allow employees a way to have supplement retirement savings, and help lessen the burden

on taxpayers.

When Kerry started as city manager she didn't take the car allowance that had been the norm for previous city managers. That cash was instead used for employee rewards, incentives and the like. That cash, at a smaller line item, is now part of the budget. The car benefit of \$600/month is now part of her compensation package.

She also can accrue up to 360 hours of vacation.

"I am very pleased and thankful for the thorough evaluation by the City Council and management team. I appreciate the opportunity serve the City Council, staff and community over the years and the last five years as city manager," Kerry told *Lake Tahoe News*. "As I said to the council, I am privileged to serve alongside an excellent team of executives, the city attorney and employees at the city, and look forward to our continued joint success in the coming years."

Watson will now be making more than \$160,000 a year. Because of when he was hired and the fact he makes more than \$140,000/year, the raise does not affect how much the city pays to PERS. He will be receiving a \$500/month car allowance, as well has have a maximum vacation accrual of 360 hours.

"I am delighted to have the trust and confidence of council, staff and the community. I am humbled by the support the council has provided to Nancy and myself. We look forward to implementing council directives to the best of our abilities," Watson told *Lake Tahoe News*.

This has been a long and drawn out process which started about three months ago. It is up to the mayor to initiate the evaluations, with all council members having equal say into what the outcome is. It became such a brouhaha with the mayor that an outside consultant at the cost of about \$1,500 had to be brought in to make things copacetic.