



Agenda Item

City Council

Item #: 9.2.

6/24/2025

File #: 25-0374

TO: Honorable Mayor and Members of the City Council

FROM: Wayne W. Winthers, Interim City Attorney

1. SUBJECT

Employment Agreement of a retired annuitant for the vacant position of City Manager pursuant to Government Code Sections 21221(h) and 7522.56. Resolution 11619.

2. SUMMARY

Resolution No. 11619 authorizes the City Council's appointment of Thomas C. Kisela to serve on an interim basis to the vacant position of Interim City Manager effective July 12, 2025.

3. RECOMMENDED ACTION

Adopt Resolution No. 11619. A Resolution of the City Council of the City of Orange approving the Employment Agreement of a retired annuitant for the position of Interim City Manager, pursuant to Government Code Sections 21221(h) and 7522.56.

4. FISCAL IMPACT

The City Manager position is already included in the Fiscal Year 2025-26 budget and is funded as follows: General Fund Regular Salaries - Misc. (100). In accordance with CalPERS requirements, Thomas C. Kisela would not receive any compensation or benefits, other than his hourly rate, while employed as a retired annuitant.

5. STRATEGIC PLAN GOALS

Goal 4: Improve Employee Retention and Recruitment

Objective 4.5: Implement Succession Planning Strategies

6. DISCUSSION AND BACKGROUND

The City Council appointed Thomas C. Kisela (Kisela) as City Manager, effective March 14, 2023, for a two-year term with Kisela expecting to retire at the end of said term. Kisela and Council extended that term while recruiting for a suitable replacement. Kisela has now decided that he will retire from public service effective July 11, 2025. The new City Manager has just been appointed and will begin employment in August 2025.

The City Council desires to retain Kisela as Interim City Manager until the new City Manager is ready to take over. Kisela has agreed to remain as City Manager as a retired annuitant.

CalPERS recognizes that retirees play an important role in maintaining city operations and keeping cities safe, particularly in short-term or emergency situations. Government Code Section 21221(h) provides specific guidance on employing a CalPERS retiree that will serve in a vacant executive,

management or other unique position, such as City Manager, City Attorney, and other Department Heads without interruption to retirement benefits or reinstatement from retirement. Government Code 21221(h) requires that the City Council expressly authorize the appointment of a retired annuitant to an interim vacant position.

Conditions within Government Code Section 21221(h) include:

- City Council appointment to a vacant position in the form of a resolution or contract;
- The vacant position requires a specialized skillset and is being recruited for permanent appointment;
- Appointment must be for a limited duration of no more than 960 hours in a fiscal year;
- The retired annuitant must be compensated within the approved salary schedule for the position and cannot receive any additional rights or benefits; and
- The retired annuitant can only be appointed once to a vacant position.

The City has a critical and time-sensitive need for Thomas C. Kisela to work for the City on a temporary basis after his retirement from full-time employment status. The City is in the process of recruiting for a new permanent City Manager and has made an appointment however, staff anticipates there will be a gap of at least four to eight weeks, possibly longer before the new permanent City Manager takes his position. During this interim period, the City needs a qualified individual with a specialized skillset to continue to perform all essential functions of the position without interruption. Kisela will be compensated at the retired hourly rate of \$150.90 per hour, with no other rights or benefits, incentives, or other compensation in lieu of benefits, or any other forms of compensation to be provided during the appointment. Thomas C. Kisela's employment will end when a permanent replacement is ready to assume all duties of the position and he will not exceed 960 hours worked in a fiscal year. All parties understand that the appointment to the Interim City Manager position may only happen once.

7. ATTACHMENTS

- Resolution No. 11619
- Retired Annuitant Employment Agreement