

AGENDA REPORT

TO: Mayor & City Commissioners
FROM: Jeremy Howard, City Manager
DATE: August 1, 2024
RE: Employee Contract Amendments/Extension

For the Agenda of August 5, 2024

Background. The employment contract of Diane Lyon, our City Clerk, is scheduled to expire on August 15, 2024. A revised three-year contract is attached for the Commission's consideration. Diane and I have discussed the contract details at length and have reached agreement on the terms of the proposed contract (*att'd*). The majority of the contract language is the same as Diane's previous contract that is expiring. The only significant change is an addition of some language that formalizes Diane as the Acting/Assistant City Manager with those duties as per charter and current responsibilities and assistance that she already provides to the city and the City Manager. Therefore, there is an additional yearly percent salary adjustment for those duties and responsibilities. The Commission is asked to approve the proposed contract.

Issues & Questions Specified. Should the City Commission renew the amended employment contract of Diane Lyon?

Alternatives.

1. Approve the proposed contract.
2. Approve the contract with amendments, changes, or stipulations.
3. Do not approve the contract.
4. Defer/delay decision of this matter to a subsequently scheduled City Commission meeting.

Financial Impact. Salary cost with amended duties and increase in salary for Diane plus the standard benefits package (retirement, health care, life insurance, etc.) that we offer our employees.

Recommendation. I recommend the City Commission approve the proposed three-year employment contract of Diane Lyon by adoption of Resolution 2024-061 (*att'd*).

Attachments.

1. Proposed Contract.
2. Resolution 2024-061.

**CONTRACTUAL AGREEMENT
BETWEEN
THE CITY OF CLARE
AND
DIANE M. LYON**

This Agreement is made and entered into this 5th day of August 2024, by and between the CITY OF CLARE, a municipal corporation, herein and after called “Employer,” and Diane Lyon, 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 continued services of Diane Lyon as the City Clerk of the City of Clare as provided by Charter; 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 to continue employment as the Clerk 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. Pursuant to the Charter of the City of Clare, the City Clerk serves at the pleasure of the City Commission. The City Manager then provides HR oversight and the delegation of job duties for all city employees on a day-to-day basis. The City Clerk is an at-will Employee and may be discharged at any time, with or without cause.

Section 2 - Duties.

The Employer agrees to employ Diane Lyon as the City Clerk 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 Commission or City Manager.

Section 3 – Term and Termination.

This Contractual Agreement shall cover the period of August 15, 2024, through June 30, 2027. 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, the City Manager, City Employee, or Administrator, other than by act of the City Commission itself, has any authority to enter into, modify, or make any agreement for employment for any specified period of time or to make any agreement contrary to the terms of this Agreement.

Section 4 - Suspension.

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

Section 5 - Severance Pay.

If the Employer elects to terminate the Employee before July 1, 2027, 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 nine (9) months of annual salary at the time of termination, continue existing Life Insurance and Medical Insurance coverage for 6 months, and compensate the Employee for all accrued PTO and all personal time. The City may elect not to renew the contract at the end of the stipulated contract period. If the contract is not renewed, the City agrees to pay the City Clerk six (6) months aggregate salary and continue all benefits at the City’s expense in periodic payments, the same as if the City Clerk maintained employment. The Employer shall compensate the Employee for all accrued PTO and all personal time.

Section 7 – 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 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.

Section 6 - Salary.

The Employee's salary for the first year of the stipulated contract period shall be \$63,000 annually. Effective with this contract the Employee is also designated as Acting/Assistant City Manager with those duties prescribed in the City Charter and assisting the City Manager as needed. Starting July 1, 2025, and annually thereafter, an additional 2% salary adjustment will be given to the Employee to compensate for Acting/Assistant City Manager duties and responsibilities. All other benefits and regular salary adjustments during the stipulated Agreement period shall follow those negotiated and agreed to within the Teamsters Supervisory Employment Contract.

Section 8 - Performance Evaluation.

The City Commission in coordination with the City Manager shall review and evaluate the performance of the Employee at least once annually. The review and evaluation shall be following specific criteria and standards developed jointly by the Employer and the Employee. Special evaluations may be provided at any time at the discretion of the Employer 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 Employer. 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 appropriate 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, Court Leave, Personal Time, Funeral Leave, and Holidays.

- A. PTO. The Employee shall be credited with 264 hours of PTO annually.
- B. 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 15 days of unused Paid Time Off, by purchasing said Paid Time Off from the Employee at the end of the fiscal year.
- 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. Funeral Leave. The Employee shall be granted three (3) days of Funeral Leave to attend the funeral of a member of the immediate family. One (1) day of Funeral Leave shall be granted for attending 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 to fulfill their duties as executor. Funeral leave shall not be carried over.
- E. Personal Time. The Employee shall be credited with three (3) days of personal time annually. Personal time will not be carried over – it shall be either used or lost during the period of the Agreement.
- F. Holidays. The Employee shall receive the paid holidays that are provided to other City employees under the terms stipulated in the Teamsters Union Supervisor's Labor Contract.

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 to 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.
- C. 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.
- D. 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 lieu of money in the amount determined under the terms of the Teamsters Union Supervisor’s Labor Contract.
- E. 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.

The Employer shall provide the same retirement benefits as those provided to other City employees under the terms stipulated in the Teamsters Union Supervisor’s Labor Contract.

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 – 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 18 – 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 upon signing.
- 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 5th day of August 2024.

The Agreement is entered into

BY: _____
Pat Humphrey, Mayor

AND

BY: _____
Diane M. Lyon

DATE: _____

DATE: _____

RESOLUTION 2024-061

A RESOLUTION OF THE CLARE CITY COMMISSION RENEWING AN AMENDED EMPLOMENT CONTRACTUAL AGREEMENT WITH ITS CITY CLERK, DIANE LYON.

WHEREAS, the City of Clare has negotiated a 3-year employment agreement with its City Clerk, Diane Lyon; and

WHEREAS, said employment agreement shall expire on June 30, 2027; and

WHEREAS, it is the desire of said parties to renew said contractual agreement outlining and stipulating the terms of the employer/employee relationship between two said parties; 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; and

NOW THEREFORE BE IT RESOLVED THAT, the Clare City Commission hereby approves the renewal of an employment contract through June 30, 2027, with Diane Lyon, its City Clerk, 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 5th day of August, 2024.

Diane Lyon, City Clerk