

**SPECIAL MEETING**

**Monday, May 2, 2022**

**10:00 a.m.**

**CLARE COUNTY BOARD OF COMMISSIONERS**

**MISSION STATEMENT:**

**The mission of Clare County government is to provide quality services among competing demands for limited resources in the most effective and efficient manner possible to the citizens and patrons of Clare County government.**

- 1. Call to Order  
Pledge of Allegiance**
2. Roll Call
3. Approval of Agenda
4. County Administrator Appointment and Approval of Contract
5. PUBLIC COMMENT
- 6. ADJOURNMENT**



## EMPLOYMENT AGREEMENT

**THIS EMPLOYMENT AGREEMENT** is entered into this 2nd day of May, 2022, by and between the **CLARE COUNTY BOARD OF COMMISSIONERS** (Board or Employer), and **Lori Phelps** (Employee).

### WITNESSETH:

**WHEREAS**, the Board requires the services of a qualified person to serve as the Clare County Administrator; and

**WHEREAS**, the Employee desires to provide such services and is qualified to perform the same.

**NOW, THEREFORE**, for and in consideration of the mutual covenants hereinafter contained, **IT IS HEREBY AGREED** between the parties as follows:

**1. Employment.** The Employee shall be employed as the Clare County Administrator, upon the terms and conditions hereinafter set forth. It is expressly understood and agreed by the Board and the Employee that the Employee shall be an at will employee of the Board. Either the Employee or the Board may terminate this Agreement with or without cause at any time.

**2. Duties.** The Employee shall perform all duties as required and directed by the Board including, but not limited to, those stated in the attached Administrator Job Description. The Employee agrees that at all times she will, faithfully and to the best of her ability, experience and talents, perform all the duties that may be required of her. The Employee shall report to the Board and/or such other representative as may be designated by the Board.

**3. Term.**

A. Unless terminated earlier as provided in paragraph B of this Section 3, the term of this Agreement shall be for a period of three (3) years commencing on June 6, 2022, to and including September 30, 2025. This contract can be extended each year by a year added to the end of the contract unless either party serves written notice on the other of non-renewal or intent to renegotiate the terms of this Agreement. Notice shall be given at least thirty (30) days before the expiration of the term.

B. Termination.

- 1) The Employee understands that she serves at the pleasure of the Employer and may be removed with or without cause at any time by a majority vote of the Employer.

Upon termination of employment of the Employee as County Administrator for any reason whatsoever, her compensation and benefits shall cease as of

the effective date of termination; except she shall receive a severance payment equal to the established salary for the remainder of her contract, payable following the same bi-weekly pay cycle used for county employees until the full severance payment is made. In addition health insurance benefits continue for six (6) month's.

The Employer shall have no obligation to pay any severance pay or health benefits continuation if the Employee is terminated for "just cause" as defined below. The following shall be considered "just cause" and shall be grounds for the immediate termination of this agreement by the Board of Commissioners:

1. conviction of or pleading guilty or nolle contendere to a felony or work-related misdemeanor;
2. embezzlement;
3. dishonesty;
4. theft;
5. misappropriation of funds;
6. incompetency or neglect of duty;
7. reporting to work or working in an intoxicated condition;
8. illegal activity on County premises during work or non-work hours;
9. insubordination;
10. violation of any part of this Agreement.

The parties agree that the above is not intended to be an exhaustive definition of just cause and recognize that other acts or omissions may also be considered just cause for termination of employment.

- 2) The Employee agrees to give the Employer at least thirty (30) days written notice of her intention to resign unless the parties agree otherwise.

C. Arbitration and Governing Law.

- 1) Any and all disputes under this Agreement shall be submitted to binding arbitration pursuant to labor arbitration rules of the American Arbitration Association. Michigan courts may enter judgment upon and enforce any award entered by the arbitrator within his/her authority.
- 2) Michigan law shall govern this Agreement and the sole and exclusive remedy under this Agreement shall be monetary damages for any alleged breach. No equitable relief of any kind, including reinstatement, may be granted for any violation of this Agreement, except as necessary to pay a monetary award granted pursuant to binding arbitration.

- 3) The scope of the arbitrator's authority is limited exclusively to the issue of whether a breach of contract occurred and, if so, the measure of monetary damages, which shall not be greater than the value of the salary and benefits for six (6) months, or the balance of the contract term, remaining at the time of the alleged breach, whichever is less. The arbitrator has no authority to reinstate in the event of a termination of employment.
- 4) The fees and expenses of the arbitrator shall be borne equally by the Employee and the Employer pursuant to the rules of the American Arbitration Association, unless assessed differently by the arbitrator.
- 5) Return of Property. Upon termination of employment, the Employee shall return all documents, correspondence, files, papers or property of any kind, of all type or nature pertaining to the Board, which the Employee may possess or control, and shall sign a statement verifying return of such property. An authorized representative of the Board shall sign a statement acknowledging receipt of any Clare County property upon return of such property by the Employee.

**6. Compensation.**

- A. Effective upon the execution of this Agreement, the Board shall pay, and the Employee shall receive, a salary of Eighty-Five Thousand and no/100 Dollars (\$85,000.00) per annum, payable in equal installments at the same time as other County employees are paid, for service rendered pursuant to this Agreement. It is agreed between the parties that the Employee is exempt from the overtime provisions of the Federal Fair Labor Standards Act and that the Employee shall not be entitled to and shall not receive overtime compensation. In the event of termination of employment, the Employee's salary shall be pro-rated to the effective date of termination.
- B. In addition, the Employer agrees to increase said base salary and any other benefits of the Employee in such amounts and to such extent as the Commission may determine that it is desirable to do so, and agree that such compensation shall not be less than what is afforded to other non-union County employees.
- C. Hours of Work. It is recognized that the Employee must devote a great deal of time outside the normal office hours to business of the Employer, and to that end, the Employee will be allowed, within reason, to take time off as she shall deem appropriate during said normal office hours.

**7. Fringe Benefits.**

The Employee shall receive health insurance, dental insurance, life insurance, sick leave, vacation, retirement and other benefits, equivalent to these benefits afforded

other non-union managerial employees covered under the Board's personnel manual with the exception that the Employee's benefits shall continue as accrued in her previous position with the county.

**8. Professional Development.**

- A. The employee may attend, with prior Board approval, professional meetings at the local, state and national level, the reasonable expenses of such attendance to be paid by the Board, as long as it is in the County budget and for the good of the County.
- B. Employee may attend the annual conferences or meetings of the International City/County Management Association, the National Association of Counties, and the Michigan Association of Counties, and such other official meetings and conferences approved by the Employer, subject to budget limitations. All actual and reasonable travel and living expenses necessary to permit the Employee to attend such conferences or meetings shall be paid by the Employer.
- C. Membership and Dues. The Employer agrees to pay the membership dues and fees to permit the Employee to be a member of the International City/County Management Association, the Michigan Association of County Administrative Officers, the Michigan Local Government Management Association, a service club or organization, and such other organizations as approved by the Employer, subject to budget limitations.

**9. Business Expenses.**

- A. Actual and necessary expenses incurred by Employee in the discharge of official duties or in the performance of functions authorized by the Employer shall be reimbursed upon submission of receipts and reports of expenditures in accordance with appropriate County policy.
- B. Bonding. The Employer shall bear the full cost of any fidelity or other bonds required of the Employee under law.

**10. Liability Insurance.**

The Board shall provide liability insurance to cover the good faith actions of the Employee arising out of the performance of her duties. This shall include legal representation.

**11. Non-Discrimination.**

The Employee, as required by law, shall not discriminate against any person seeking services from the County or against any employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or matters

directly or indirectly related to employment because of physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position, or because of race, color, height, weight, marital status, religion, national origin, age, or sex. Breach of this covenant may be regarded as a material breach of this Agreement.

**12. Employees Best Efforts.**

The Employee agrees that all services required by this Agreement will be performed faithfully and to the best of the Employee's ability, experience, and talents. The Employee shall report to the Board and such other representatives as may be designated by the Board.

**13. Performance Evaluation.**

The Employer shall review and evaluate the performance of the Employee, in writing, on or before April 1 of each year of the term. The review and evaluation shall be in accordance with specific criteria developed jointly by the Employer and Employee. Criteria may be added or deleted as the Employer may, from time to time, determine in consultation with the Employee. The Employee shall have an opportunity to discuss her evaluation with the Employer. Annually, the Employer and the Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the County and in the attainment of the Employer's policy objectives, said goals and objectives to be reduced in writing.

**14. Outside Employment.**

A. The Employee shall not engage in any employment or business outside of this Agreement, except when approved in advance by the Board and under the following circumstances:

1. The Employee, while engaging in outside or supplemental employment shall:
  - a) Not use the County's facilities as a source of referral for private customers or clients.
  - b) Not be engaged in outside employment during the Employee's regular working hours.
  - c) Not use the name of the County or its members as a credential in advertising or soliciting customers or clients.
  - d) Not use the County's supplies, facilities, staff, or equipment in conjunction with any outside or supplemental employment or private practice.

- e) Maintain a clear separation of outside or supplemental employment from activities performed for the County.
  - f) Not cause any conflict of interest, or any possible appearance of conflict of interest, or any impairment of the independent and impartial performance of the Employee's duties.
- B. The Board and County shall not be liable, either directly or indirectly, for any activities performed during outside or supplemental employment.

**15. Compliance with the Law.**

The Employee shall perform all duties and obligations hereunder in complete compliance with all applicable federal, state and local laws, ordinances, rules and regulations.

**16. Residence.**

The Employee agrees to maintain her residence within Clare County, or to reside a distance of 20 miles or less from Clare County, during the contact term, including any renewals or extensions.

**17. Complete Agreement.**

This Agreement constitutes the complete agreement concerning the employment arrangement between the parties and shall, as of the effective date hereof, supersede any and all prior contracts, oral or written, between the parties, if any. It is understood and agreed that this Agreement shall supersede and take precedence over any other document, handbook, benefit plan or material which could otherwise be construed as being contractual in nature, whether in existence prior to, currently or subsequent to the execution of this Agreement, unless such other document, handbook, plan or material is made expressly applicable to the Employee by this Agreement or by formal action of the Board. It is further understood that no Board personnel has authority to enter into any employment contract with the Employee for any specified period of time, or to make any agreement contrary to the provisions herein, except when the same is approved by a formal action of the Board.

**18. Waivers.**

No failure or delay on the part of either of the parties to this Agreement in exercising any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise of any right, power or privilege preclude any other or further exercise of any other right, power or privilege.



**19. Assignment or Subcontracting.**

The Employee may not assign, subcontract, or otherwise transfer any duties and/or obligations under this Agreement.

**20. Modification of Agreement.**

Modifications, amendments, or waivers of any provisions of this Agreement may be made only by the written mutual consent of the parties hereto.

**21. Disregarding Titles.**

The titles of the sections set forth in this Agreement are inserted for the convenience of reference only and shall be disregarded when construing or interpreting any of the provisions of this Agreement.

**22. Invalid Provisions.**

If any provision of this Agreement is held to be invalid, the remainder of the agreement shall not be affected thereby, except where the invalidity of the provision would result in the illegality and/or unenforceability of this Agreement.

**23. Certification.**

The persons signing this Agreement on behalf of the parties hereto certify by their signatures that they are duly authorized to sign this Agreement on behalf of said parties and that this Agreement has been authorized by said parties.

**IN WITNESS WHEREOF**, the authorized representatives of the parties hereto have fully executed this Agreement on the day and year first above written.

**WITNESSED BY:** **CLARE COUNTY BOARD OF COMMISSIONERS**

\_\_\_\_\_  
Date Jeff Haskell, Board Chairperson

**WITNESSED BY:** **EMPLOYEE**

\_\_\_\_\_  
Date Lori Phelps, Administrator

