

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 1063

**PRINTER'S NO.** 1364

**AMOUNT**

No cost to the Commonwealth

**FUND**

General Fund

**DATE INTRODUCED**

July 31, 2009

**PRIME SPONSOR**

Senator Robbins

**HISTORY OF BILL**

Referred to LOCAL GOVERNMENT, July 31, 2009

Reported as committed, Feb. 2, 2010

First consideration, Feb. 2, 2010

Re-referred to APPROPRIATIONS, March 10, 2010

Re-reported as committed, March 22, 2010

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 1063 amends The Third Class City Code as part of a package of five bills clarifying that a city may create and abolish the office of a city administrator/manager, and that the city council may hire and replace, at its pleasure, the person holding that position.

More specifically, the amendments provide authorization for an employment agreement with a city administrator/manager. The amendments permit the employment agreement to generally set forth the terms and conditions of employment, and it may contain provisions that specify conditions under which a city administrator/manager would be entitled to severance compensation. Nevertheless, the scope of the agreement is limited; the term of such an agreement cannot bind future governing bodies because it may not extend beyond the date of the organization meeting of the governing body following the next municipal election after the effective date of the agreement.

Also, notwithstanding the potential for severance payments, an employment agreement with a city administrator/manager shall not be a guarantee of employment through the term of the agreement, and it shall not confer upon the city administrator/manager any legal remedy to continued employment based on specific performance.

# **SENATE APPROPRIATIONS COMMITTEE**

## **FISCAL NOTE**

The legislation addresses potential residency requirements, incompatible offices, and possible powers that may be delegated to the administrator/manager. Senate Bill 1063 enumerates eleven specific powers that may be conferred upon a city administrator/manager, which can be summarized as follows:

1. Act as chief administrative officer
2. Direct and supervise all departments and functions of the city unless otherwise provided
3. Appoint, remove and discipline employees on the basis of merit
4. Designate a qualified administrative officer in case of absence
5. Negotiate contracts to be approved by council
6. Ensure compliance with statutes and contracts are complied
7. Attend and take part in city council meetings
8. Recommend adoption of necessary measures, inform council of financial conditions and make reports as requested by council
9. Investigate the affairs of any officer or department under the administrator's jurisdiction
10. Submit the annual city budget for review and approval
11. Perform other duties as designated by council in the enabling ordinance

A summary provided by the Local Government Commission was used to prepare this fiscal note.

The Act shall take effect in 60 days.

### **FISCAL IMPACT:**

It is presumed there would be no costs to the Commonwealth.