

AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission
FROM: Jeremy Howard, City Manager
DATE: August 3, 2023
RE: City Manager Contract Renewal

For the Agenda of August 7, 2023

Background. The current 3-year employment agreement between myself as the City Manager and the City of Clare began on August 24, 2020 and will expire on August 24, 2023. Over the last several weeks, I began discussions with the Mayor and Mayor Pro Tem to negotiate an updated contract for the future. The three of us talked and met multiple times to discuss the specific items of the contract and a new contract (*att'd*) was drafted based on those discussions.

Clare is an amazing community, and I am excited to continue working with the City Commission and city staff and to continue serving the City of Clare and its residents and business owners. I ask that the City Commission favorably consider approval of the contract as drafted and reviewed by the Mayor and Mayor Pro Tem.

Issues & Questions Specified. Should the City Commission approve the contractual employment agreement with its City Manager?

Alternatives.

1. Approve the proposed contract.
2. Approve a modified version of the proposed contract.
3. Do not approve the contract.
4. Set aside the decision regarding this matter to a later date.

Financial Impact. Costs associated with the contract are outlined in thereof.

Recommendation. I ask for the City Commission's favorable consideration and approval of the proposed contract as well as authorizing the City Treasurer to make any and all necessary budget amendments by adoption of Resolution 2023-060 (*copy attached*).

Attachments.

1. Proposed Contract.
2. Resolution 2023-060.

**EMPLOYMENT AGREEMENT
CITY OF CLARE
AND
JEREMY HOWARD**

This agreement is made effective the 1st day of July, 2023, by and between the CITY OF CLARE, (“City”) a Michigan municipal corporation, the Employer, and Jeremy Howard, the Employee. The parties agree as follows:

RECITALS

- A. The City desires to employ Jeremy Howard to serve as City Manager of the City of Clare, as provided by City Charter; and
- B. It is the desire of the City Commission of the City of Clare to provide certain benefits, maintain established conditions of employment, and to set working conditions of the Employee; and
- C. The Employee desires to become an employee of the City Commission for the City of Clare, as City Manager.

IT IS AGREED:

1. Employment status.

Pursuant to the Charter of the City of Clare, the City Manager serves at the pleasure of the City Commission. The City Manager is an at-will Employee, and may be discharged at any time, with or without cause. See Charter Section 3.8.

2. Duties.

The Charter sets forth the functions and duties of the City Manager. The Employee shall perform duties as specified in the City Charter, the laws of the State of Michigan, and as designated by the City Commission from time to time.

3. Term and Termination.

The term of this contract shall be five (5) years, commencing upon the effective date above. 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 City Commission or the Employee. No individual City Commissioner, the City Manager, no City Employee or Administrator, other than by act of the City Commission itself, has any authority to enter into, modify, or make an agreement for employment for any specified period of time, or to make any agreement contrary to the terms of this Agreement.

4. Suspension.

The Employer may, within its sole discretion, suspend the Employee with full pay and benefits at any time during the term of this Agreement.

5. Severance Pay.

If the Employer elects to terminate the Employee prior to the end of this Contract or decides not to renew the contract at the end of the term, 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 one half (six months) of his annual salary at the time of termination plus an additional two (2) months’ salary for each full or partial year of service to the City calculated from original hire date, as well as continue existing life insurance, healthcare insurance coverage (or opt out dollars if opting out), and retirement contributions for the same total time period at City expense, and compensate the Employee for all accrued and unused Paid Time Off.

6. Disability.

If the Employee is permanently disabled or is otherwise unable to perform his 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 paragraph 5.

7. Salary.

The Employee's salary for the stipulated contract period shall be paid in equal installments on a bi-weekly basis.

- (a) In the first year of this contract, the Employee shall be paid a \$104,000 salary.
- (b) In the second, third, fourth, and fifth years of this contract, the Employee's salary shall be increased by the percentage increase negotiated in the Teamsters Supervisors Employment Contract plus an additional 2%, each year.

8. Performance evaluation.

The City Commission shall review and evaluate the performance of the Employee upon the anniversary of signing this Contract. Thereafter, the City Commission shall review and evaluate the performance of the Employee on an annual basis. The review and evaluation shall be in accordance with specific criteria and standards developed jointly by the Employer and Employee. At any time, the City Commission may decide to provide special or additional evaluations, in its sole discretion. The Employee may request, an additional or special evaluation, up to once every six months.

At the conclusion of the evaluation the Mayor shall provide the Employee with a signed written summary of the findings of the City Commission's evaluation, and provide an adequate opportunity for the Employee to discuss his evaluation with the City Commission. The Employee may request that any proceedings under this Section eight (8), be held in closed session in accordance with the Open Meetings Act. Annual evaluations shall be retained in the Employer's personnel files, in accordance with the City's file retention schedule.

Each year, in conjunction with the approval of the City's operating budget, the City Commission and the Employee shall define such goals and performance objectives, as are necessary for the proper operation of the City. The City Commission shall establish a relative priority among the stated performance objectives and goals. Said goals and objectives shall be reduced to writing. The established objectives and goals shall be generally attainable within prescribed time periods, annual operating and capital budgets, appropriations, and resources provided.

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 he deems appropriate during normal office hours.

10. Automobile.

The Employer shall provide an automobile, to be used in the day-to-day business of the City. If the Employee utilizes his personal automobile, reimbursement for mileage shall be paid by the Employer at the rate established by the Internal Revenue Service.

11. Paid Time Off.

- (a) For each year of Employment, the Employee will earn (288) hours of Paid Time Off. Paid Time Off may be used for illness (formerly sick leave), or vacation, or personal days, at the discretion of the Employee. The Employee will be credited with 288 hours Paid Time Off at the beginning of the fiscal year.

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 during which separation occurs during the fiscal year, where the employee has worked only a partial year, the PTO due that employee shall be prorated according to the time worked and the Employee will be compensated for all accrued and unused Paid Time Off.

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 shall compensate the Employee for up to 160 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 three (3) days of Funeral Leave to attend a funeral of a member of his immediate family. One (1) day of Funeral Leave shall be granted to attend the funeral of a close relative. An additional two (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) Holidays. The Employee shall receive the paid holidays that are provided to the City's union bargaining units.

12. Disability, Health, and Life Insurance.

- (a) The employee is provided healthcare coverage through employment of another family member, and expects to exercise the "opt-out" provision under the terms of the Teamsters Union Supervisor's Labor Contract.
- (b) When no opt-out is in place, the Employer will provide hospital, surgical, prescription, and comprehensive medical insurance coverage for the Employee and his eligible dependents in an amount that is equal to that provided to the City's union bargaining units.
- (c) The Employer shall provide dental and vision insurance coverage to the Employee and his eligible dependents equal to that provided to the City's union bargaining units.
- (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.

13. Retirement.

The Employee shall be entitled to participate in the City's MERS defined benefit B-3 retirement plan for eligible Division 1 employees. If the employee chooses to participate, his employee contribution to the plan will be at the same rate as the City's Teamsters Supervisory Union which currently is 4% of reportable wages. The Employer shall also make a monthly contribution to the retirement plan in an amount equal to the actuarially determined funding requirement.

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.

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.

16. Outside employment

The Employee agrees that he will not accept any outside long-term (more than one week in duration) employment without the express permission of the City Commission.

17. 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.

18. Miscellaneous.

- (a) The text herein constitutes the entire Agreement between the parties.
- (b) This Agreement shall be binding on and inure to the benefit of their heirs, executors, and assigns.
- (c) The effective date of this Agreement is July 1, 2023.
- (d) If any provision of this Agreement is held to be unconstitutional, invalid, unenforceable, or void, the remainder of the Agreement shall be deemed severable; shall not be affected, and shall remain in force and in effect.

City of Clare

Employee

By: _____
Patrick Humphrey, Mayor

By: _____
Jeremy Howard, City Manager

Date: _____, 2023

Date: _____, 2023

RESOLUTION 2023-060

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE EMPLOYMENT CONTRACT OF THE CLARE CITY MANAGER.

WHEREAS, the City of Clare and Jeremy Howard, the appointed Clare City Manager, enjoy a current contractual agreement outlining the terms, conditions, and stipulations of employment of said individual; and

WHEREAS, said contractual agreement was initially approved on the 24th day of August 2020; and

WHEREAS, said contract stipulates the end date of said current employment agreement shall expire on August 24, 2023; and

WHEREAS, both said parties of said contractual agreement have negotiated and mutually agreed to another contract effective July 1, 2023 through June 30, 2028.

NOW THEREFORE BE IT RESOLVED THAT the Clare City Commission hereby approves an employment contract referenced herein between Jeremy Howard, the Clare City Manager, and the City of Clare.

BE IT FURTHER RESOLVED THAT that the City Commission authorizes the Mayor to sign said contract and authorizes the City Treasurer to make any and all necessary budget amendments.

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 August, 2023.

Diane Lyon, City Clerk