

AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission
From: Jeremy Howard, City Manager
Date: July 2, 2025
Re: Renew Employment Contract – Public Works Director – Luke Potter

For the Agenda of July 7, 2025

Background. The City presently enjoys an employment contract with its Public Works Director, Luke Potter. The contract expired on June 30, 2025; consequently, the City Commission is asked to renew the agreement (*copy of proposed agreement att'd*) for a period of three years.

Issues & Questions. Should the City Commission renew the employment agreement for its Public Works Director?

Alternatives.

1. Renew the proposed employment agreement.
2. Renew an amended version of the proposed employment agreement.
3. Do not renew an employment agreement.
4. Set the decision aside to a subsequently scheduled public meeting.

Financial Impact. Salary and standard benefits package (retirement, health care, life insurance, etc.) that that the city offers all employees have been budgeted for in the adopted FY25/26 budget.

Recommendation. I recommend the Clare City Commission renew the proposed employment agreement with Luke Potter, the City's Public Works Director, by adoption of Resolution 2025-058 (*copy att'd*).

Attachments.

1. Proposed Employment Agreement.
2. Resolution 2025-058.

**CONTRACTUAL AGREEMENT
BETWEEN
THE CITY OF CLARE AND LUKE POTTER**

This Agreement is made and entered into this 1st day of July, 2025, by and between the CITY OF CLARE, a municipal corporation, herein and after called "Employer," and Luke Potter, herein and after called "Employee." Both of the aforementioned parties understand and agree to the stipulations, terms, and conditions of this Contractual Agreement described herein.

WHEREAS, the Employer desires to employ the services of Luke Potter as the Director of Public Works of the City of Clare as provided by the Charter of the City of Clare; and

WHEREAS, it is the desire of the City Commission of the City of Clare to provide certain benefits, maintain certain established conditions of employment, and to set working conditions of said Employee; and

WHEREAS, the Employee desires employment as the Director of Public Works of the City of Clare.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

Section 1 - Employment Status.

The Employee's status under the terms of this Agreement is simply a restatement of the Charter of the City of Clare, which stipulates that the Director of Public Works is appointed by and serves at the pleasure of the Clare City Manager. The Director of Public Works is an at-will Employee, and may be discharged at any time, with or without cause.

Section 2 - Duties.

The Employer agrees to employ Luke Potter as the Director of Public Works of the City of Clare to perform the functions and duties specified in the City Charter, the City Codes of the City of Clare, the laws of the State of Michigan, and to perform other legally permissible and proper duties assigned from time to time from the City Manager.

Section 3 – Term and Termination.

The term of this contract shall be Three (3) years, commencing July 1, 2025. The employment relationship created by this agreement, may be terminated, with or without cause, and with or without notice, at any time, at the option of the Employer or the Employee. No individual City Commissioner, and no City Employee apart from the City Manager, other than by act of the City Commission itself, has any authority to enter into, modify, or make any agreement to the contrary to the terms of this Agreement.

Section 4 - Suspension.

The City Manager may, at their discretion, suspend the Employee with full pay and benefits at any time during the term of this Agreement.

Section 5 - Severance Pay.

1. If the City Manager elects to terminate the Employee prior to the end of this Contract, for reason(s) other than founded felony-offense misconduct or for documented, proven and repetitive failure to meet established and mutually agreed-upon performance standards and objectives, the Employer shall compensate the Employee six (6) months of the annual salary at the time of termination, continue existing life insurance and healthcare insurance coverage for six (6) months, and compensate the Employee for all accrued (prorated) and unused Paid Time Off.
2. If the City elects not to renew the contract at the end of the stipulated contract period, the City shall pay the Employee six (6) months aggregate salary and continue all benefits for six (6) months at the City's expense in periodic payments, the same as if the Employee maintained employment.
3. If the Employee is terminated for just cause, the provisions of this Section do not apply and the Employee shall receive no compensation or benefits other than any accrued (prorated) and unused Paid Time Off.

Section 6 – Disability.

If the Employee is permanently disabled or is otherwise unable to perform their duties due to a non-work-related sickness, accident, injury, or mental incapacity for a period of eight (8) weeks beyond any accrued Paid Time Off, the Employer shall have the option to terminate this Agreement, subject to the severance pay requirements set forth in Section 5.

Section 7 - Salary.

The Employee's salary for the stipulated contract period shall be \$79,000.00 for the first year of the contract paid in equal installments on a bi-weekly basis. Annual salary or other benefit increases or changes during the remainder of the stipulated Agreement period shall follow those negotiated and agreed to within the Teamsters Supervisors Employment Contract unless separately negotiated with and approved by the City Manager.

Section 8 - Performance Evaluation.

The City Manager shall review and evaluate the performance of the Employee at least once annually. The review and evaluation shall be in accordance with specific criteria and standards developed jointly by the City Manager and the Employee. Special evaluations may be provided at any time at the discretion of the City Manager or may be requested once semi-annually by the Employee. The Employee will be provided with a signed summary written statement of the findings of the evaluation and be provided with an adequate opportunity for the Employee to discuss the evaluation with the City Manager. Annual evaluations shall be retained in the Employer's personnel files, in accordance with the City's file retention schedule. In effecting the provisions of this Section, the Employer and Employee mutually agree to abide by the provisions of applicable law.

Section 9 - Hours of Work.

It is recognized that the Employee must devote a great deal of time outside of normal office hours to accomplish the business of the Employer. To that end, the Employee shall be allowed to take time off as approved by the City Manager during normal office hours.

Section 10 – Mileage Reimbursement.

If the Employee utilizes their personal automobile, reimbursement for mileage shall be paid by the Employer at the rate permitted by the Internal Revenue Service.

Section 11 – Paid Time Off (PTO).

- A. At the start of each fiscal year of Employment, the Employee will earn 288 hours of Paid Time Off. Paid Time Off may be used for illness, vacation, or personal days, at the discretion of the Employee. At the option of the City, the Paid Time Off may be credited to the Employee on a prorated basis, weekly, biweekly, or monthly in accordance with the schedule established by the City, in accordance with procedures in place for its union bargaining units. For any year during which separation occurs during the fiscal year, where the employee has already used leave advanced at the beginning of the fiscal year, the Employer shall be entitled to a credit for leave advanced and not accrued under the prorated period of the year worked. For any year that the employee works only a partial year, the PTO due that employee shall be prorated according to the time actually worked. Paid Time Off shall not be carried over from one fiscal year to the next. Paid Time Off shall be used, purchased by the Employer in accordance with the terms of this Agreement, or lost at the end of the fiscal year. The Employer may compensate the Employee for up to 40 hours of unused Paid Time Off, by purchasing said Paid Time Off from the Employee at the end of the fiscal year.
- B. Funeral Leave. The Employee shall be granted up to 3 days of Funeral Leave to attend a funeral of a member of their immediate family. 1 day of Funeral Leave shall be granted to attend the funeral of a close relative. An additional 2 days of funeral leave may be taken at any time during the year following the funeral for the purpose of fulfilling their duties as executor. Funeral Leave is not eligible to be carried over from one fiscal year to the next, and is not eligible for purchase by the City.
- C. Court Leave. The Employee shall be granted Court Leave with pay to allow the Employee to serve required jury duty or appear in court on behalf of the City.
- D. Compensatory Time. The Employer believes the Employee to be "exempt" under the definitions and provisions of the Fair Labor Standards Act, and, as such, is not entitled to accrue Compensatory Time.
- E. Holidays. The Employee shall receive the paid holidays that are provided to the City's Teamsters Supervisors union bargaining unit.

Section 12 - Disability, Health, & Life Insurance.

- A. The Employer agrees to provide medical and prescription insurance coverage for the Employee and their eligible dependents in an amount equal to that which is provided other full-time City employees under the terms stipulated in the Teamsters Union Supervisor's Labor Contract. The Employer shall pay the premiums of said coverage as provided within the aforementioned Teamsters collective bargaining agreement and applicable state law.

- B. The Employer shall provide dental and vision coverage to the Employee and their eligible dependents in a manner and policy consistent with that afforded other full-time City employees under the terms of the Teamsters Union Supervisor’s Labor Contract.
- C. The employee may choose to “opt-out” of health coverage, provided they have coverage through another source, and would be eligible to receive monthly in leu of money in the amount determined under the terms of the Teamsters Union Supervisor’s Labor Contract.
- D. The Employer shall provide a term life, accidental death and dismemberment, and short-term disability policy paid by the City with the principal sum consistent with that afforded other full-time City employees under the terms of the Teamsters Union Supervisor’s Labor Contract.

Section 13 - Retirement.

- A. The Employee shall be entitled to retirement benefits in a manner, policy, and consistent with that afforded other full-time City employees under the terms stipulated in the Teamsters Union Supervisor’s Labor Contract.
- B. The retirement vesting period for the Employee shall be ten years.
- C. The Employee shall be entitled to voluntarily participate in the Employer’s established Employee 457 Deferred Compensation Retirement Programs.

Section 14 - Dues and Subscriptions.

The Employer agrees to pay for professional dues and subscriptions of the Employee in an amount approved and appropriated in the City’s annual operating budget.

Section 15 – Professional Development.

The Employer agrees to pay for the professional development expenses in an amount approved and appropriated by the City, in the City’s annual operating budget. These expenses include registration fees, course attendance fees, and other fees related to the Employee’s attendance at professional seminars, meetings, and institutes – to include travel, lodging and subsistence.

Section 16 – Outside Employment.

The Employee agrees that they will not accept any outside long-term (more than one week in duration) employment that conflicts with their normal duties without the express permission of the Employer.

Section 17 – Clothing, Boot, & Cell Phone Allowance. The Employer agrees to budget and provide to the Employee an annual clothing allowance in the amount of \$500, a boot allowance not to exceed \$350 annually, and a monthly phone allowance of \$50 per month. Payment of these allowances shall follow the process and procedures outlined in the Supervisor’s Agreement of the Bargaining Agreement between Teamsters Local 214 and the City of Clare.

Section 18 - Bonding.

The Employer shall bear the full costs of all fidelity bonds or other bonds required of the Employee under any law or ordinance or required in fulfilling the Employer’s expressed or implied conditions of Employment.

Section 19 - General Provisions.

- A. The text herein shall constitute the entire Agreement between the Parties.
- B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of the Employee.
- C. This Agreement shall become effective commencing July 1, 2025 and shall terminate on June 30, 2028.
- D. If any provision of this Agreement is held unconstitutional, invalid, or unenforceable, the remainder of this Agreement shall be deemed severable; shall not be affected; and shall remain in full force and effect.

This Contractual Agreement was approved by Resolution of the City Commission of the City of Clare on the 7th day of July, 2025.

The Agreement is entered into

BY: _____
Pat Humphrey, Mayor

AND BY: _____
Luke Potter, Director of Public Works

DATE: _____

DATE: _____

RESOLUTION 2025-058

A RESOLUTION OF THE CLARE CITY COMMISSION RENEWING AN EMPLOMENT CONTRACTUAL AGREEMENT WITH LUKE POTTER, ITS DIRECTOR OF PUBLIC WORKS.

WHEREAS, the City of Clare has negotiated an employment agreement with its Director of Public Works, Luke Potter; and

WHEREAS, said parties have outlined the terms, conditions, and stipulations of said employer/employee relationship in the written form of a contractual agreement and have mutually agreed to all provisions outlined therein.

NOW THEREFORE BE IT RESOLVED THAT, the Clare City Commission hereby approves the renewal of an employment contract with Luke Potter, its Director of Public Works, the terms, conditions, stipulations, and provisions as outlined therein.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 7th day of July, 2025.

Diane M. Lyon, Clare City Clerk