

..Title

Adopt Resolution to:

1. Approve and authorize execution of Employment Agreement Amendment No. 4 with Chief Medical Officer Dr. Gary Gray.
2. Ratify Amendments Nos. 1, 2, and 3 to the Employment Agreement with Chief Medical Officer Dr. Gary Gray and all compensation paid under those amendments.

..Report

RECOMMENDATION:

Adopt Resolution to:

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2. Ratify Amendments Nos. 1, 2, and 3 to the Employment Agreement with Chief Medical Officer Dr. Gary Gray and all compensation paid under those amendments.

SUMMARY: The Board directed the Interim NMC-CEO and County Counsel to negotiate an amendment to Chief Medical Officer Gray's employment agreement. Presented for Board consideration is a resolution and contract amendment consistent with Board direction. This resolution and amendment will ratify actions by the prior NMC-CEO regarding employment terms and compensation. Important terms of this amendment include an increase in the employee paid share of PERS costs as well as elimination of performance pay. Compensation is set at market rate for this position.

DISCUSSION: On April 29, 2009, the NMC-CEO received Board approval to enter into an employment agreement for a Chief Medical Officer of NMC. On June 2, 2009 the CEO and Dr. Gary Gray executed this agreement. Over the succeeding four years, three amendments to the employment agreement were signed by the NMC-CEO and Dr. Gray. The original contract and three amendments are attached hereto for reference. Both regular and performance incentive compensation were paid over the succeeding years consistent with these amendments. However, none of the amendments were presented to or approved by the Board, although they were approved by County Counsel and Auditor-Controller. Pursuant to the County Code, all contracts of the County are approved by County Counsel prior to execution or submission to the Board. In addition, the Auditor-Controller reviews the fiscal provisions of most contracts prior to execution or Board approval. Contract approval by County Counsel and Auditor-Controller does not mean Board approval is unnecessary; rather, these are steps in the contract authorization process.

Approval of the resolution and amendment 4 by the Board will ratify the prior 3 amendments and the compensation paid there under. Amendment 4 also makes significant changes for future compensation, such as elimination of performance pay provisions, and brings this contract in line with most other County employees by requiring a increased employee contribution to PERS costs. Dr. Gray will also be treated similarly to other "Y" executives for benefits and future compensation adjustments.

OTHER AGENCY INVOLVEMENT: Auditor-Controller and CAO have reviewed the amendment.

FINANCING: Costs for this amendment are included within the NMC budget.

Prepared by: Charles J. McKee, County Counsel

Approved by: Dr. Kelly O'Keefe, NMC-CEO

Attachments: Dr. Gray Employment Agreement
Amendments 1, 2, 3, 4