



STAFF REPORT

TO: Mayor Keis and Members of City Council

FROM: Heidi Heller, City Clerk

DATE: August 3, 2018

RE: Approve Employment Contract between the City of Little Canada and Chris Heineman

Joel Hanson resigned as City Administrator from the City of Little Canada on June 22, 2018. The City of Little Canada began the recruitment process and authorized the services of Richard Fursman with Hue Life to coordinate the effort to replace the City Administrator. Hue Life received 53 applications for the position of City Administrator. Richard Fursman thoroughly reviewed the applicant pool and prepared a report for the City Council to review and discuss at the July 25 Council Workshop. The City Council decided to invite six finalists for interviews over a two day process on July 27 & 28. The City Council, along with a City Staff Group and a Citizens Group, interviewed the five candidates that chose to participate in the process, and voted to extend an offer of employment as City Administrator to Chris Heineman, and authorized Richard Fursman to begin contract negotiations.

Mr. Heineman has accepted the City's offer of employment as City Administrator and will begin employment on September 10, 2018. Mr. Heineman currently serves as the Community Planning & Development Director for the City of Northfield and previously served as the City Administrator for the City of Kenyon. He holds a Master of Arts in Public Administration from Hamline University. The City Council is confident Mr. Heineman brings the knowledge and skills necessary to lead Little Canada into the future.

Richard Fursman negotiated a contract with Mr. Heineman that allows for an annual salary of \$119,894. Other benefits are outlined in the attached City Administrator Employment Agreement between the City of Little Canada and Chris Heineman.

CITY ADMINISTRATOR EMPLOYMENT AGREEMENT

AGREEMENT made this 8th day of August, 2018 by and between the City of Little Canada, an Minnesota municipal corporation, (hereinafter called "Employer"), and Chris Heineman (hereinafter called "Employee").

The parties agree as follows:

START DATE: Employee will begin his duties and report to City Hall on the 10th Day of September 2018.

1. **POSITION.** Employer agrees to employ Employee as its City Administrator. Employee agrees to serve as City Administrator in accordance with Minnesota state statutes and Little Canada City ordinances and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign.
2. **PENSION PLAN.** Employer agrees to enroll the Employee into the Minnesota Public Employee Retirement System (PERA) and to make the appropriate contributions on the Employee's behalf, as provided the City Personnel Manual.
3. **SALARY.** Employer shall pay Employee at step 3 of 5 of the Administrator's salary plan; currently at \$119,894; paid annually. Employer and Employee agrees that a performance review will be conducted on Employee after six (6) months. At that time, Employer will provide a cost of living (COLA) increase approved by the City Council for other staff to the Employee, provided a satisfactory performance evaluation is received as described in Article 4 of this agreement. The Employee agrees to a Step (level 4) and COLA increase on January 1, 2020, provided a satisfactory performance evaluation is received in December 2019. Subsequent reviews and pay increases shall be considered at the same time each year, with salary increases consistent with the step program and COLA.
4. **PERFORMANCE EVALUATION:** Employer shall, at the end 180 days, have a performance check-in with the Employee. Employee agrees that a performance review will be conducted on Employee again during the Month of February 2019, and annually during the month of December thereafter. The process at a minimum shall include the opportunity for the Employer to: (1) prepare a written evaluation and (2) for Employer and Employee to meet and discuss the evaluation.
5. **Paid Time Off (PTO).** Employee shall be credited with 12 (twelve) years completed service and continue to accrue PTO days in accordance with the Employer's PTO Accrual Schedule. (ex. - Employee shall be credited with six (13) years completed service on the one-year anniversary, etc.). The Employer shall also provide paid time off that is consistent with the time allocated to other non-union staff. Employee shall receive 64 hours of banked PTO at time of employment. This amount is in addition to that which he will be earning.
6. **HOLIDAYS.** Employer shall provide Employee the same holidays as enjoyed by other employees.
7. **MOVING AND RELOCATION ALLOWANCE.** Employer shall reimburse Employee an amount not to exceed \$3,000 for moving his household goods, house hunting expenses such as travel expenses, closing costs, temporary lodging, and meals. Payment shall be made upon receipt

by the City of documentation that the expenses have been incurred and deemed reasonable. In the event the Employee severs employment with the City of his own will and accord within two (2) years of taking office, Employee agrees to reimburse the City for all expenses paid.

8. **AUTOMOBILE.** The Employer shall reimburse Employee for use of his car for City business.
9. **CELL PHONE:** The Employee may use his own phone for City related business and be compensated according the City's policy, or, use a City provided phone according to the City policy.
10. **GENERAL INSURANCE.** Employer shall provide Employee the same group hospital, medical, dental, life and disability insurance benefits as provided to all other employees.
11. **DUES AND SUBSCRIPTIONS.** Employer 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 including but not limited to the International City/County Management Association (ICMA) and Minnesota CMA. Any such expenditure shall be approved of in advance by the Employer.
12. **PROFESSIONAL DEVELOPMENT.** Employer shall budget and pay necessary and reasonable registration, travel and subsistence expenses of Employee for professional and official travel, meetings 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. Such expenditures include, but are not limited to the ICMA Annual Conference, the Minnesota League of Cities, the Minnesota Municipal Management Institute and other such national, regional, state and local governmental groups and committees as authorized by Employer. Employee shall use good judgment in his outside activities, so he/she will not neglect his primary duties to the Employer. Any such expenditure shall be approved of in advance by the Employer.
 - a. Employer shall also budget for and pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that Employer deems necessary.
13. **CIVIC CLUB MEMBERSHIP.** Employer recognizes the desirability of participation in and before local civic and other organizations. Employee is authorized to become a member of such civic clubs or organizations as deemed appropriate by Employee and Employer; and at Employer's expense.
14. **GENERAL EXPENSES.** Employer shall reimburse Employee reasonable miscellaneous job-related expenses which it is anticipated Employee will incur from time to time when provided appropriate documentation.
15. **HOURS OF WORK.** It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

16. **TERM OF EMPLOYMENT.** Employee's employment shall be for an indefinite period of time commencing on September 10, 2018. In the event that Employee is terminated by the Employer during such time that Employee is willing and able to perform the duties of City Administrator, the Employer agrees to pay Employee at the time of receipt of his last pay check, a lump sum cash payment equal to 6 months aggregate salary and to continue to provide and pay for all benefits for a period of 6 months following termination unless prohibited by law.
- a. However, in the event Employee is terminated because of malfeasance or misfeasance in office, gross misconduct, conviction of a felony, or conviction of an illegal act involving personal gain to Employee, then the Employer shall have no obligation to pay the termination benefits.
 - b. If the Employee voluntarily resigns as City Administrator, the Employee shall provide a minimum of forty-five (45) days' notice unless the parties otherwise agree.
17. **OUTSIDE ACTIVITIES.** Employee shall not engage in teaching, consulting or other non-city connected activity without the prior written approval of Employer.
18. **INDEMNIFICATION.** Beyond that required by the Federal, State, or Local Law, Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Administrator or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act or omission involved willful or wanton conduct. Legal representation, if provided by Employer for Employee, shall extend until a final determination of the legal action including any appeals brought by either party. The Employer shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorney fees, and other liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceedings, actual or threatened, arising out of or in connection with the performance of her duties. Any settlement of any claim must be made with the prior approval of the Employer in order for the indemnification, as provided in this Section to be available.
19. **BONDING.** Employer shall bear the full cost of any fidelity of other bonds required of the Employee under any law or ordinance.
20. **OTHER TERMS AND CONDITIONS OF EMPLOYMENT.** The Employer shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this agreement, the City ordinances or any other law.
- a. Except as otherwise provided in this agreement, the Employee shall be entitled to the equivalent benefits that are enjoyed by other appointed officials, appointed employees, department heads or general employees of the Employer as provided in the City ordinances and the City of Little Canada Employee Handbook.

IN WITNESS WHEREOF, Employer has caused this Agreement to be signed and executed on its behalf by its Mayor and Employee has signed this Agreement, in duplicate, the day and year first written above.

EMPLOYER:
CITY OF LITTLE CANADA, MINNESOTA

EMPLOYEE:

BY: _____
Mayor

Chris Heineman

ATTEST: _____
City Clerk