



ADMINISTRATION / PERSONNEL COMMITTEE

420 N Front St.

Suttons Bay, MI 49682

Wednesday, January 5, 2022 at 9:00 am

Due to continuing concerns about COVID-19 transmission there will also be a Zoom link (which can be found on our website at www.suttonsbayvillage.org) for remote attendance for those members of the public wishing to participate. Members of the public participating in person will be required to wear a mask.

AGENDA

Call to Order

1. Reports (staff)
 - a. Treasurer Report
2. Public Comments
Please limit remarks to no more than three (3) minutes or less.
3. Committee Business
 - a. Managers Contract
4. Status Update – Other Committees
5. Public Comments/Written Communication
6. Committee Member Comments
7. Announcements
8. Adjournment

Village of Suttons Bay is inviting you to a scheduled Zoom meeting.

Topic: Administrative Committee Meeting

Time: Jan 5, 2022 09:00 AM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/89855419158?pwd=YkpQL1VETFB0anhQZVF2QnJEaGdlZz09>

Meeting ID: 898 5541 9158

Passcode: 044714

One tap mobile

+13017158592,,89855419158#,,,,*044714# US (Washington DC)

+13126266799,,89855419158#,,,,*044714# US (Chicago)

Dial by your location

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 929 436 2866 US (New York)

+1 253 215 8782 US (Tacoma)


+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

Meeting ID: 898 5541 9158

Passcode: 044714

Find your local number: <https://us02web.zoom.us/j/89855419158?pwd=YkpQL1VETFB0anhQZVF2QnJEaGdlZz09>

		VILLAGE OF SUTTONS BAY	
		REPORT VSB -2022-01	
Prepared:	December 28, 2021	Pages:	1 of 1
Meeting:	January 5, 2022	Attachments:	<input checked="" type="checkbox"/>
Subject:	Manager's Contract		

PURPOSE

The Village Council has asked that the committee review the recommendations from Frank Walsh, MML hiring consultant, relating to the Manager's Contract.

COMMENTS

Frank Walsh was contacted by the Personnel Committee to determine wage and bonus compensation for the Village Manager. The Village Council adopted the recommendation regarding 2021 bonus and the 2022 wage increase. The Village Council at their meeting on December 20, 2021, asked that the following items of consideration be forwarded to the Personnel Committee for their review and recommendation:

- 1) Amend the Manager's contract (current contract expires 2023). Extend to 2024
- 2) A longevity bonus (approximately \$10,000 over three years), to be paid out in 2024, based on annual Managers review from years, 2022, 2023 and 2024.
- 3) Should a ceiling on the Manager's salary be discussed? Annual increase?

ACTION REQUESTED

To review the recommendations received from Frank Walsh.

Employment Agreement

THIS AGREEMENT, made and entered into to be effective the day of October 2, 2018 by and between the Village of Suttons Bay, a general law village, whose address is 420 Front Street, P.O. Box 395, Suttons Bay, Michigan 49682 (hereinafter, "Employer") and Rob Larrea, whose address is 326 Hamilton Street, Traverse City, MI 49686, (hereinafter, "Employee") an individual who has the education, training and experience in local government management, both of whom agree as follows:

Section 1: Term

The term of this Agreement shall be for a period of five years from the effective date first above written.

Section 2: Duties and Authority

Employer hereby employs Employee as the village manager for the Village of Suttons Bay under the terms and conditions of this Agreement. Employee shall be responsible to perform the functions and duties of the village manager as specified in the Village of Suttons Bay Village Manager Ordinance, Ordinance No. 4 of 2004, as amended from time to time and in the village manager job description, attached hereto and incorporated by reference as Exhibit A. Employee shall perform such additional duties assigned by Employer consistent with all legal requirements. Except as noted herein, during the term of this Agreement Employee shall not engage in any other commercial business activity, or accept any other employment, whether or not such commercial activity is pursued for gain, profit, or other pecuniary advantage. Notwithstanding the foregoing, the Employer understands that the Employee provides planning and land use consultation services to third parties. The Employee is allowed to continue his consulting work as long as it does not interfere with his priority of serving the Employer and does not create a conflict of interest.

Section 3: Compensation

- A. Employer will to pay Employee an annual base salary of \$73,000.00, payable in installments at the same time and in the same manner as that of other full-time employees of Employer.
- B. Employee shall qualify for an annual bonus based on the Employee's review and performance evaluation as Employer; in its sole discretion; deems appropriate.

Section 4: Health, Disability and Life Insurance and other Fringe Benefits

- A. Employee shall receive full family health insurance coverage as provided to other full-time Village employees; provided, however, that the Employee may forgo the Employer's health care insurance coverage in which case he shall be compensated in an amount equal to 10% of the cost to the Employer of the family health care insurance coverage then in effect or such greater amount as adopted by the Employer during the term of this Agreement. The payment shall be separated into 12 equal payments and paid monthly to the Employee.
- B. Employer shall provide for short-term and long-term worker's disability coverage and

life insurance coverage for Employee as provided to other full-time Village employees.

- C. Employee shall qualify to participate in the Village's deferred compensation plan on the same terms as other full-time Village employees; provided, however, that Employer shall contribute an amount equal to ten percent (10%) of Employee's base salary into the designated deferred compensation plan on Employee's behalf.
- D. Employee shall be entitled to the same paid holidays as other full-time Village employees (e.g., New Years Day, Good Friday, Memorial Day, 4th of July, Labor Day, Thanksgiving, Friday after Thanksgiving, and Christmas). In addition, if New Years Day and Christmas fall on a Saturday, then the preceding Friday afternoons shall also be considered paid holidays for Employee.

Section 5: Personal Leave

- A. Employee shall be entitled to twenty-eight (28) days paid personal leave each year. Employee shall be permitted to carry over up to a total of ten (10) days of personal leave to the next calendar year. No additional sick or vacation benefit shall be provided to Employee.
- B. Upon Employee's termination, resignation or death Employee or his estate shall be compensated for all accrued but unused personal leave at Employee's rate of compensation in effect at the time of termination, resignation or death. This subsection shall be interpreted consistent with Subsection 5.A above; provided, however, that the total maximum payout shall not exceed twenty-eight (28) days.

Section 6: General Business Expenses

- A. Employer will pay for professional dues and subscriptions on behalf of Employee deemed necessary by the Employer for continuation and full participation in national, regional, state and local associations, as well as organizations necessary and desirable for Employee's continued professional participation, growth, and advancement and for the good of Employer.
- B. Employer will pay for travel and associated expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official duties for Employer, all as deemed necessary by the Employer.

Section 7: Termination

Either Employer or Employee may terminate this Agreement with or without cause at any time as provided for strictly in accordance with this Section 7. Notwithstanding the foregoing, the employment relationship established in this Agreement shall terminate when any one of the following occurs:

- A. A majority of the Village Council then serving votes to terminate Employee without cause at a duly authorized public meeting and in accordance with the procedures set

forth in the Village of Suttons Bay Village Manager Ordinance, Ordinance No. 4 of 2004, as amended from time to time.

- B. If Employer, citizens or legislature act to amend any provision of state or local law pertaining to the role, powers, duties, authority, or responsibilities of Employee's position that substantially changes the form of the Village's government, then Employee shall have the right, upon thirty (30) days advanced written notice to Employer, to terminate his employment and this Agreement.
- C. Employee may resign his employment and terminate this Agreement for any reason not specified in this Section 7 upon thirty (30) days advanced written notice to Employer.
- D. This Agreement shall automatically terminate upon the death of Employee, in which case his estate shall be entitled to receive the compensation and benefits due Employee for a termination of this Agreement.
- E. A majority of the Village Council then serving may vote to terminate Employee, to take effect immediately, for cause at a duly authorized public meeting. "Cause" shall be defined to mean any of the following circumstances:
 - (1) Any material breach of this Agreement;
 - (2) Conviction of a misdemeanor resulting in a term of incarceration, a felony, or any crime involving moral turpitude or dishonesty;
 - (3) The willful, wanton, negligent or reckless commission of or participation in any act or omission which has a significantly adverse impact upon Employer;
 - (4) Two successive performance evaluations with a combined determination from the Village Council of "unsatisfactory." Employee shall have at least ninety (90) days after the first of any such evaluation to meet with the Village's Administration Committee to develop an action plan to address the concerns raised in the evaluation; or
 - (5) Other actions commonly recognized as "just cause" by employment relations arbitrators.

A termination for cause under this subsection shall immediately terminate Employer's obligation to pay Employee his base salary except for any amount then due and owing. However, Employee shall be entitled to payment for all accrued but unused personal leave to date at Employee's rate of compensation in effect at the time of termination as provided in Section 5.B.

Section 8: Severance

- A. Severance shall be paid to Employee when employment is terminated as specified in Section 7.A-B of this Agreement. If Employee resigns as specified in Section 7.C of this Agreement, dies as specified in Section 7.D of this Agreement, or is terminated for cause as specified in Section 7.E of this Agreement, then no severance shall be paid.
- B. Severance required be paid under this Agreement shall be paid at a rate equal to four (4) month's salary at Employee's rate of compensation in effect at the time of

termination. This severance shall be paid in a lump sum (after subtracting all legally required payroll taxes and similar amounts), unless otherwise agreed to in writing by Employer and Employee.

- C. Whether or not severance is required to be paid under this section, Employee shall be entitled to be compensated for accrued but unused personal leave as provided in Section 5.B.

Section 9: Disability

If Employee becomes unable to perform his duties due to sickness, accident, injury, mental incapacity, or health for a period of six (6) months, Employer may terminate this Agreement immediately. A termination under this section shall immediately terminate Employer's obligation to pay Employee his base salary except for any amount then due and owing. However, Employee shall be paid for all accrued but unused vacation time and personal leave to date at Employee's rate of compensation in effect at the time of termination as provided in Section 5.D.

Section 10: Performance Evaluation

Employer shall review the performance of Employee not less than annually during the terms of this Agreement, subject to a process, form, criteria, and format for the evaluation which shall be mutually agreed upon by 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 Employee within thirty (30) days of the evaluation meeting.

Section 11: Hours of Work

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

Section 12: Indemnification

Employer shall indemnify, defend and hold harmless Employee and his heirs and assigns from any and all damages, legal fees or expenses, or awards, demands, rights, causes of action of any kind or nature, losses, claims and actions which may, do, or shall arise out of or grow out of any known or unknown, accrued or unaccrued claims for any type of damage or loss whatsoever which may occur within the scope of his duties as Village Manager. Employer agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any litigation to which Employee is a party, witness or advisor to Employer. Such expense payments shall continue beyond Employee's service to 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. The Employer's obligation herein shall survive any termination of this Agreement for any reason.

Section 13: Bonding

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

Section 14: Insurance

At all times during the term of this Agreement the Employer shall obtain and maintain liability insurance coverage for Employee in an amount of not less than one million dollars per occurrence.

Section 15: Other Terms and Conditions of Employment

During the term of this Agreement Employer shall have the right to fix any such other terms and conditions of employment as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Village of Suttons Bay Village Manager Ordinance, Ordinance No. 4 of 2004, as amended from time to time or any local, state or federal law.

Section 16: Notices

Notice pursuant to this Agreement shall be given in writing and shall be delivered personally or by depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows:

EMPLOYER: Village of Suttons Bay, 420 Front Street, P.O. Box 395, Suttons Bay, Michigan 49682.

EMPLOYEE: Rob Larrea, 326 Hamilton Street, Traverse City, MI 49686.

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 17: General Provisions

- A. **Integration.** This Agreement sets forth and establishes the entire understanding between Employer and Employee relating to the employment of Employee by 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 term of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.
- B. **Binding Effect.** This Agreement shall be binding on Employer and Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.
- C. **No Assignment.** Employee may not assign any of his rights or delegate any of his duties under this Agreement.
- D. **Governing Law.** This Agreement shall be governed by and interpreted under the laws

of the State of Michigan.

- E. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect 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.
- F. This Agreement shall, after it becomes effective, supersede and replace any prior agreement concerning Employee's employment status with the Employer.
- G. To the extent not in conflict, Employee's terms and conditions of employment shall be governed by any Personnel Policies adopted, from time to time, by Employer.

Date: Oct 2, 2018

VILLAGE OF SUTTONS BAY

By: 

Its: PRESIDENT


By: Richard J Lewis

Its: INTERIM VILLAGE MANAGER

Date: Oct 2, 2018

ROB LARREA

By: 

		VILLAGE OF SUTTONS BAY REPORT VSB -2021-69	
Prepared:	December 28, 2021	Pages:	1 of 1
Meeting:	Committee Meeting Update	Attachments:	<input type="checkbox"/>
Subject:	Manager Update		

M-22 DOWNTOWN IMPROVEMENT PROJECT

We were recently informed that M-DOT will be moving forward with their M-22 resurfacing project in 2022. The project is planned to begin in May and will be the same type of project completed on Elm Street last August. The two-phase project will include the milling and paving of M-22, beginning in the vicinity of Broadway Road, through our downtown, and ending somewhere south of M-204. Pre-con meetings are currently being scheduled and I will keep the VC updated on information as it is received.

ICE RINK PARK INTERGOVERNMENTAL AGREEMENT

In January of 2013, an intergovernmental partnership was established among the Village and Township to support the townships ice rink, located within the Village. The agreement, outlined municipal expectations, water costs, renewal requirements and an obligation to adopt the agreement yearly. The agreement was never re-adopted and therefore the agreement is null and void.

In an effort to re-establish the partnership, an updated agreement has been drafted with three major changes to the agreement, including;

- 1) elimination of the obsolete language that involved the installation of water lines, etc.
- 2) an added explanation of how the rate is determined,
- 3) a change in the agreement length to a 3-year term.

The agreement is drafted in a manner that eliminates confusion, explains how fees are calculated, and adds specific language clarifying the villages 50% cost share.

MARINA OWNERSHIP INTERPRETATION

The Village has seen an increase in requests to “add a partner” to an existing slip lease owner. We have seen this strategy over the past couple boating seasons and taken the stance that it is not permitted. Why? This is a common tactic used to circumvent waiting lists and/or use it to include a boat slip as part of a boat sale.

Our marina is in demand and has an extensive waiting list. Being a daily, monthly or seasonal guest in our marina is a privilege, not an inherent right. Our interpretation is that you cannot add or change ownership as a current slip holder. All ownership is required to match that of the wait list, without modification. If an existing partnership is listed on the waiting list, then we will certainly consider that at the time the slip is assigned. We believe this interpretation supports the intent and common understanding of the ordinance. For example, if a slip holder chooses to keep their slip and ownership the same, but upgrades to a larger boat slip, they are subject to review by the Harbor Master and not guaranteed a new slip (Section 4.7). This interpretation falls within that same purview. You may keep your slip under the current ownership or risk losing your assigned slip when ownership changes. If a loss of

VILLAGE COUNCIL

slip occurs, the former slip holder would be permitted to submit their new ownership name on our wait list.

FEMA

We were recently contacted by FEMA regarding their new FIRM (Flood Insurance Rate Maps) which depict the proposed flood hazard area properties within the Village. In short, if you fall within the designated area, you will be required to obtain flood insurance. Notices have been published in both the Record Eagle and Leelanau Enterprise informing the public of the 90-day review period. Following the conclusion of the review period in March, the maps will automatically be considered adopted and in full affect. Those residents wanting to research their property can find additional information and links to the FEMA information on our website.

OPEN MEETING ACT-RETURN TO IN-PERSON MEETINGS-HYBRID MEETINGS

Please be advised that we reached out to the Village attorney to address proper procedures for a hybrid method for Village council/commission meetings. (Allowing In Person and Remote Access) The following is the email response from our attorney:

Rob,

This email confirms our earlier conversation regarding the proper procedures for a hybrid public meeting under the Open Meetings Act after the COVID-related provisions sunset at the end of 2021.

As we discussed, beginning January 1, 2022, the "old" rules regarding physical attendance by members of public bodies will again apply. In order for a member of a public body to be counted as present and able to participate, that member must be in attendance at the physical location the meeting is being held. The only exception to this rule is absence due to military service (see MCL 15.263a(1)(c)).

To be clear, offering a remote attendance option for members of the public is still permissible and is prudent in light of ongoing COVID issues. A member of a public body could not be excluded from participating remotely as a member of the public and is allowed to give public comment during the public comment portion of the meeting, but cannot participate in any other way (vote, deliberate, etc.).

I hope this addresses all of your questions. Please let me know if I can clarify at all.

Happy New Year,

Rebecca Millican

Principal

Olson, Bzdok & Howard, P.C.