

RESOLUTION NO. 2015-36

**A RESOLUTION TO APPROVE
THE SECOND RESTATED EMPLOYMENT CONTRACT
BETWEEN
GREGG GUETSCHOW
AND THE
CITY COUNCIL OF THE CITY OF CHARLOTTE**

WHEREAS, the City Council met in special session on December 21, 2015 for the purpose of drafting the terms of a proposed contract with the city manager; and

WHEREAS, during this meeting the City Council agreed upon changes to its current employment contract with Gregg Guetschow which are incorporated into the Second Restated Employment Contract between Gregg Guetschow and the City Council of the City of Charlotte, a copy of which is attached hereto as Exhibit 1; and

WHEREAS, the City Council desires to continue the employment of Gregg Guetschow as Charlotte city manager pursuant to the terms of said Second Restated Employment Contract;

THEREFORE, BE IT RESOLVED that the Second Restated Employment Contract between Gregg Guetschow and the City Council of the City of Charlotte is hereby approved and presented to Mr. Guetschow as the City Council's offer of employment; and

BE IT FURTHER RESOLVED that upon the acceptance of said offer of employment by Mr. Guetschow, which acceptance shall be indicated by his signing and dating the Second Restated Employment Contract between Gregg Guetschow and the City Council of the City of Charlotte, the Mayor and Clerk are authorized and directed to execute said Contract on behalf of the City Council.

EXHIBIT 1

**SECOND RESTATED EMPLOYMENT CONTRACT BETWEEN
GREGG GUETSCHOW
AND THE
CITY COUNCIL OF THE CITY OF CHARLOTTE**

WHEREAS, pursuant to Section 6.1(b) of the Charter of the City of Charlotte, the City Council of the City of Charlotte ("Council") has the responsibility to retain a City Manager to perform certain duties as set forth in Section 6.3 of the City Charter; and

WHEREAS, the Council wishes to continue the appointment of Gregg Guetschow, 720 High Street, Charlotte, Michigan 48813, as City Manager ("Manager"), and Mr. Guetschow has determined that he wishes to continue said appointment upon the terms and conditions hereinafter set forth; and

WHEREAS, the Council and Manager agree to restate with modifications the existing contract and amendments as set forth herein;

NOW, THEREFORE, THE COUNCIL AND THE MANAGER COVENANT AND AGREE AS FOLLOWS:

1. A. Duties. The Manager agrees to perform all the functions and duties as specified in the City Charter, and to perform whatever legally permissible and proper additional functions and duties which the Council assigns. The Manager agrees that all duties and functions shall be performed in a diligent, responsible, and equitable manner in accordance with the City Charter, the Charlotte City Code, and policies and resolutions established by the Council.
- B. Professional Status. The parties acknowledge and agree that the City Manager is being employed in a bonafide executive, administrative, and professional capacity which will undoubtedly require him to spend more than forty (40) hours per week in the performance of his duties and functions. Manager agrees to work those hours necessary to allow him to reasonably and professionally perform the functions and duties required of him.
2. Term. The term of this agreement is for two years and five months, until June 30, 2018, renewable upon mutual agreement; provided, however, the Manager may terminate upon thirty (30) days' written notice and the Council may terminate as provided in Section 7 of this agreement. The Council agrees that it shall establish certain goals and objectives upon which the Manager's performance will be evaluated. The Council will conduct a performance evaluation prior to the renewal of this agreement, or any subsequent renewal of this agreement.
3. Salary. The Council agrees to pay the Manager a salary of Ninety Two Thousand Dollars (\$92,000) per year in bi-weekly increments. The Council may not reduce this base salary.

4. Professional Development. The Manager agrees to maintain his professional memberships, and continue participation, in national, state, and local organizations such as the Michigan Municipal League and the ICMA. The Manager may attend their regional, local, and national meetings in the normal course of his employment duties as Manager with reasonable expenses of attendance to be borne by the City, including his IMCA duties. The Manager agrees that he shall not be reimbursed attendance and membership costs in an amount in excess of the annual budget appropriation for such activity.

5. Employee Benefits. The Council agrees to provide the Manager all employee benefits provided to City employees in accordance with the published City of Charlotte Personnel Policy, except as modified as follows:

- A. Vacation:
 - (1) A bank of one hundred sixty (160) hours will be credited to his existing vacation bank, as earned pursuant to the Charlotte Personnel Policy.
 - (2) Manager will accrue vacation at the rate of twenty (20) days annually.
- B. Retirement: The Manager shall participate in the IMCA 401-A Plan (10.00% contribution by the City, with 100% vesting).
- C. Health Insurance: The Manager will be provided with the same health care benefits as other City department heads.
- D. Automobile Expense: \$325 per month.
- E. Personal Days: Personal days as provided to other City department heads.
- F. Sick Days: Sick days as provided to other City department heads.
- G. Other Benefits: The Manager will be provided with such other benefits as are provided to other City department heads, except retiree health savings plan contributions.

6. Outside Employment/Financial Interests. The Manager shall not undertake any additional compensated or uncompensated employment responsibilities (such as teaching) without the prior written permission of the Council, which permission shall not be unreasonably withheld.

The Manager understands that any financial investment or equity ownership in any business which performs services or supplies good to the City may create a legal or ethical conflict of interest. Accordingly, the Manager agrees to not acquire any beneficial ownership in any business or organization which supplies goods or services to the City without first disclosing such acquisition to the Council.

7. Tenure/Termination. Notwithstanding any other provisions of this contract, the Manager agrees to serve at the pleasure of the Council, and agrees that this contract may be terminated, without cause, by either party. If this agreement is terminated, the parties agree to negotiate, in good faith, a separation agreement including, but not limited to, a nondisparagement provision.

8. Severance Pay.

- A. Notwithstanding the foregoing regarding a separation agreement, in the event that this contract is terminated by the Council without cause, the Council agrees to provide the Manager with severance pay in an amount equal to the Manager's salary applicable at the time, less deductions required by law, for a period up to six (6) months following the effective date of termination. The severance pay shall be paid in bi-weekly installments, but shall terminate on the death of the Manager. The Manager shall also receive up to six (6) months' health care benefits, which benefits may terminate sooner if Manager becomes employed and receives health care benefits from his new employer. The Manager shall also be paid such other termination benefits as provided by the City's Personnel Policy to department heads.
- B. In the event of termination of this contract for any reason(s) as set forth below or if the contract expires, the Manager shall only be paid benefits as provided in the City's Personnel Policy in the same manner as any other City department heads. The reasons are as follows:
 - (1) Repeated neglect or continuous inattention to duty or continuous absence from work not caused by illness or injury;
 - (2) The endorsement of a recommendation to Council on a matter in which the Manager stands to derive personal financial gain without full and timely disclosure of said personal interest or profit to be derived therefrom;
 - (3) The nonperformance of duties mandated by City Charter or by statute, or deliberately withholding of the Manager's performance of such duties or service;
 - (4) Deliberate or deceitful falsification of public records, or misrepresentation to the Council with intent to fraud.
 - (5) The conviction of a high misdemeanor or felony involving moral turpitude;
 - (6) For any reason specified by law for removal of a City officer by the Governor; or
 - (7) A violation of any of the stipulations and agreements contained in this contract.

9. Commencement Date. This contract shall commence February 1, 2016.

10. Severability. All agreements and covenants contained in this contract are severable, and in the event any of them are held invalid by any court, the remaining portions of this contract shall

remain in full force and effect.

11. Governing Law. This contract shall be governed by the laws of the State of Michigan.

The Council and the Manager, by their authorized signatures, hereby agree to be bound by the covenants, agreements, and prohibitions set forth above and in the Attachments to this contract.

IN WITNESS WHEREOF, the City of Charlotte has caused this contract to be executed by Mayor Timothy M. Lewis and City Manager Gregg Guetschow, and duly attested by the City Clerk.

Dated: _____

GREGG GUETSCHOW, personally

CITY OF CHARLOTTE

Dated: _____

By _____
Timothy M. Lewis, Mayor

Dated: _____

By _____
Ginger Terpstra, Clerk

Approved as to Form:

Thomas M. Hitch (P25558)
Charlotte City Attorney
601 Abbot Road
East Lansing, MI 48823
517/351-0280