



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

TO: Mayor Hall and the Hartford Commission

FROM: Nicol Brown, City Manager ~~1/6~~

DATE: November 25, 2024

RE: **APPROVAL OF CDL TRAINING LOAN AGREEMENT**

ITEM BEFORE THE COMMISSION:

The item before the Commission is the approval of a commercial driver's license (CDL) training loan agreement.

DISCUSSION:

Most municipalities ask the Department of Public Work's employees for whom the city is paying for the commercial driver's license training costs to sign a loan agreement. The loan agreement will protect the city from paying for the cost and the city employees from terminating employment and using the license for other jobs before two years. If the employee decides to terminate employment within two years, the employee will repay the loan on the following terms of forgiveness of the loan.

- a. An equal portion of the total loan amount will be forgiven monthly for twenty-four (24) months following the issuance of the CDL. Consequently, the loan will be fully forgiven after two (2) years of continuous employment from the date the CDL is issued.
- b. If the city determines to terminate the Employee without cause, the total loan amount shall be automatically forgiven as of the termination date.
- c. If the Employee experiences a life-changing event, the city commission may, at its sole discretion, forgive any remaining loan balance. Examples of life-changing events may include but are not limited to, serious illness or injury, the onset of a permanent disability, or the death of an immediate family member that causes the Employee to discontinue his or her employment.

A commercial driver's license is crucial for the city's operations, particularly for our snow trucks used in snow plowing. We do not have a public work employee with a license, but we have a wastewater treatment plant employee with a CDL.

RECOMMENDATION:

The City of Hartford City Commission approves the commercial driver's license (CDL) training loan agreement.

**COMMERCIAL DRIVER'S LICENSE (CDL) TRAINING
LOAN AGREEMENT**

This CDL Training Loan Agreement ("Agreement") is made and entered into by and the City of Hartford ("Employer") and _____ ("Employee"), as of _____, 2024.

RECITALS

- A. Employer agrees to loan Employee funds to cover the costs associated with obtaining a Commercial Driver's License ("CDL"), including but not limited to training and testing expenses.
- B. Employee agrees to obtain the CDL by December 31, 2025, and subsequently work for Employer for a period of two (2) years following the issuance date of the CDL, subject to the terms and conditions described below.

TERMS AND CONDITIONS

1. Loan Amount and Use

Employer agrees to loan Employee \$ _____ to cover the expenses for obtaining a CDL. Employee agrees to use the loan amount exclusively for expenses directly related to the training and testing required for obtaining a CDL. The parties agree and acknowledge that Employee will use the CDL in the course of his employment and that the advance of the training and testing expenses therefore serves a valid public purpose.

2. Forgiveness of Loan

- a. An equal portion of the total loan amount will be forgiven monthly over a period of twenty-four (24) months following the issuance of the CDL. Consequently, the loan will be fully forgiven after two (2) years of continuous employment from the date the CDL is issued.
- b. If the City determines to terminate the Employee without cause, the total loan amount shall be automatically forgiven as of the date of termination.
- c. In the event that the Employee experiences a life-changing event, the City Commission may, at its sole discretion, forgive any remaining loan balance. Examples of life-changing events may include, but are not limited to, serious illness or injury, the onset of a permanent disability, or the death of an immediate family member that causes the Employee to discontinue his or her employment.

3. Repayment of Loan

The remaining loan balance shall become due and payable in full on the earliest of the following dates:

- a. If the Employee does not obtain a CDL by July 1, 2025, the remaining loan balance is due and payable as of July 2, 2025.
- b. If the Employee voluntarily terminates his or her employment or is terminated by the City for cause, the remaining loan balance is due and payable on the date of termination.

4. Collection

In the event that the Employee is required to repay the loan pursuant to the terms of this Agreement, the Employee hereby expressly authorizes the Employer to withhold any unpaid loan balance from the Employee's wages or any other amounts owed by the Employer to the Employee, to the extent permitted by applicable law. This withholding authorization shall not preclude the Employer from pursuing any other lawful means of recovering the unpaid loan balance, including filing an action for breach of this Agreement. If the Employer prevails in such action it shall be entitled to recover from the Employee all reasonable costs incurred, including, but not limited to, court costs and reasonable attorney's fees.

5. Miscellaneous

This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof and supersedes all prior discussions, agreements, or understandings of any kind. Any amendments or modifications to this Agreement must be made in writing and signed by both Parties. This Agreement shall be governed by and construed in accordance with the laws of the state of Michigan.

The parties of signed this CDL Training Loan Agreement as of the date first written above.

CITY OF HARTFORD

EMPLOYEE

, Mayor

, City Clerk