City of Hartford * County of Van Buren * State of Michigan

TO: Mayor Hartford City Commissioners

FROM: Nicol Pulluiam, City Manager

DATE: November 24, 2025

RE: **SICK AND VACATION PAYOUT FOR PAMELA SHULTZ**

ITEM BEFORE THE COMMISSION:
The item before the Commission is to discuss whether Pamela Shultz should be paid out of vacation at 100% and sick time at 60%.

DISCUSSION:
The City Commission approved the amended employee handbook in November 2023. According to the handbook, "employees who are terminated or who quit without the prescribed notice are not eligible for sick time payout for any reason."

This issue was previously brought before the Commission concerning the termination of another employee and the payment of 60% for their sick time. However, the city manager has not updated the employee handbook since then.

The city treasurer was terminated on October 28, 2025. Mayor Danger approached me about paying Ms. Shultz for her outstanding sick and vacation hours. Although I did not intend to present this matter to the Commission, as it is clearly addressed in the employee handbook, the Mayor requested that it be discussed. The employee has a balance of 184.75 sick hours and 240 vacation hours, totaling sick time payouts of $3,466.28 and vacation payouts of $7,504.80. The city manager did not budget for a combined $10,971.08 payout for sick and vacation time, and the city cannot afford this expense.

The city manager plans to update the employee handbook next year; in the meantime, the Commission has adopted the current handbook. I consulted with the city attorney regarding whether other municipalities have similar policies regarding sick and vacation leave for terminated employees. It's not uncommon for terminated employees not to receive payouts for sick and vacation leave. Additionally, the city has contracted with L&A to handle the treasurer's duties.

I recommend that the city pay out 50% of the sick and vacation time, totaling $5,486.