

BOARD OF WATER AND LIGHT
Board of Water & Light Headquarters-Depot
1201 S. Washington Ave.
February 17, 2015 6:00 p.m.

SPECIAL BOARD MEETING AGENDA

Pursuant to Section Chapter 1, 1.2 of the Board of Water & Light's Rules of Procedures, Board of Water & Light's Chairperson David Price has called a special meeting of Board of Commissioners on Tuesday, February 17, 2015 at 6:00 p.m. at the Board of Water & Light Headquarters Depot.

1. Roll Call
2. Pledge of Allegiance
3. Public Comments
Members of the public are welcome to speak to the Board on the agenda subjects. Anyone wishing to comment on any matter not on the agenda may do so immediately prior to adjournment.
4. Purpose:
 - a. Review and Approve Employment Contract for Lansing Board of Water & Light's Interim General Manager
 - b. Closed Session Discussion (Attorney – Client Memo) [MCL 15.268 (h); MCL 15.243 (g)]
5. Commissioners' Remarks
6. Motion of Excused Absence
7. Adjournment

INTERIM GENERAL MANAGER EMPLOYMENT AGREEMENT
[FOR DISCUSSION PURPOSES – HAS NOT BEEN FORMALLY APPROVED]

This Interim General Manager Employment Agreement (Agreement) is between the Board of Commissioners (Employer or Board of Commissioners) of the Lansing Board of Water and Light (LBWL), and Richard R. Peffley (Employee). On January 13, 2015, the Board affirmatively voted to appoint Richard R. Peffley as the Board's Interim General Manager. This Employment Agreement delineates the employment terms between the parties:

I. EMPLOYMENT

The Employer agrees to employ Employee as its Interim General Manager to perform the duties described in Section III of this Agreement, and Employee accepts such employment upon all of the terms and conditions set forth in this Agreement.

II. TERM

The term of employment under this Agreement will begin on January 14, 2015, and will terminate in accordance with Section VI.

III. DUTIES

- A. Employee, as the Interim General Manager of the Employer, agrees and promises to perform and discharge, well and faithfully, the duties assigned to him by the Employer for the conduct of the Employer's business. Those duties will include those generally assigned to the Director and General Manager of a municipal utility under the general supervision, direction and advice of the Employer. Employee agrees to perform those duties necessary to meet the expectations and goals of the Employer as established from time-to-time by the Employer. Employee will report directly to the Board of Commissioners.
- B. During his employment as Interim General Manager, Employee shall be subject to all rules, policies, and procedures applicable to the non-bargaining employees of the LBWL, except to the extent there is a separate policy or procedure that applies only to employees who report directly to the Board of Commissioners.
- C. Employee shall devote such time, attention, and energies to the business of the Employer as is necessary for Employee to satisfactorily perform his duties as Interim General Manager. During his employment as Interim General Manager, Employee shall not serve on the board of directors or hold an office in a company or organization that presents any conflict of interest with the LBWL or materially affects the performance of the Interim General Manager's duties. The Employer explicitly recognizes that Employee is currently an officer in a business that owns and operates several apartment buildings. One of the buildings is within the LBWL's service territory. The Board has determined that there currently is no conflict with Employee

continuing that work so long as it does not adversely affect his ability to perform the duties of the Interim General Manager.

IV. COMPENSATION

Effective January 14, 2015, Employee shall receive a salary equivalent to an annual gross amount of Two Hundred Twenty-Five Thousand Dollars (\$225,000.00), payable bi-weekly or in other installments that are consistent with the Employer's regular payroll practices and procedures. Employee is eligible for performance increases consistent with other non-bargaining unit employees.

V. BENEFITS AND EXPENSES

The Employer shall provide Employee with those fringe benefits, including retirement, that the LBWL provides to non-bargaining employees of the LBWL, as those benefits may be amended from time-to-time at the absolute discretion of the LBWL.

Employee will be reimbursed for reasonable, necessary and authorized expenses incurred in the course of performing his duties, in accordance with LBWL policy. Employee will be provided with a vehicle allowance in the gross amount of Five Hundred Dollars (\$500.00) per month.

VI. TERMINATION

Employee serves at the pleasure of the Employer and recognizes that he holds this Interim General Manager position on a temporary basis while the Board of Commissioners conducts a search for a General Manager who will be employed on a regular, as opposed to temporary, basis. This Employment Agreement will terminate automatically when a General Manager is hired, which means, for purposes of this Employment Agreement only, that the General Manager position has been appropriately and lawfully offered and accepted, and the General Manager commences to work ("General Manager Appointment"). This Employment Agreement also may be terminated by either party at any time, with or without cause, and with or without a reason. The Board of Commissioners and Employee recognize the provisions of the "Board of Water and Light of the City of Lansing, Michigan Rules of Procedure" and the "City of Lansing City Charter," which provide that a General Manager is to be appointed on an annual basis.

- A. If there is a termination of this Agreement by the Employer prior to the General Manager Appointment, it must be effectuated by a vote taken by the Board of Commissioners, and a majority of the sitting Board of Commissioners must vote to terminate it. Termination may be effective immediately upon the vote to terminate or at a specified date within the thirty (30) calendar day period immediately following the vote. The written Notice will specify the date of termination.
- B. Should Employee desire to terminate this Agreement, termination can be immediate or Employee can specify a date within the thirty (30) calendar day period immediately following the date of the written Notice.

- C. "Notice" is defined as a writing which sets forth the fact that this Agreement will be terminated and the effective date of termination; it must be signed by the party giving such Notice. The Notice will be delivered via hand delivery or via certified and/or first class mail to the other party's last known address.
- D. In recognition of the fact that Employee left his position as Operations Executive Director at the Board's request to serve as the Interim General Manager, if this Agreement is terminated, Employee will be returned to his former position as Operations Executive Director, or a position that has equivalent or greater responsibilities, pay and benefits as he was receiving as Operations Executive Director (alternative position). If the "market rate," as defined by the Human Resources Department, for the Operations Executive Director position is higher at the time Employee is returned to that or an alternative position, Employee will receive market rate. All other benefits and obligations of non-bargaining unit employees will be applicable to Employee's position. Employee will continue to work in the position of Operations Executive Director, or the alternative position, in an at-will employment relationship and without a contract, just as he does now.

VII. CONFIDENTIALITY

Employee acknowledges that in the course of his employment with the LBWL, Employee has been and will be exposed to and will obtain access to materials and information of the LBWL that constitute confidential and/or proprietary information of the LBWL. Employee agrees that he will not use, nor will he disclose, during or after his employment with Employer, such information for any purpose other than in connection with his employment and he will not disclose any such information to any person outside of the LBWL. Employee will, upon request by Employer, return or destroy, as directed by the Employer, any media in/on which such information is recorded. By entering into this Agreement, Employee represents and warrants that he is able to perform the contemplated duties of employment without breach of this confidentiality obligation or disclosure of proprietary information to any third party. This Section will survive the termination of this Agreement and Employee's employment.

VIII. LBWL RESOURCES

Employee recognizes that all LBWL resources of any kind and nature including, but not limited to, equipment, files and documentation are the sole property of the LBWL and will not be used for personal or any other reasons that are not for the benefit of LBWL.

If this Agreement is terminated, Employee agrees to return all materials, documents and equipment acquired during his term of employment as Interim General Manager, except to the extent that the material would be applicable to his on-going position with the LBWL, and all materials, documents and equipment requested by the Employer. Specifically, this is to include without limitation, documents, computer discs, software, computers, work papers, notes, articles, phone lists, correspondence, reports, phone cards, office keys, pass codes, and any and all material related to employment with the LBWL. This Section will survive termination of this Agreement and Employee's employment.

IX. MISCELLANEOUS

- A. This Agreement contains all of the terms and conditions of the contractual relationship between the parties regarding Employee's employment as Interim General Manager, and no amendments or additions to this Agreement will be binding unless they are in writing and signed by both parties.
- B. This Agreement is binding upon the parties, their legal representatives, successors, and assigns.
- C. This Agreement abrogates and takes the place of all prior employment contracts between Employee and the Employer during the time that Employee is employed as Interim General Manager.
- D. The captions or headings of this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of this Agreement or any of its sections, nor do they in any way affect this Employment Agreement.
- E. This Agreement will be governed by, construed and enforced in accordance with the laws of the State of Michigan and both parties submit to that jurisdiction.
- F. The invalidity of all or any part of any sections, subsections, or paragraphs of this Agreement will not invalidate the remainder of this Agreement or the remainder of any paragraph or section not invalidated unless the elimination of such subsections, sections, or paragraphs substantially defeats the intents and purposes of the parties.
- G. Employee is hereby advised to consult with an attorney of his choosing before executing this Employment Agreement.

The parties have executed this Agreement on the date listed below.

EMPLOYER
Lansing Board of Water and Light

EMPLOYEE

By: _____
David Price
Its: Chairperson

By: _____
Richard R. Peffley

Dated: _____

Dated: _____

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