



City Council Agenda Report

ITEM NO. 26

DATE: April 15, 2026

FROM: Roxanne Diaz, City Attorney

PREPARED BY: Roxanne Diaz, City Attorney

SUBJECT: **CONSIDERATION TO APPROVE THE FIRST AMENDMENT TO THE CITY MANAGER EMPLOYMENT AGREEMENT BETWEEN THE CITY OF SOUTH PASADENA AND TODD HILEMAN AND ADOPT RESOLUTION NO. 7994, APPROVING AND ADOPTING THE AMENDED SALARY SCHEDULE FOR THE POSITION OF CITY MANAGER**

Recommendation

The City Attorney recommends that the City Council approve the First Amendment to the City Manager Employment Agreement between the City of South Pasadena and Todd Hileman and adopt Resolution No. 7994 approving and adopting the amended salary schedule for the position of City Manager.

Executive Summary

Following a positive first-year performance evaluation, the City Attorney recommends that the City Council approve a First Amendment to the City Manager's Employment Agreement and adopt a resolution amending the City's salary schedule.

Background

On February 19, 2025, after an extensive recruitment process, the City Council selected Todd Hileman as its City Manager and entered into an employment agreement with Mr. Hileman appointing him as City Manager ("Employment Agreement"). Mr. Hileman's appointment began on March 31, 2025. In accordance with Section 8 of the Employment Agreement, the City Council conducted its performance evaluation of the City Manager on March 18, 2026. Based on a positive evaluation, the City Council and City Manager have agreed to amend the Employment Agreement to provide for a 4% increase to the City Manager's base salary, increase the City's contribution to the City Manager's deferred compensation from \$2,000 a month to \$3,000 a month, and provide the City Manager with an additional 100 hours of vacation leave.

Analysis

In February 2025, the City Council adopted the 2025 City Council Priorities list focusing on five areas - finance, infrastructure, housing, governance and operational efficiencies - with direction to the City Manager to incorporate these priorities into staff work plans. Since that time, the City Manager has made tremendous progress in each of these areas. Some examples of some of the accomplishments made this past year include:

- Rebuilding the executive team. The City is fully staffed with key positions filled early on

such as the Assistant City Manager/Chief Financial Officer, Community Development Director and Public Works Director.

- Organizational improvements with a focus on professionalism, responsiveness and customer service. To that end, the City's attrition rate in the last year has normalized.
- The finance team has been completely rebuilt and is completely staffed with permanent and professional staff. Past audits have been completed and all outstanding issues addressed. The five-year forecast indicates the City is on a solid trajectory.
- Great progress has been made on placing capital improvement projects back on track with an internal team meeting bi-weekly to address issues early on and review progress towards completion.

Based on the positive feedback to the City Manager with respect to his first year with the City, the following amendments to the Employment Agreement are proposed:

- Increase the annual base salary from \$300,000 to \$312,000 (4% increase)
- Increase the City's monthly contribution to the City Manager's 401(a) plan to \$3,000
- Provide the City Manager with an additional 100 hours of vacation leave

The Brown Act requires that before taking final action to approve changes to the compensation and fringe benefits for a local agency executive, such as a city manager, an oral report providing a summary of the recommended compensation and benefits must be provided. The City Attorney will provide that report before the City Council takes action on this matter

Fiscal Impact

The Fiscal Year 2025-2026 Adopted Budget includes sufficient funding to cover the proposed employment contract amendment.

Attachment:

[Attachment No. 1 - First Amendment to City Manager Employment Agreement](#)

[Attachment No. 2 - Resolution No. 7944 Adopting the Salary Schedule City Manager](#)