

**EMPLOYMENT CONTRACT BETWEEN
GEORGE LAHANAS AND
THE CITY COUNCIL OF THE CITY OF EAST LANSING**

This Agreement (Contract) between the City Council (Council) of the City of East Lansing (City), and George Lahanas, (Manager) is executed on January 22, 2019 and is effective January 1, 2019. Council and Manager are collectively referred to as “the Parties.”

The Parties agree that pursuant to the City Charter, at Section 7.1.b., the Council is authorized to retain a City Manager.

THE PARTIES THEREFORE FURTHER AGREE AS FOLLOWS:

1. **Duties.** The Manager agrees to perform all the functions and duties of the office of City Manager as specified in the City Charter and to perform whatever legally permissible and proper additional functions shall be performed in a diligent, responsible, and equitable manner in accordance with the City Charter and policies established by the Council.

2. **Salary.** Commencing January 1, 2019 and continuing until Midnight, June 30, 2021, the annual salary of Manager shall be One Hundred Sixty Seven Thousand Dollars per year (\$167,000.00) which shall be paid in bi-weekly installments. A payment retroactive to January 1, 2019 will be paid in the first pay period of March, 2019 for the difference between the payments received by the Manager and the payment the Manager is entitled to under this Agreement.

3. **Performance Evaluation.** No later than October 15 of each year or as soon as reasonably practical thereafter, (beginning with October 15, 2019) Council shall meet in closed session, at the Manager’s request, to discuss the performance of Manager during the prior year. Based on that evaluation, Council may provide Manager with a bonus equal to no more than 3% of Manager’s salary as it was established on the preceding January 1. The award of any bonus shall be completely within Council’s discretion. The amount approved shall be paid, in lump sum, and added to the next regular bi-weekly pay period.

4. **Automobile.** Manager shall be provided, in addition to salary, an automobile allowance of Four Thousand Eight Hundred Dollars (\$4,800.00) per year. This allowance shall be paid in bi-weekly installments.

5. **Professional Development.** Professional development is understood to be a benefit for the City as well as to Manager. The Council agrees that Manager shall continue his

professional development through professional memberships and participation in national, state and local organizations and meetings. The Council agrees to bear reasonable expenses which are incurred during the course of this professional development to an amount not to exceed the annual budgeted appropriation for such activity.

6. **General Expenses.** In addition to the expenses outlined in item number 5, the Council will provide the Manager with a line of credit which he may access in an amount not to exceed Four Hundred Dollars (\$400) per month, to be utilized for the purpose of paying for job-related expenses reasonably incurred in the fulfillment of the Manager's duties and in the conduct of City business, and attendance at meetings and conferences with state, local, and regional agencies and officials.

7. **Technology Support.** The Council agrees to provide for the Manager's professional and personal use a mobile telephone and computer at no cost to Manager. In consideration of the long hours spent in his/her primary City Hall office, the Council also hereby recognizes and approves incidental personal use of City telephone and computer equipment and agrees to pay the cost of the Manager's home internet connection at the normal City group rates.

8. **Employee Benefits And Additional Compensation.** Except as otherwise stated in this Contract, Manager shall be provided benefits received by all other non-union City employees. The Manager's benefits shall not include overtime or compensatory time for hours worked in excess of eight (8) hours per day or forty (40) hours per week. It is understood that the requirements of the position frequently require in excess of forty (40) hours per week.

The Manager shall receive the following in addition to or in lieu of comparable benefits received by all other City employees:

- A. The Council shall contribute an amount equal to ten and one-half percent (10-1/2%) of the Manager's base salary to the Michigan Municipal Employees Retirement System Hybrid Plan participant account for the Manager.
- B. The Council will secure term life insurance for the Manager with a benefit amount equal to three (3) times the Manager's annual salary.
- C. Upon full retirement of Manager, but not before age 62, Manager will be provided with up to five years of family health insurance to bridge the time between work and Medicare eligibility. Upon Manager becoming eligible for and the start of Manager's Medicare coverage, City-provided health insurance shall become secondary insurance. The coverage provided will be the same as the coverage provided to actively employed City employees. Coverage under this benefit is contingent upon its availability under the City's then existing health insurance plan and shall also be subordinate to any other health insurance that the Manager may have available. Should Manager die prior to this benefit being fully utilized,

Manager's spouse shall be provided the benefit under the same terms and conditions.

9. **Weekly Reports.** Manager shall generally provide a weekly report of significant events occurring at his direction. Such report shall be provided directly to members of Council.

10. **Other Employment.** Manager shall not undertake any additional employment. For purposes of this provision, additional employment does not include volunteer activities or professional organization positions or responsibilities even if incidentally compensated.

11. **Nature of Employment.** Manager shall serve at the pleasure of Council. Manager is an At-Will employee of Council.

12. **Duration of Contract.** This Contract commences on January 1, 2019 and continues, unless extended by agreement of the parties or by operation of this Contract, until midnight, June 30, 2021.

13. **Termination by Council.** With regard to termination of employment of Manager by Council prior to the expiration of this Contract, the parties specifically agree as follows:

- A. This Contract may be terminated by Council upon 30 days written notice to Manager. Such notice need not provide any reason for the termination of the Contract.
- B. Except for the reason of Manager's gross malfeasance, death, or voluntary resignation (for any reason), City will continue to pay the then existing salary of Manager for a period of one year from the date of termination or until Manager is gainfully employed at a salary equal to or in excess of the salary established by this contract, whichever period is shorter. To the extent that Manager, in an arms-length negotiation, obtains employment with an annual salary less than provided by this Contract, City shall pay the difference between that salary and the salary provided by this Contract under the same terms and conditions previously stated in this section. Any such amount shall be paid by City in bi-weekly installments.
- C. City shall continue to provide Manager with health, dental and life insurance benefits provided pursuant to this Contract for a period of twelve months from the date of termination or until the Manager is gainfully employed, whichever period is shorter. At the conclusion of any such period, Manager may elect to continue health coverage as provided by COBRA at Manager's expense.

14. **Termination by Manager.** This Contract may be terminated by Manager upon 30 days written notice to Council. Such notice need not provide any reason for the termination of the Contract.

15. **Renewal and Non-Renewal.** With regard to notification of Council's intention to renew, extend or replace this Contract; or, Council's decision to not renew this Contract, the parties specifically agree as follows:

- A. Council shall notify Manager no later than one hundred twenty (120) days prior to the expiration of this Contract, or any expiration established by an extension of this Contract, of a decision that Council has determined to renew this Contract or that this Contract will not be renewed.
- B. If Council decides to issue a notice of non-renewal, City will continue to pay the then existing salary of Manager and provide health, dental and life insurance benefits to Manager and Manager's family for a period of 90 days after the expiration of the Contract. Manager's salary shall be paid in bi-weekly installments. All provisions of this contract shall remain in full force and effect until the expiration of this contract.
- C. Upon notification that this Contract or any extension of this Contract will not be renewed, Council, in its sole discretion may determine to suspend the employment of Manager until the expiration date of this contract with continued payment of all then existing salary and benefits. Such decision shall not reduce the benefit provided for in 15.B. above.
- D. Upon notification that Council has decided to renew, replace or extend this Contract, the parties shall commence negotiations in good faith and expeditiously reach agreement on a renewal, replacement, or extension of this Contract. In the event the parties cannot reach agreement, Council shall promptly issue a notice of non-renewal and all other provisions of this section shall apply.

16. **Extension.** The parties may, at any time extend this Contract in writing with appropriate terms and conditions. Upon any failure of Council to timely notify Manager of non-renewal, this contract shall automatically extend, in its entirety, for the period of days necessary to provide the Manager with the 120 days notice required by this Contract.

17. **Severability.** All agreements and covenants contained in this Contract are severable, and in the event any of them are held invalid by any court, the remaining portions of this Contract shall remain in full force and effect.

18. **Entire Contract.** This Contract contains the entire agreement of the parties and no other agreement between the parties, oral or written, shall have any force or effect after the effective date of this Contract.

The parties hereby certify that they have read this agreement in its entirety, understand its provisions and agree to comply with its terms and conditions.

MANAGER

George Lahanas, personally

CITY COUNCIL OF THE CITY OF EAST LANSING

On behalf of Council, Mark Meadows, Mayor