

CITY OF GILBERT  
SPECIAL CITY COUNCIL MEETING  
**MONDAY**, DECEMBER 5, 2016

**7:00 P.M. SPECIAL CITY COUNCIL MEETING**

Or Immediately Following the TNT Public Hearing

**1. CALL TO ORDER**

**2. ROLL CALL**

- A. Determination of Quorum
- B. Pledge of Allegiance
- C. Approve Agenda

**3. NEW BUSINESS**

- A. Clarify Date for Mackley Transition to Medicare Supplement
- B. Employment Agreement for Computer Information Technology Manager

**4. ADJOURN**

City of Gilbert  
Request for City Council Action

**Date:** December 1, 2016

**Issue:** Determination when Gary Mackley needs to transition to Medicare Supplement Medical Insurance Policy.

**Background:** Action was taken at the last City Council meeting that Gary Mackley needs to follow the language in his contract and transition to a Medicare Supplemental Medical Insurance Policy but, there was no mention of a timeline.

I am requesting the City Council to set a date that the transition needs to be completed by.

**Council Action:**

City Council action is requested on this issue.

City of Gilbert  
Request for City Council Action

**Date:** December 1, 2016

**Issue:** Employment Agreement for Computer Information Technology Manager

**Background:** Because the Job Duties for the Information Technology position have changed and a new Job Description was approved, an Employment Agreement needs to be approved to fill the position created by the new job description.

This agreement was negotiated by the Mayor and a member of the City Council. It is presented for approval not additional negotiation.

**Council Action:**

City Council action is requested on this issue.

## EMPLOYMENT AGREEMENT

**AGREEMENT** made by and between **STEPHEN PETERSON** (sometimes hereinafter referred to as "Employee") and the **CITY OF GILBERT** (sometime hereinafter referred to as "City").

**WHEREAS**, the City desires to employ Stephen Peterson in the position of Computer Information Technology Manager for the City of Gilbert to perform those job duties and responsibilities as stated and defined by the job description for the position as approved, and as may be amended from time to time, by the Gilbert City Council.

**WHEREAS**, it is the desire of the City to provide certain compensation and benefits and to establish certain terms and conditions of employment for said Employee.

**WHEREAS**, Stephen Peterson desires to be employed as the Computer Information Technology Manager for the City of Gilbert, pursuant to and under the terms, conditions, compensation and benefits as stated in this Employment Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein, the City and Employee agree to the following compensation, benefits, terms and conditions of employment:

1. **Right of City to Contract out Employee to Other Entities:** It is agreed and understood that City may contract with other entities for Employee to provide Computer Information Technology Services rendered by Employee. For any such services to be provided to other entities, best efforts will be made for Employee to provide those services in conjunction with his normal daily work hours and not in excess of his normal daily work hours.

2. **Annual Salary:** Effective November 22, 2016, City agrees to pay Employee an annual salary of \$57,530.00, payable in installments at the time of and in conjunction with the City's regular payroll periods. This is an "at-will" employment relationship for an indefinite term (and not for a set term or duration) and the employment relationship is terminable by either party at anytime. However, if Employee continues to be employed in the position of Computer Information Technology Manager for the City and if Employee receives satisfactory annual performance evaluations, then, in 2017, on the anniversary date of hire, the City will increase the Employee's annual salary by 2%, and an additional 2% on the Employee's anniversary date in 2018 and 2019.

In Addition to the annual salary, Employee shall receive longevity pay according to the following schedule:

Years of Service	Percentage of Pay
1-4	1% of pay
5-9	2% of pay
10-14	3% of pay
15-19	4% of pay
20-24	5% of pay
25 plus	6% of pay

In the event the City contracts with other entities for Employee to provide Computer Information Technology Services rendered by Employee then a stipend shall be added to the employee's base annual salary. Compensation will be based on 30% of the monthly contract amount. (I.e. an annual contract of \$15,600.00 would increase the Employee's salary annual salary by \$4,680.00)

3. **Hours of Work; Exempt and Confidential Position:** The position of Computer Information Technology Manager is considered a full-time position and shall require the full time efforts of the Employee. The Employee will have and maintain a regular presence at City Hall and other City of Gilbert facilities or buildings (as needed and/or directed). On occasion, Employee will have to work (without any additional compensation being paid) hours in excess of his regular work day as needed, directed or requested or to attend occasional evening meeting as needed, directed or requested. It is agree and understood by both parties that this position is considered a management and professional level salaried, exempt position and, as such, is exempt from the overtime pay requirements of the Federal Fair Labor Standards Act and the Minnesota Fair Labor Standards Act. As a salaried, exempt employee, it is not necessary for Employee to account for his hours worked in excess of or less than the normal work week, except as may be necessary for the proper tracking and accounting of Employee's use of any paid leave time, such as paid vacation, paid sick leave, or paid personal days. Employee also is considered a "confidential employee", as defined by the Minnesota Public Employment Labor Relations Ant ("PELRA"), Minn. Stat. Sec. 179A.03, Subd. 4(1).

4. **Limitations on Outside Work Activities:** Employee shall not engage in any outside activities, whether or not for compensation, which would unreasonably interfere with his required attendance at work; unreasonably interfere with him attending to his job duties and responsibilities as the Computer Information Technology Manager for the City; or which would give the appearance of a conflict of interest.

5. **Performance Evaluations:** The Gilbert City Clerk-Treasurer shall conduct an annual written evaluation of the Employee's job performance. The City Clerk-Treasurer also reserves the right to conduct performance evaluations on a more frequent basis than the annual evaluation, if the City Clerk-Treasurer determines that a more frequent evaluation process is warranted.

6. **Mobile Phone / Data Communications:** The Employee shall pay for a cellular smartphone at no cost to the City. Employee agrees to make himself available via phone whenever possible for emergencies and for special needs as they arise, subject to consumer network priority and service availability.

The City shall provide Employee with an unlimited plan Mobile Data Cellular Hotspot at no cost to the Employee. Employee agrees to make himself available for remote technical support whenever possible for emergencies and for special needs as they arise. Employee may use the Mobile Cellular Data Hotspot for personal use as long as he does not create additional costs by doing so. Any additional charges that result shall be reimbursed to the City.

7. **Retirement Benefits:** The City shall make the regular City/Employer contributions to Employee's PERA account/fund, in accordance with the standard practice applicable to all other employees of the City and in accordance with standard employer contribution levels as defined and determined by PERA. In addition, the City will contribute an amount equal to 2% of Employee's gross earning to the State of MN 457 Plan every pay period.

8. **Health Insurance Benefits:** Employee will be eligible for health insurance coverage (single or family plan) under the City's VEBA group health insurance plan, with the City paying ninety percent (90%) of the monthly premium for said coverage and Employee paying ten percent (10%) of the monthly premium. The City's contributions to Employee's VEBA account, under the City's VEBA group health insurance plan, will be at the same levels and amounts as the other regular full-time employees of the City covered by the AFSCME Union contract. In addition, City will contribute to an HSA for Employee at the same contribution levels (i.e., same contribution percentage or formula) as the other regular full-time employees of the City covered by the AFSCME Union contract.

9. **Dental Insurance Benefits:** City will contribute up to \$35.00 per month and 80% of any amount in excess of \$35.00 for Employee's dental insurance coverage, including dependent coverage, under the City's group dental insurance program.

10. **Life Insurance:** City shall pay one hundred percent (100%) of the monthly premium for group term life insurance coverage for Employee, with a death benefit of \$50,000.00.

11. **Paid Vacation Benefits:** Employee shall be eligible for 156 hours of paid vacation annually, which shall be on an accrual basis with vacation leave accruing at the rate of 6 hours per pay period.

12. **Paid Sick Leave and Long Term Disability Insurance Coverage:** Employee shall accrue paid sick leave benefits at the rate of twelve (12) hours per month, accumulative to a maximum of 720 hours. In addition, Employee will be covered under the City's group Long term Disability Insurance program (with the City paying 100% of the premium for said coverage).

13. **Personal Days:** Employee also shall be entitled to three (3) paid personal leave days per calendar year. Employee's paid personal leave days shall not carry over from calendar year to calendar year.

14. **Paid Holidays:** Employee shall be eligible for the following paid holidays: New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, 4<sup>th</sup> of July, Labor Day, Veteran's Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve Day, and Christmas Day. If a holiday falls on Saturday, the preceding Friday shall be considered as the paid holiday. If a holiday falls on Sunday, the following Monday shall be considered as the paid holiday.

15. **Dues and Subscriptions:** City shall budget and pay the professional dues and subscriptions for Employee which are deemed reasonable and necessary for Employee's continued participation in national, regional, state and local associations necessary and desirable for Employee's continued professional participation, growth and advancement. All professional dues and subscriptions must be approved by the City Council.

16. **Professional Development:** City shall budget and pay necessary and reasonable registration, travel and subsistence expenses of Employee for professional and official travel, meeting and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other committees thereof which Employee serves as a member. Employee will obtain prior approval of the City Clerk and use good judgement in his outside activities so as to not neglect his primary duties and obligations to the City.

17. **General Expenses:** As for reimbursement of job related expenses incurred by Employee, Employee shall submit said expenses for reimbursement to be approved by the Gilbert City Council.

18. **Use of Personal Vehicle:** In the event that Employee uses his personal automobile for or while traveling on City business, the City will reimburse Employee at the standard IRS reimbursement rates for personal vehicle use.

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19. **Funeral Leave:** Three (3) consecutive days absence with pay shall be granted to the Employee in the event of a death in the immediate family, namely: spouse, children, stepchildren, parents, brother, sister, grandparents, mother-in-law or father-in-law.

20. **Jury Duty:** If Employee is called for jury service or subpoenaed as a witness in any court of law, Employee shall be excused from work for the days on which he is so called or subpoenaed. Employee shall be paid his regular salary for those days when he is required to be in court for jury duty or because he had been subpoenaed as a witness. At the completion of his service for jury duty or in the completion of his service as a subpoenaed witness, Employee must endorse his jury service or witness fee check to the City or pay those fees directly over to the City, since he continued to be compensated at his regular rate of pay during the time of his jury service or witness service.

21. **At-Will Employment; Termination of Employment Relationship:** Computer Information Technology Manager position is considered an "at-will" position and Employee is considered an "at-will" employee. This is an "at-will" employment relationship for an indefinite term (and not for a set term or duration) and the employment relationship is terminable by either party at any time. As an "at-will" employee, Employee is subject to termination at any time at the sole and exclusive discretion of the Gilbert City Council. In the event that the Gilbert City Council eliminates or abolishes Employee's position, resulting in the Employee being laid off, or if the City Council terminated employee, City shall pay Employee a severance package of six (6) months salary and (6) months paid health insurance benefits, under the City's group health insurance plan, at the same monthly premium cost sharing arrangement as was in place at the time of the layoff or termination. In addition, City shall pay to Employee the cash-out value of his unused vacation leave. Upon layoff or termination the employee shall be entitled to be paid thirty dollars (\$30.00) per day of accumulated sick leave up to a maximum of ninety (90) days. Employee is not entitled to any cash-out payment of his accrued, unused personal leave days.

22. **Subsequent Agreement:** Beginning in February of 2020, or prior thereto, the City and Employee shall engage in good faith discussions regarding a possible, new employment agreement for the Employee or any possible changes or modifications to the compensation and benefits to be paid or provided to Employee in his position of Computer Information Technology Manager. In the event the parties are not able to arrive at or agree upon a new agreement for Employee in that regard, then this Employment Agreement shall remain and continue in full force and effect until it is changed or modified by written mutual agreement of the City and Employee or until the separation of the Employee's employment from the City.

23. **Complete Agreement:** This Employment Agreement contains the entire agreement between the parties. There are no understandings or other agreements, verbal or written, express or implied, not contained in this Agreement. All negotiations and understandings are integrated and merged into, and superseded by, this Agreement.

CITY OF GILBERT

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Robert Kutsi, Mayor

EMPLOYEE

\_\_\_\_\_ Date: \_\_\_\_\_  
Stephen Peterson

ATTEST

\_\_\_\_\_ Date: \_\_\_\_\_  
Debra Sakrison, City Clerk-Treasurer