



City of Santa Clara

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Agenda Report

26-60

Agenda Date: 1/27/2026

REPORT TO COUNCIL

SUBJECT

Action on Approval of (1) First Amendment to the City Manager Employment Agreement, and (2) Resolution Approving and Adopting the Updated Salary Plan that includes the Classification of City Manager

BACKGROUND

The City Manager, Jövan D. Grogan, has been employed by the City of Santa Clara since on or about May 1, 2023. The initial salary for this position (Section 3.1 of the Employment Agreement) was approximately \$405,056 per year. On or about December 12, 2023, pursuant to the Employment Agreement, the City Council approved an adjustment to his annual base salary by approximately 2.0% effective December 24, 2023 (the first pay period of calendar year 2024), resulting in a new salary of approximately \$413,157. On or about January 9, 2024, the City Council approved a merit-based salary adjustment of approximately 1.23% also effective December 24, 2023, resulting in a new salary of approximately \$418,220.

For the 2024-2025 rating period, a facilitator was retained to assist with the performance evaluation process. On or about December 9, 2025, the City Council discussed in Closed Session the performance of the City Manager and any potential changes to his compensation. As part of this review process, the Human Resources Department provided a total compensation survey for the position. As a result of these discussions, the City Council provided direction to bring forward a salary adjustment of approximately 3.0% retroactive to May 1, 2025, which would result in a new salary of approximately \$430,767 that would be effective May 11, 2025, the start of the first pay period after May 1, 2025. In addition, a sub-committee comprised of three (3) Councilmembers was formed to further review the compensation and performance goals for the City Manager and discuss any recommendations involving these matters with City Council in future Closed Session meetings.

Government Code section 20636(b)(1) and California Code of Regulations section 570.5 require that public salary schedules include specific information and be approved by the governing body whenever they are updated or revised.

DISCUSSION

Based upon City Council direction from Closed Session on December 9, 2025, the proposed Amendment No. 1 to the Employment Agreement provides for the following changes to the City Manager's compensation:

- (1) a statement of the new salary level of approximately \$430,767.36 (reflecting an approximate 3.0% wage increase), retroactive to May 1, 2025, and effective May 11, 2025 (the start of the first pay period after May 1, 2025);

- (2) modifying the performance appraisal process, which includes an automatic salary increase of approximately 2.0% or applicable most recent one-year CPI, whichever is less, if the performance appraisal process is not completed on or before May 31st.

Updated Salary Plan

Section 9 of the Personnel and Salary Resolution requires City Council approval of compensation plans for both classified and unclassified positions. California Code Regulations section 570.5 requires the adoption of updated publicly available salary schedules by the governing body. The salary plans included with this item includes the new salary for the position of City Manager. The attached Resolution approves the updated salary plans for the classification of City Manager.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

The City Manager's current base salary is \$418,220.74. The updated base salary under proposed Amendment No. 1 of approximately \$430,767.36 will result in an annual salary increase of approximately \$12,546.62. The corresponding lump sum retroactive payment for the time period of May 11, 2025 (the start of the first pay period after May 1, 2025) up to January 17, 2026 (the end of the last pay period before January 27, 2026), for wages, is \$8,686.10.

Estimated total annual compensation is approximately \$627,249. This includes base salary, benefits, social security, and all pension costs (normal and unfunded liability). Department savings are anticipated to be available to absorb the additional cost impact in FY 2025/26. Adjustments to factor in the higher base salary costs will be included during the budget cycle.

COORDINATION

This report has been coordinated with the Finance and Human Resources Departments.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Approve modifications to the compensation package for the City Manager, including (A) a salary adjustment for the City Manager of approximately 3.0% retroactive to May 1, 2025, effective May 11, 2025, resulting in a new annual salary of approximately \$430,767.36, with a corresponding retroactive payment of \$8,686.10, and (B) modification of the performance appraisal process as set forth in Amendment No. 1;
2. Approve, and authorize the Mayor to sign, Amendment No. 1. to the Employment Agreement with City Manager Jovan D. Grogan; and

3. Adopt a Resolution updating the Unclassified Salary Plans (effective May 11, 2025) approved January 27, 2026.

Reviewed by: Marco Mercado, Acting Director of Human Resources

Approved by: Lisa M. Gillmor, Mayor

ATTACHMENTS

1. Employment Agreement between the City of Santa and Jövan D. Grogan
2. Amendment No. 1 to Employment Agreement between the City of Santa Clara and Jövan D. Grogan
3. Resolution Approving and Adopting Updated Unclassified Salary Plans (effective May 11, 2025) approved January 27, 2026
4. Unclassified Salary Plans (effective May 11, 2025) approved January 27, 2026

**AMENDMENT NO. 1
TO THE EMPLOYMENT AGREEMENT
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
JOVAN D. GROGAN**

PREAMBLE

This agreement ("Amendment No. 1") is entered into between the City of Santa Clara, California, a chartered California municipal corporation ("City") and Jovan D. Grogan ("Employee"). City and Employee may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled "Employment Agreement" effective May 1, 2023 ("Agreement"); and
- B. The Agreement provided for a two percent (2.0%) Cost of Living Adjustment ("COLA"), effective the first regular pay period in 2024, which was timely applied; and
- C. In January 2024, the City Council approved a merit-based salary adjustment of approximately 1.23%, bringing the salary for the City Manager to \$418,220.76; and
- D. The Parties entered into the Agreement for the purpose of appointing and employing Employee as the City Manager and associated duties, and the Parties now wish to amend the Agreement to adjust salary, including retroactive payment to May 1, 2025, and to clarify procedures relating to performance appraisal and compensation.

NOW, THEREFORE, the Parties agree as follows:

AMENDMENT TERMS AND CONDITIONS

- 1. Section 3.1 of the Agreement, entitled "Salary" is amended to read as follows:

3.1. Salary. Employee shall receive an annual salary of Four Hundred Thirty Thousand and Seven Hundred Sixty Seven Dollars (\$430,767.38), less all authorized or appropriate deductions and withholdings, payable in pro-rata increments on regular City paydays, effective as of the first date of the pay period covering the date of Council approval of Amendment No. 1. Employee shall also receive a lump sum payment equal to a 3% salary increase retroactive to May 11, 2025 (the start of the first pay period after May 1, 2025), through the first date of the pay period covering the date of

Council approval of Amendment No. 1. This retroactive payment shall be made within two full pay periods of approval of Amendment No. 1.

2. Section 3.2 of the Agreement as Amended, entitled "Adjustments" is amended to read as follows:

3.2. Adjustments.

(a) Employee shall receive a two percent (2.0%) Cost of Living Adjustment ("COLA") to their Base Salary, effective the first regular pay period in 2024.

(b) Prior to the first regular pay period in 2024, and in conjunction with Employee's annual performance appraisal (see Section 4 below), the City Council will meet with the Employee for the express purpose of determining, in its sole discretion, whether to grant Employee a merit-based salary adjustment, in an amount deemed appropriate by the City Council and otherwise permitted by law. This merit-based salary adjustment would be in addition to the COLA identified in Section 3.2, subsection (a) above.

(c) Following January 30, 2024, Council will, in its sole discretion, determine whether to provide Employee with any additional base salary or other compensation adjustments following completion of the annual performance appraisal as described in Section 4 below, or at any other time within the discretion of the City Council, the City Council (or some subset thereof) shall meet or otherwise communicate with Employee for the express purpose of determining any appropriate salary adjustment. In determining any appropriate salary adjustment, the City Council shall take into account cost-of-living and merit adjustments provided to Unit 9, but the ultimate decision regarding the timing and the amount of any adjustment, including but not limited to cost of living, is within the sole discretion of the City Council.

3. Section 4 entitled "Performance Appraisal" of the Agreement as Amended is amended to read as follows:

4. Performance Appraisal. The City Council will make its best efforts to undertake a performance appraisal of the Employee at least once every twelve (12) months following the Employee's original date of hire. The City Council maintains discretion to conduct performance appraisals more frequently if necessary. Performance Appraisals shall be conducted annually. The process and timing for conducting the annual appraisal shall be set forth by City Council (e.g., in a Council Policy Manual section).

(a) If City Council does not complete the Performance Appraisal process on or before May 31st, then Employee shall receive a

salary increase of 2% or applicable most recent one-year CPI¹, whichever is less, retroactive to May 1, or the first day of the pay period immediately following May 1, of that year. This salary increase is subject to the potential for an additional increase (but shall not be subject to decrease) upon completion of the performance review process.

4. Except as set forth herein, all other terms and conditions of the Agreement as Amended shall remain in full force and effect. In case of a conflict in the terms of the Agreement as Amended and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated: 3/23/26



SUJATA REUTER
Chief Assistant City Attorney

Dated: 3/25/2026



LISA M. GILLMOR
Mayor

Dated: 3/24/26



JOVAN D. GROGAN
Employee

¹ Consumer Price Index for All Urban Consumers (CPI-U) for San Francisco-Oakland-Hayward