



COUNCIL ACTION SUMMARY SHEET

MEETING DATE: July 22, 2024

TOPIC Amendments to Village Manager Employment Agreement

BACKGROUND BRIEF:

The ad hoc Village Manager Compensation Review Commission met on July 15 with the Village Manager to discuss compensation adjustments and reviewed Michigan Municipal League wage and salary data for comparable communities and is recommending that Village Council approve the following amendments to the Village Manager's employment agreement effective July 1, 2024:

- SALARY – Provide for a 5% salary adjustment from \$90,950 to \$95,500 annually
- RETIREMENT – Provide for an adjustment in the Village's contribution to retirement from 15% of base salary to 25% of base salary
- HEALTH INSURANCE OPT-OUT – Change language to provide that the Village Manager shall receive an annual payment of 40% of the State of Michigan public employee health care contribution hard cap amount for the level of insurance coverage the Manager is eligible to receive; currently, the contract states that the Village Manager receives 40% of premium costs up to \$6,000 annually
- HOLIDAYS – Increase the number of holidays from 13 to 14 to reflect the change previously approved by Council for non-union and union employees generally

All other provisions of the current employment agreement would remain as is.

SUMMARY OF PREVIOUS COUNCIL ACTION:

07/08/2024 – Council established an ad hoc Village Manager Compensation Review Committee to work with the Village Manager on contract changes.

FINANCIAL IMPACT:

The financial impact of the proposed changes would be as follows: (1) Salary – increase of \$4,550; (2) Payroll taxes – increase of \$348; (3) Retirement – increase of \$10,232; and (4) Health Insurance Opt-Out – increase of \$2,404. The FY 2024-25 Budget already includes the appropriations for salary increase, payroll tax increase, and most of the increase in the retirement and health insurance opt-out increases, but a supplemental appropriation to the budget in the amount of \$1,039.

RECOMMENDED MOTION:

#1 – To approve Budget Amendment #BA-2025-101-171-01 to provide a supplemental appropriation for Village Manager personnel costs in the total amount of \$1,039.00.

#2 – To approve the following amendments to the Village Manager Employment Agreement effective July 1, 2024, and to authorize the Village President and Village Clerk to execute the contract on behalf of the Village:

- SALARY – Provide for a 5% salary adjustment from \$90,950 to \$95,500 annually
- RETIREMENT – Provide for an adjustment in the Village’s contribution to retirement from 15% of base salary to 25% of base salary
- HEALTH INSURANCE OPT-OUT – Change language to provide that the Village Manager shall receive an annual payment of 40% of the State of Michigan public employee health care contribution hard cap amount for the level of insurance coverage the Manager is eligible to receive if the Village Manager opts out of the Village’s health insurance
- HOLIDAYS – Increase the number of holidays from 13 to 14 to reflect the change previously approved by Council for non-union and union employees generally by adding the Juneteenth holiday
- All other provisions of the current employment agreement shall remain as is.