

**City of Grosse Pointe Woods**

**CITY ADMINISTRATOR**

**EMPLOYMENT AGREEMENT**

THIS AGREEMENT is entered into by and between the CITY OF GROSSE POINTE WOODS, State of Michigan, a municipal corporation, hereinafter called the "City," and FRANK SCHULTE hereinafter called "SCHULTE" both of whom agree as follows:

**WITNESSETH:**

**WHEREAS**, the City will employ the services of SCHULTE as City Administrator of the City of Grosse Pointe Woods as provided by the City Charter, Code and state law; and,

**WHEREAS**, it is the desire of the City to provide certain benefits, establish certain conditions of employment and to set working conditions of said employment; and,

**WHEREAS**, SCHULTE agrees to the terms and conditions of this Employment Agreement as City Administrator.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties agree as follows:

**Section 1 – DUTIES:**

City agrees to employ SCHULTE as City Administrator to perform the functions and duties which are expressed and implied in the Charter and/or Code of the City of Grosse Pointe Woods and all those other functions and duties which are implicit by virtue of the nature of his office. SCHULTE shall also perform such other legally permissible and proper duties and functions as the City Council, the City Code, and the City Charter shall, from time to time, assign. SCHULTE shall maintain any required licenses and/or levels of certification necessary for the performance of such duties as a condition of continued employment with the City.

**Section 2 – SALARY:**

The City agrees to pay SCHULTE at the rate of an annual base salary of One Hundred Ten Thousand and no/100 (\$110,000.00) Dollars, effective January 1, 2022 payable in installments at the same time as other employees of the City are paid. Upon finding satisfactory performance in the future, the City Council may make appropriate adjustments.

Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City to adjust salary in response to annual budget considerations.

**Section 3 – TERM:**

- A. This agreement shall be effective from January 1, 2022 through December 31, 2022 unless terminated earlier by either party. SCHULTE will be employed on an at-will status as City Administrator to perform the functions and duties of the position as required by the City Code and Charter. He shall also perform such duties and functions as the City Council may, from time to time, prescribe. He shall serve at the pleasure of the City Council and be subject to removal by the City Council at any time with or without cause.

Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City to terminate the services of SCHULTE with or without cause, with or without notice, at any time.

- B. SCHULTE shall be employed on an at-will basis as City Administrator to perform the functions and duties of the position as required by the Code and Charter.
- C. There shall be no expectation of renewal or extension of this agreement unless mutually agreed upon in writing by both parties.
- D. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of SCHULTE to resign at any time from his position with the City. However, SCHULTE shall be required to provide thirty (30) days written notice to the City prior to his resigning.
- E. SCHULTE agrees to remain the exclusive employee of the City and neither to accept other employment nor to become employed by any other employer thereafter as long as he remains in the employ of the City.

**Section 4 – TERMINATION AND SEVERANCE PAY:**

In the event that SCHULTE is terminated without cause, SCHULTE shall receive severance pay equaling 60 days (2 months of regular pay) of his annual salary. Directly prior to his receipt of severance pay, SCHULTE shall sign a Settlement and Release Agreement waiving any and all rights under this Agreement, and he shall agree not to file any lawsuit or engage in any litigation against the City, its agents, assigns, Council Members, (either in their representative capacity or in their individual capacities).

**Section 5 – FRINGE BENEFITS:**

The City reserves the right to reduce or modify any fringe benefit should it determine same to be necessary, desirable or appropriate. SCHULTE qualifies for the following fringe benefits:

- 1. Contribution to Deferred Compensation Plan: ICMA-RC457 or an equivalent plan in an amount equal to eight (8%) percent of SCHULTE's salary during the term of this Agreement.

SCHULTE agrees to execute any waiver and release from liability in favor of City for payments made to any deferred compensation plan as is required from all employees participating in such programs.

In addition, SCHULTE and the City agree that there shall be no pension or retirement benefits provided herein. SCHULTE acknowledges that he irrevocably opted out of membership in the Retirement System on July 11, 2016 pursuant to Section 2-294 of the City Code, that such election was approved by the Council and filed with the Retirement System, and that SCHULTE is not eligible to re-enroll at a future date.

2. SCHULTE shall be entitled to twenty-five (25) vacation days as provided in the Employee Handbook.
3. Delta dental or equivalent coverage and current optical coverage. That coverage currently in effect for salaried employees.
4. Medical and prescription drug coverage. In lieu of the medical and prescription drug coverage provided by the City and currently in effect for salaried employees, SCHULTE will elect the opt out coverage – currently \$3,000.00 per year.
5. Holiday Leave. Per Employee Handbook.
6. Vacation Leave. As negotiated above.
7. Sick Leave. Per Employee Handbook.
8. Disability Leave. Per Employee Handbook.
9. Funeral Leave. Per Employee Handbook.
10. Leaves of Absence. Per Employee Handbook.
11. Jury Duty Leave. Per Employee Handbook.
12. Furlough Days. SCHULTE shall be obligated to observe the current furlough (unpaid) days currently in effect for salary employees.

**Section 6 – DUES AND SUBSCRIPTIONS:**

The City agrees to endeavor (but is not obligated) to annually budget and, upon prior approval of the City Council, pay for the professional dues and subscriptions of SCHULTE which are necessary for the continuation and full participation in national, regional, state, and local associations and organizations which are immediately related to continued professional participation, growth and advancement, and for the general good of the City.

**Section 7 – PROFESSIONAL DEVELOPMENT:**

- A. City agrees to endeavor (but is not obligated) to annually budget and, upon prior approval of the City Council, pay for travel and subsistence expenses of SCHULTE for professional and official travel, meetings and occasions which are necessary to continue the professional development of SCHULTE and to adequately pursue necessary official and other functions for the City.
- B. City agrees to endeavor (but is not obligated) to annually budget and, upon prior approval of the City Council, pay for the travel and subsistence expenses of SCHULTE for short courses, institutes and seminars that may be required by law in connection with duties performed for the City.
- C. Any professional development requiring airfare or overnight accommodations requires prior Council approval.
- D. City reserves the right to receive reimbursement for any professional development related expenditures from SCHULTE in the event that SCHULTE ceases employment with the City within 12 months from the City's payment of said expenditure.

**Section 8 – OTHER TERMS AND CONDITIONS OF EMPLOYMENT:**

- A. SCHULTE's scheduling of time at work at municipal facilities, meetings and events is expected to be without maximum limitation and shall meet the needs of the City, its businesses and inhabitants.
- B. The minimum workweek shall be 40 hours and there shall be no added compensation for hours worked longer than 40 hours per week.
- C. The City shall be SCHULTE's sole and exclusive employer except as provided herein and except as may be approved by the City Council.
- D. During the term of this contract, the City may establish evaluation criteria, procedures and timetables. This evaluation program is subject to approval by City Council.
- E. There shall be no City car furnished nor any car allowance.

**Section 9 – GENERAL PROVISIONS:**

- A. This is the entire Agreement between the parties. This Agreement supersedes any and all other Agreements or contracts, either oral or written between the parties.

B. Notices pursuant to this Agreement shall be in writing and shall be deemed given if delivered by personal delivery or if deposited in the custody of the United States Postal Service, postage prepaid addressed as follows:

- |                                                                                                    |                                                                     |
|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| (1) City Clerk<br>City of Grosse Pointe Woods<br>20025 Mack Plaza<br>Grosse Pointe Woods, MI 48236 | (2) Frank Schulte<br>266 Ridgemont<br>Grosse Pointe Farms, MI 48236 |
|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|

C. The parties acknowledge that both the City and SCHULTE have drafted this Agreement and have had the opportunity to have the Agreement reviewed by counsel.

D. If any provisions, or any portion thereof, contained in this Agreement are held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall not be affected and shall remain in full effect.

**IN WITNESS WHEREOF**, the parties have signed this Agreement below.

CITY OF GROSSE POINTE WOODS

\_\_\_\_\_  
By: FRANK SCHULTE

Dated: \_\_\_\_\_, 2021

\_\_\_\_\_  
By: ARTHUR W. BRYANT

Its: Mayor

Dated: \_\_\_\_\_, 2021

Approved for Signature:

  
\_\_\_\_\_

By: Lisa A. Anderson, City Attorney

Dated: November 4, 2021