

## AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission  
From: Ken Hibl, City Manager  
Date: August 11, 2016  
Re: Amendment to City Manager Contract

For the Agenda of August 15, 2016

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**Background.** My current contract with the City (*copy att'd with amendments*) expires on March 16, 2017. I ask that the City Commission consider amending the contract with a new expiration date of June 30, 2018 and authorizing an additional forty (40) hours of PTO annually (*see copy of att'd amendment*). All other terms of the current contract would remain in effect unless otherwise directed by the Commission.

**Issues & Questions.** Should the City Commission amend the city manager contract as requested?

**Alternatives.**

1. Amend the contract as requested.
2. Amend terms of the contract other than requested.
3. Do not amend the current contract.
4. Set the decision aside to a subsequently scheduled public meeting.

**Financial Impact.** There is no fiscal impact to the City with the proposed contract amendment.

**Recommendation.** If the City Commission is inclined to favorably consider this request, I ask that you do so by adoption of Resolution 2016-093 (*copy att'd*).

**Attachments.**

1. Current Contract w/Amendments.
2. Proposed Contract Amendment.
3. Resolution 2016-093.

**AMENDMENT TO CITY MANAGER  
EMPLOYMENT AGREEMENT**

**WHEREAS**, the City of Clare and Ken A. Hibl have executed an employment agreement, said agreement to terminate on March 16, 2017.

**WHEREAS**, the City of Clare and Ken A. Hibl have mutually agreed to amend said employment agreement.

**NOW THEREFORE IT IS AGREED THAT** the employment agreement presently in effect between the City of Clare and Ken A. Hibl, to include all amendments, shall again be amended to reflect a change in the termination date from March 16, 2017 to June 30, 2018 and authorize an additional forty (40) hours of PTO annually. All other terms and conditions of the existing agreement with all amendments shall remain in effect.

**Witnesses:**

\_\_\_\_\_

\_\_\_\_\_

**City of Clare:**

\_\_\_\_\_

**Pat Humphrey  
Mayor**

\_\_\_\_\_

**Diane Lyon  
City Clerk**

**Employee:**

\_\_\_\_\_

\_\_\_\_\_

**Ken Hibl  
City Manager**

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016 in Clare County, Michigan

**RESOLUTION 2014-022**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AN AMENDMENT TO THE CLARE CITY MANAGER EMPLOYMENT CONTRACT.**

**WHEREAS,** the City of Clare has an employment contract in effect with Ken Hibl, its present city manager; and

**WHEREAS,** said contractual agreement shall expire on March 16, 2014; and

**WHEREAS,** Ken Hibl has asked the City Commission to consider amending said employment contract by extending the contract expiration date to March 16, 2017 and allowing 80 additional hours of personal time off (PTO) annually.

**WHEREAS,** the City Commission has discussed and considered said request.

**NOW THEREFORE BE IT RESOLVED THAT** the City Commission of the City of Clare hereby approves an amendment to the employment contract of Ken Hibl, the Clare City Manager, said amendment extending the expiration date of said employment contract to March 16, 2017 and allowing 80 additional hours of personal time off (PTO) annually.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

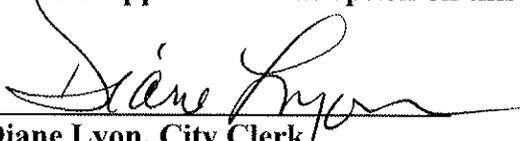
**The Resolution was introduced by Commissioner Swanson supported by Commissioner Bonham. The Resolution declared adopted by the following roll call vote:**

**YEAS: Bob Bonham, Jean McConnell, and Karla Swanson.**

**NAYS: None.**

**ABSENT: Pat Humphrey and Carolyn (Gus) Murphy.**

**Resolution approved for adoption on this 17th day of February 2014.**

  
Diane Lyon, City Clerk

**AMENDMENT TO CITY MANAGER EMPLOYMENT  
AGREEMENT**

**WHEREAS**, the City of Clare (City) Ken A. Hibl have executed an employment agreement, which terminates in March 2014; and

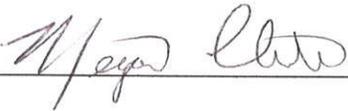
**WHEREAS**, the City of Clare and Ken Hibl have mutually agreed to amend said employment agreement.

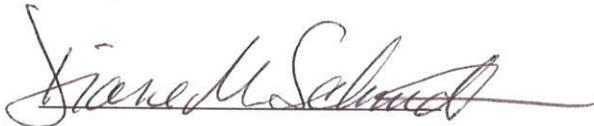
**NOW THEREFORE IT IS AGREED THAT** the employment agreement presently in effect between the City of Clare and Ken A. Hibl shall be amended to reflect a change to **Section 7 - Salary** as outlined herein. All other terms and conditions of the existing contractual agreement shall not change and shall remain in effect throughout the period of the contractual agreement.

**Section 7 - Salary.**

- A. A three and a half per cent (3.5%) salary increase shall be applied effective July 1, 2007 and remain in effect through June 30, 2008.
- B. All subsequent salary increases and other benefit increases during the stipulated Agreement period shall be separately negotiated with and approved by the City Commission.

**Witnesses:**

  
\_\_\_\_\_

  
\_\_\_\_\_

**City of Clare**

By:   
\_\_\_\_\_

**Pat Humphrey  
Its Mayor**

By:   
\_\_\_\_\_

**Kay Haven  
Its Clerk**

  
\_\_\_\_\_

**Contractor**  
By:   
\_\_\_\_\_

**Ken A. Hibl**

Signed this 10<sup>th</sup> day of July, 2007 in Clare County, Michigan.

**RESOLUTION 2008-057**

**A RESOLUTION OF THE CLARE CITY COMMISSION AMENDING AN EXISTING EMPLOYMENT CONTRACT WITH KEN A. HIBL.**

**WHEREAS**, the City of Clare and Ken A. Hibl have executed an employment agreement, which expires in March 2014.

**WHEREAS**, a stipulation of said agreement mandates that the salary and compensation shall be negotiated annually throughout the term of the contractual agreement; and

**WHEREAS**, the City has proposed to Ken A. Hibl to amend the terms of said agreement to increase the salary paid to said individual by an amount equal to a 3.5% increase over the current salary paid.; and

**WHEREAS**, Ken A. Hibl has agreed to the terms of said proposed amendment.

**NOW THEREFORE BE IT RESOLVED THAT** the City Commission hereby approves an increase to the salary paid to Ken Hibl, its' City Manager, by an amount equal to three and a half per cent (3.5%) above the amount currently paid, said salary increase to become effective on the 1<sup>st</sup> day of July 2008 and terminating on the 30<sup>th</sup> day of June 2009.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

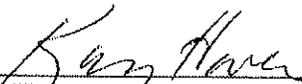
The Resolution was introduced by Commissioner Bill Horwood and supported by Commissioner Jean McConnell. The Resolution declared adopted by the following roll call vote:

**YEAS:** Jennifer Dancer, Bill Horwood, Tom Koch, Jean McConnell and Pat Humphrey

**NAYS:** None

**ABSENT:** None

Resolution approved for adoption on this 7<sup>th</sup> day of July 2008.

  
\_\_\_\_\_  
Kay Haven, City Clerk

**CONTRACTUAL AGREEMENT  
BETWEEN  
THE CITY OF CLARE  
AND  
KEN A. HIBL**

**This Agreement is made and entered into this 20<sup>th</sup> day of February 2006, by and between the CITY OF CLARE, a municipal corporation, herein and after called "Employer," and KEN A. HIBL, 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 Ken A. Hibl as the City Manager 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 City Manager 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, which stipulates that the City Manager is appointed by and serves at the pleasure of the City Commission. He may be discharged with or without cause.**

**Section 2 - Duties.**

**The Employer agrees to employ Ken A. Hibl as the City Manager of the City of Clare to perform the functions and duties specified in the City Charter and the City Codes of the City of Clare and to perform other legally permissible and proper duties and functions as the City Commission shall, from time to time, assign.**

**Section 3 - Termination.**

**This Contractual Agreement shall cover an eight-year and two-month period commencing February 20, 2006 and terminating on March 16, 2014. The employment and compensation outlined herein 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, no 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 to the 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 prior to March 16, 2014 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 during any two consecutive-year period, the Employer shall compensate the Employee three-quarters (equivalent to nine months) of his annual salary at the time of termination, continue existing Life Insurance and Medical Insurance coverage for a 180-day period at City expense, and compensate the Employee for all accrued vacation, all accrued sick time, and all accrued personal time.

**Section 6 – Disability.**

If the Employee is permanently disabled or is otherwise unable to perform his duties due to non-work related sickness, accident, injury, or mental incapacity for a period of eight (8) weeks beyond any accrued sick leave, the Employer shall have the option to terminate this Agreement, subject to the severance pay requirements of Section 5.

**Section 7 - Salary.**

The Employee's base salary for the stipulated contract period shall be \$59,117 annually paid in equal installments on a bi-weekly basis. The base salary shall be increased as outlined below:

- A. A three percent salary increase shall be applied effective July 1, 2006 and remain in effect through June 30, 2007. The resultant increase shall become the new base salary upon which future salary increases shall be applied.
- B. All subsequent salary increases and other benefit increases during the stipulated Agreement period shall be separately negotiated with and approved by the City Commission.

**Section 8 - Performance Evaluation.**

- A. The City Commission shall review and evaluate the performance of the Employee at least once annually. The review and evaluation shall be in accordance with 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 City Commission or may be requested once semi-annually by the Employee. The Mayor shall provide the Employee with a signed summary written statement of the findings of the City Commission's evaluation and provide an adequate opportunity for the Employee to discuss his evaluation with the City Commission. The Employee shall have the right

to request that any proceedings under this provision be in closed session under the provisions of the Open Meetings Act. Annual evaluations shall be retained in the personnel files of the Employer.

- B. Every year in conjunction with the approval of the City's operating budget, the City Commission and the Employee shall define such goals and performance objectives determined necessary for the proper operation of the City. The City Commission shall establish a relative priority among the stated performance objectives and goals. Said goals and objectives shall be reduced to writing. The established objectives and goals shall be generally attainable within prescribed time periods, annual operating and capital budgets, appropriations, and resources provided.
- C. 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 he deems appropriate during normal office hours.

#### **Section 10 - Automobile.**

The Employer shall provide an automobile to be utilized in the course of day-to-day business of the City. If the Employee utilizes his personal automobile, reimbursement for mileage shall be paid by the Employer at the rate permitted by the Internal Revenue Service.

#### **Section 11 - Vacation, Sick Leave, Court Duty, Personal Time, Funeral Leave, and Holidays.**

- A. **Vacation.** The Employee shall be credited with 24 days of vacation time annually. Annual vacation shall not be carried over; it shall be used, purchased by the Employer in accordance with the terms of the contractual agreement, or lost at the end of the City's annual fiscal year. The Employer may compensate the Employee for up to ten days of unused vacation time by purchasing said vacation time from the Employee at the end of the City's fiscal year (June 30<sup>th</sup>) upon request of the Employee.
- B. **Sick Leave.** The Employee shall be credited with ten days of sick leave annually. Sick leave shall not be carried over; it shall be used, purchased by the Employer in accordance with the terms of the contractual agreement, or lost at the end of the City's annual fiscal year. The Employer may compensate the Employee for up to ten days of unused sick time by purchasing said sick time from the Employee at the end of the City's fiscal year (June 30<sup>th</sup>) upon request of the Employee.
- C. **Court Duty.** The Employee shall be granted the ability to appear in Court to serve required jury duty or appear in court on behalf of the City. This duty shall be with established pay and benefits normally accorded the Employee.

- D. Funeral Leave.** The Employee shall be granted three (3) days of Funeral Leave to attend a funeral of a member of his immediate family. One (1) day of Funeral Leave shall be granted for attending a funeral of a close relative. 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 other City employees.

**Section 12 - Disability, Health, & Life Insurance.**

- A.** The Employer agrees to provide hospital, surgical, and comprehensive medical insurance coverage for the Employee and his eligible dependents in an amount equal to that which is provided other City employees. The Employer shall pay for the premiums of said coverage.
- B.** The Employer shall provide dental coverage to the Employee and his eligible dependents in a manner and policy consistent with that afforded regular, full-time employees of the City.
- C.** The Employer shall provide a term life policy paid by the City with the principal sum consistent with that afforded regular, full-time employees of the City.

**Section 13 - Retirement.**

The Employee shall be entitled to contribute to a retirement program of his choosing. The Employer shall make a monthly contribution in an amount equal to 10% of the Employee's gross wages on behalf of the Employee to a pension fund designated by the Employee; this percentage shall increase to 12% of the Employees gross wages effective on the 1<sup>st</sup> day of July 2006.

**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.**

- A.** The Employer agrees to pay for the professional development expenses of the Employee in an amount approved and appropriated 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.
- B.** The Employee agrees that he will not accept any outside long-term (more than one week in duration) employment without the express permission of the City Commission.

**Section 12 - 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 13 - 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 be come effective commencing January 16, 2006 and shall terminate on March 16, 2014.
- 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 20<sup>th</sup> day of February 2006.

The Agreement is entered into

BY: Pat Humphrey  
Pat Humphrey, Mayor

AND

BY: Ken A. Hibel  
Ken A. Hibel, City Manager

DATE: 3/6/06

DATE: 03/03/06

**RESOLUTION 2016-093**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AN AMENDMENT TO THE CLARE CITY MANAGER CONTRACT.**

**WHEREAS**, the City of Clare and its City Manager enjoy a contractual agreement outlining the terms, conditions, and stipulations of employment of the Clare City Manager; and

**WHEREAS**, said contract and its amendments shall expire on March 17, 2017; and

**WHEREAS**, the Clare City Manager has requested to extend said contractual agreement until June 30, 2018 and authorize an additional forty (40) hours of PTO annually; and

**WHEREAS**, the City Commission has duly considered and discussed the request of its City Manager and determined it to be reasonable and acceptable.

**NOW THEREFORE BE IT RESOLVED THAT**, the Clare City Commission hereby approves an amendment to the Clare City Manager's employment contractual agreement by extending the termination date of said agreement until June 30, 2018 and authorizing an additional forty (40) days of PTO annually.

**WHEREAS**, all other terms and conditions of said employment agreement and all amendments to said agreement shall remain in effect and remain unchanged unless specifically changed by approval of the Clare City Commission.

**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 15<sup>th</sup> day of August 2016.

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Diane Lyon, Clare City Clerk