



Agenda Item Summary

Meeting of: June 6, 2022

Agenda Item Title: Approval of City Manager Contract

Submitted by: Jane Pacheco

Approved for submittal:


Interim City Manager

Explanation of Agenda Item:

At the Special Council meeting on May 31, 2022, Council approved a motion to offer the position of Chelsea City Manager to Roy Atkinson contingent on a successful background check and contractual negotiations.

Frank Walsh of Walsh Municipal Services has confirmed Mr. Atkinson's background check has been completed and is clear.

The City team that negotiated the City Manager contract consisted of Mayor Jane Pacheco, Acting City Manager Amanda Garber, and City Attorney Mariah Fink.

The attached recommendation is for a three (3) year term commencing no later than June 27, 2022, annual compensation to be set at \$130,000 (step 1), \$200 per month car allowance, and \$2,000 moving allowance.

If approved, Council authorizes the Mayor to sign the attached contract agreement.

Type of Request:

Resolution **Motion** ☒

If you are requesting a resolution, include your resolution statement as an attachment to this document upon submission.

Fiscal or Resource Considerations:

Does this agenda item require the expenditure of funds? ☒ YES ☐ NO

If YES, are funds budgeted? YES ☒ NO

Are staff or other resources required? ☒ YES ☐ NO

Advisory Board/Commission/Committee Action/Recommendation:

Staff Comments:

City Manager Comments/Recommendation:
City Manager Recommended Form of Motion: Motion to approve the City Manager contract agreement.
Names and addresses of those to be notified: Walsh Municipal Services – Frank L. Walsh
Attachments: City Manager Contract.pdf

All Agenda Item Summaries and any attachments are due in the City Clerk's Office by 4:00 p.m. on the Wednesday prior to the City Council meeting. If the Wednesday prior to the City Council meeting is a holiday, then the submission deadline is 4:00 p.m. on Tuesday.

04/2005

AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 2022, by and between the City of Chelsea ("City"), a Michigan Municipal Corporation, and Roy Atkinson ("Employee").

WITNESSETH:

WHEREAS, the City desires to employ the Employee in the position of City Manager, under the terms and conditions contained in this Employment Agreement;

and

WHEREAS, the Employee is willing to serve in said position for the duration of this Employment Agreement under the terms and conditions contained herein;

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

1. Duties

The City agrees to employ the Employee, and the Employee accepts employment with the City, in the position specified above to perform the functions and duties which now or hereinafter may be specified in the City Charter of Chelsea, City of Chelsea Ordinances and Michigan statutes pertaining thereto relative to said position, to perform other legally permissible and proper duties and functions in said position as the Chelsea City Council ("Council") and the Mayor shall from time to time assign, and to obey all rules and regulations and abide by all policies, procedures and lawful directives of the City and the Council.

The Employee agrees to perform the duties of the position specified above in a competent and professional manner, and to devote his time and energy to the performance of said duties in a faithful, dutiful efficient manner. The Employee agrees not to acquire, maintain or engage in any outside business, financial or employment activity which, in the opinion of the Council or Mayor, conflicts or interferes with the Employee's ability to fully and properly discharge City duties. Following counseling, such continuing conflict of interest shall constitute a breach of this Employment Agreement and be a proper basis for terminating same.

2. Term

This Agreement is for a three (3) year term commencing no later than June 27, 2022, and ending on June 27, 2025 and is subject to all covenants and conditions of this Contract.

This Employment Agreement shall be automatically renewed for additional periods of three (3) years commencing on June 27, 2025, unless the City shall give the Employee three (3) months' notice, in writing, that this Employment Agreement will not be renewed.

Nothing in this Employment Agreement shall prevent, limit or otherwise interfere with the right of the Council to suspend the Employee or to terminate the Employee's employment and this Employment Agreement, at any time, subject only to the provisions set forth in Paragraph 3 and Paragraph 4 of this Employment Agreement.

3. Suspension

The Council shall have the authority to suspend the Employee in accordance with applicable personnel rules as approved by the Council and the provisions of the City Charter, Chelsea City Ordinances and Michigan Statutes. In cases where the Employee is suspended for cause or breach of this Employment Agreement, the suspension may be without compensation or benefits. Otherwise, the Employee will continue to receive his full compensation and benefits during the period of such suspension unless the Employee's employment and this Employment Agreement is terminated, in which case the provisions of Paragraph 4 shall apply.

4. Termination, Severance Pay and Benefits

The Council shall have the authority to terminate the Employee's employment and terminate this Employment Agreement at any time. If the termination is for cause or breach of this Employment Agreement, the Employee shall receive no compensation or benefits after the effective date of termination. Otherwise, the City agrees to continue to pay the Employee's salary, and provide health care coverage and dental insurance for the Employee and his eligible dependents, until the end of the initial term or the renewal term of this Employment Agreement, or for a period of six (6) months after the effective date of such termination, whichever is less, subject to the provisions of Paragraph 7. In the event the Employee obtains new employment before said period lapses, the City shall be relieved of any further obligation to provide compensation and benefits under this Employment Agreement.

5. Resignation

The Employee may terminate this Employment Agreement and resign from his position at any time. In the event the Employee provides at least three (3) months advance written notice of the effective date of such termination and/or resignation, and he continues to perform the duties of the position specified herein to the effective date of resignation, the City will continue to provide health care coverage and dental insurance for the Employee and his eligible dependents for a period of thirty (30) days after the date on which such benefits would normally be terminated, subject to the provisions of Paragraph 7. Otherwise, the Employee shall receive compensation and benefits to the effective date of resignation or when he is no longer performing the services of the position specified herein, whichever is earlier.

6. Compensation

The City agrees to pay the Employee an annual salary payable in equal bi-weekly installments at the same time as the other employees of the City are paid.

The Employee's annual compensation shall be set at \$130,000 (Step 1) for the position of City Manager in the pay plan approved by the Council, as amended. For employment review purposes the Manager's anniversary date shall be established as July 1, 2022.

At least annually, the Council shall review the performance of the Employee using the review process as established by Council. The results of the performance review shall be reviewed with the Employee by the Council.

In the absence of specific direction to the contrary from the Council it is expected that the Employee will progress through the current 7 step salary schedule (as amended) in six consecutive steps, based on the annual performance review.

7. Benefits

Employee shall receive the same benefits as provided to department head employees of the City subject to the following:

Administrative Leave: The Employee is exempt from the overtime requirements of the Fair Labor Standards Act. The Employee is paid a regular salary and is not paid based on the number of hours worked. The Employee is hired to get the job done and at times may need to work beyond his usual schedule. The Employee is given the flexibility to exercise judgment both in how and when the work is done, subject to the review of the Council. A greater emphasis is placed on meeting the responsibilities of the position rather than on working a specific number of hours. The Employee is expected to meet operational needs and is evaluated on results achieved. Therefore, the Employee will not be paid overtime or accrue administrative leave or compensatory time.

However, the Council may allow the Employee paid time off, for periods of less than a day, when it is recognized that the Employee has worked a significant amount of time beyond the normal work schedule to perform specific job requirements. Any time off under the circumstances described above shall be determined mutually by the Employee and the Council.

The Employee shall not bank administrative leave time nor shall there be an equal relationship between time worked beyond the regular workday and administrative leave time granted.

Car Allowance: The City will provide the Employee a \$200 per month car allowance.

Cell Phone: The Employee will be provided with a City-owned cell phone under the same terms and conditions as phones provided to department head employees of the City.

Computer: The Employee will be provided with a City-owned laptop computer.

Moving Allowance: The City will provide the Employee with a \$2,000 moving allowance.

Paid Time Off (PTO): The Employee will earn PTO as described in the City's non-union personnel manual. On June 27, 2022, the Employee will receive a pro-rated amount of tier one (144 hours) into his PTO bank. On July 1, 2022 and annually thereafter, the Employee will receive the full amount of tier two (288 hours) into his PTO bank.

Pension: The City will contribute its defined contribution of 8% of salary to a plan agreed upon by the City and the Employee.

Professional Development: The City recognizes the need for the Employee to be involved in continuous professional development and community service. Accordingly, the City agrees to provide the necessary funds for the Employee to maintain membership in appropriate professional organizations, attend conferences and workshops, enroll in relevant classes and join local community organizations.

8. Drug-Free Workplace Policy

It is understood and agreed that the Employee shall be subject to and abide by the terms of the City of Chelsea Drug-Free Workplace Policy, as amended.

9. Other Terms and Conditions of Employment

The Council, in consultation with the Employee, may from time to time establish other terms and conditions relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of the Employment Agreement or the City Charter of Chelsea, Chelsea City Ordinances or applicable Michigan statutes.

10. General Provisions

This Employment Agreement included the entire agreement between the parties. Any other agreements between the parties, oral or written, are hereby canceled and terminated; and except as provided herein, the terms of this Employment Agreement may not be altered, modified or rescinded by any party or any contemporaneous statement or understanding of such party, or any other person on their behalf. This Employment Agreement may be amended, modified, rescinded or otherwise altered during its terms only by an express written "modification", denominated as such, signed by the Employee and the Mayor or his/her designee and attested by the City Clerk.

This Employment Agreement shall be binding upon and inure to the benefit of the heirs at law and personal representatives of the Employee.

This Employment Agreement shall become effective commencing on the day and year first above written.

In the event any provisions of this Agreement shall be held invalid, illegal or unenforceable, in whole or in part, neither the validity of the remaining part of such provision nor the validity of any other provision of this Employment Agreement shall in any way be affected thereby, and the remainder of this Agreement, or portion thereof, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement, in duplicate, on the day and year first above written.

CITY OF CHELSEA

EMPLOYEE

Jane Pacheco, Mayor

Roy Atkinson

Attest: Lyn Sebestyen, City Clerk