

**City of Charlotte, Michigan
City Manager Employment Agreement**

Introduction

This Agreement, made and entered into this ___ day of _____, 20___, by and between the City of Charlotte, Michigan, a municipal corporation, (hereinafter called "Employer") and Erin E. LaPere, (hereinafter called "Employee") an individual who has the education, training and experience in local government management and who, as a member of ICMA, is subject to the ICMA Code of Ethics, both of whom agree as follows:

Section 1: Term

This agreement shall remain in full force in effect from January 18, 2021 until terminated by the Employer or Employee as provided in Section 9, 10, or 11 of this agreement. In the event the agreement is terminated, Employee shall receive severance pay as described in Section 10.

Section 2: Duties and Authority

Employer agrees to employ Erin E. LaPere as City Manager to perform the functions and duties specified in Section 6.3 of the City Charter and by any of the City codes or ordinances, and to perform other legally permissible and proper duties and functions.

Section 3: Compensation

- A. Base Salary: Employer agrees to pay Employee an annual base salary of \$100,000, payable in installments at the same time that the other management employees of the Employer are paid.
- B. This agreement shall be automatically amended to reflect any salary adjustments that are provided or required by the Employer's compensation policies.
- C. Consideration shall be given on an annual basis to increase compensation. The Employer agrees to increase compensation each year by the minimum of the average across the board increase granted to other non-union employees of the Employer.

Section 4: Health, Disability and Life Insurance Benefits

- A. The Employer agrees to provide and to pay the premiums for health, hospitalization, surgical, vision, dental and comprehensive medical insurance for the Employee and his/her dependents equal to that which is provided to all other employees of the City.
- B. The Employer agrees to put into force and to make required premium payments for short term and long term disability coverage for the Employee.
- C. The Employer shall pay the amount of premium due for term life insurance in the amount of one year annual salary during the life of this agreement. The Employee shall name the beneficiary of the life insurance policy.

Section 5: Vacation and Sick Leave

- A. Upon commencing employment, the Employee shall be credited with all paid time off, including not but limited to sick leave, vacation leave, compensatory time, and personal leave days, equal to the highest annual accrual provided to all other employees. The Employee shall then accrue paid time off on an annual basis at the highest rate provided to any other employees.
- B. Employee shall receive time off with pay for all legal holidays observed by the Employer. Employee shall receive three days paid for immediate family funeral and emergency leave.

C. The Employee is entitled to accrue all unused leave, without limit, and in the event the Employee's employment is terminated, either voluntarily or involuntarily, the Employee shall be compensated for all accrued vacation time, all paid holidays, executive leave, and other benefits to date.

Section 6: Facilities and Equipment

A. The Employer shall furnish the Employee, with a suitable office, a cellular telephone, together with such supplies, equipment and material as may be required in the performance of the Employee's duties.

B. Employee will not be provided with a vehicle nor will any car allowances be paid. The Employer shall reimburse the Employee at the IRS standard mileage rate for any business use of their vehicle beyond the greater City of Charlotte area. For purposes of this Section, use of the car within the greater City of Charlotte area is defined as travel to locations within a fifty (50) mile radius of City Hall.

Section 7: Retirement

A. The Employer agrees to enroll the Employee into the applicable retirement system and to make all the appropriate contributions on the Employee's behalf consistent with contributions made for any other employees.

B. In lieu of retiree health insurance, the Employer shall contribute 3% of Employee's base pay into a Retirement Health Savings Account and that contribution shall vest to Employee after one (1) year of service.

Section 8: General Business Expenses

A. Employer agrees to budget for and to pay for professional dues and subscriptions of the Employee necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer.

B. Employer agrees to budget for and to pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference, the Michigan Municipal League, and such other national, regional, state, and local governmental groups and committees in which Employee serves as a member.

C. Employer also agrees to budget for and to pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and for the good of the Employer.

Section 9: Termination

For the purpose of this agreement, termination shall occur when:

A. The majority of the governing body votes to terminate the Employee at a duly authorized public meeting. The Employee shall be given fourteen (14) calendar days prior written notice of that meeting.

B. If the Employer, citizens or legislature acts to amend any provisions of the charter, code, or enabling legislation pertaining to the role, powers, duties, authority, responsibilities of the Employee's position that substantially changes the form of

government, the Employee shall have the right to declare that such amendments constitute termination.

- C. If the Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this agreement and will be regarded as a termination.
- D. Breach of contract declared by either party with a 30 day cure period for either Employee or Employer. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 20.

Section 10: Severance

Severance shall be paid to the Employee when employment is terminated as defined in Section 9. If the Employee is terminated, the Employer shall provide a minimum severance payment equal to eight (8) months' salary at the current rate of pay. This severance shall be paid in a lump sum unless otherwise agreed to by the Employer and the Employee.

The Employee shall also be compensated for all accrued sick leave, vacation time, all paid holidays, and executive leave. The Employer agrees to make a contribution to the Employee's deferred compensation account on the value of this compensation calculated using the rate ordinarily contributed on regular compensation.

For a minimum period of eight (8) months' following termination, the Employer shall pay the cost to continue the following benefits:

1. Health insurance for the employee and all dependents as provided in Section 4
2. Life insurance as provided in Section 4
3. Short-term and long-term disability as provided in Section 4, and
4. Any other available benefits.

If the Employee is terminated because of sexual or ethnic harassment, destruction of City property, on-duty moral turpitude, embezzlement or a conviction of a felony, then the Employer is not obligated to pay severance under this section.

Section 11: Resignation

In the event that the Employee voluntarily resigns her position with the Employer, the Employee shall provide a minimum of 30 days' notice unless the parties agree otherwise. In the event Employer waives notice of the notice period, the Employee shall receive her regular pay and benefits for the full thirty day notice period. No severance as described in Section 10 shall be paid upon voluntary resignation.

Section 12: Performance Evaluation

Employer shall annually review the performance of the Employee in January subject to a process, form, criteria, and format for the evaluation which shall be mutually agreed upon by the Employer and Employee. The process at a minimum shall include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and (3) present a written summary of the evaluation results. The final written evaluation should be completed and delivered to the Employee within 30 days of the evaluation meeting.

If the City Council fails to conduct an annual performance evaluation, Employee's performance shall be considered to be acceptable.

Section 13: Hours of Work

It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an

appropriate work schedule. It is generally expected the Employee will typically work the same regular work schedule as other department heads.

Section 14: Outside Activities

The employment provided for by this Agreement shall be the Employee's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may elect to accept limited teaching, consulting or other business opportunities with the understanding that such arrangements shall not constitute interference with nor a conflict of interest with his or her responsibilities under this Agreement.

Section 17: Indemnification

Beyond that required under Federal, State or Local Law, Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Manager or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act or omission involved willful or wanton conduct. The Employee may request and the Employer shall not unreasonably refuse to provide independent legal representation at Employer's expense and Employer may not unreasonably withhold approval. Legal representation, provided by Employer for Employee, shall extend until a final determination of the legal action including any appeals brought by either party. The Employer shall indemnify employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorney's fees, and any other liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of his or her duties. Any settlement of any claim must be made with prior approval of the Employer in order for indemnification, as provided in this Section, to be available.

Employee recognizes that Employer shall have the right to compromise and unless the Employee is a party to the suit which Employee shall have a veto authority over the settlement, settle any claim or suit; unless, said compromise or settlement is of a personal nature to Employee.

Further, Employer agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any litigation to which the Employee is a party, witness or advisor to the Employer. Such expense payments shall continue beyond Employee's service to the Employer as long as litigation is pending. Further, Employer agrees to pay Employee reasonable consulting fees and travel expenses when Employee serves as a witness, advisor or consultant to Employer regarding pending litigation.

Section 18: Bonding

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 19: Other Terms and Conditions of Employment

- A. The Employer, only upon agreement with Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the City Charter or any other law.
- B. Except as otherwise provided in this Agreement, the Employee shall be entitled to the highest level of benefits that are enjoyed by other appointed officials, appointed employees, department heads or general employees of the Employer as provided in the Charter, Code,

Personnel Rules and Regulations or by practice.

Section 21: General Provisions

A. Integration. This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this agreement during the life of the agreement. Such amendments shall be incorporated and made a part of this agreement.

B. Binding Effect. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

C. Effective Date. This Agreement shall become effective on January 18, 2021 .

D. Severability. The invalidity or partial invalidity of any portion of this Agreement will not effect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

IN WITNESS WHEREOF, the parties have executed this Agreement at the City of Charlotte this ____th day of _____, 20__.

WITNESSES

CITY OF CHARLOTTE

BY: _____

Michael A. Armitage, Mayor
On Behalf of Employer

BY: _____

Erin E. LaPere
Employee

Approved as to Form:

Thomas M. Hitch
City of Charlotte Attorney