

**SALLISAW INDUSTRIAL FINANCE AUTHORITY
REGULAR MEETING**

June 8, 2020

**Time: Immediately Following the Meeting of the
Sallisaw Library Authority**

**WHEELER EVENT CENTER
103 NORTH WHEELER
SALLISAW, OK**

A G E N D A

- 1. Meeting called to order**
- 2. Declaration of a quorum**
- 3. Consider Approval of Minutes of Regular Meeting of November 12, 2019**
- 4. Consider Approval of City Manager Contract for Period of July 1, 2020 to June 30, 2021**
- 5. Administrative Reports**
- 6. Adjourn**

Posted: JUNE 4, 2020

Time: 3:45 P.M.

Dianna Davis

MINUTES
SALLISAW INDUSTRIAL FINANCE AUTHORITY
REGULAR MEETING
NOVEMBER 12, 2019

The Sallisaw Industrial Finance Authority met in a regular meeting on November 12, 2019, in the city council chambers, located at 111 North Elm. Notice of the meeting was given by e-mailing the agenda to Sequoyah County Times; by posting at city hall; and, by giving notice to the City Clerk.

Members Present:	Ernie Martens,	Chairman
	Ronnie Lowe,	Trustee, Ward 1
	Philip Gay,	Trustee, Ward 2
	Julian Mendiola,	Trustee, Ward 3
	Shannon Vann,	Trustee, Ward 4

Members Absent: (None)

Staff present:	Keith Skelton,	General Manager
	John R. Montgomery,	City Attorney
	Dianna Davis,	Secretary
	Robin Haggard,	Finance Director
	Keith Miller,	Building Development Director
	Terry Franklin,	Chief of Police
	George Bormann,	Econ. Dev. Dir./Grants Admin.
	Blakely Smith, Jr.,	Electric Superintendent
	Gene Martin,	Equipment Services Supt.

Others present: Pamela Gay; Robert Morris; Laura Brown; Roy Faulkenberry.

Chairman Martens called the meeting to order at 6:33 p.m. and declared a quorum was present.

CONSIDER APPROVAL OF MINUTES OF REGULAR MEETING OF JUNE 17, 2019

Motion was made by Lowe, seconded by Vann, for approval. Vote: Lowe aye; Vann aye; Mendiola aye; Gay aye; Martens aye. Motion carried 5-0.

DISCUSS AND CONSIDER APPROVAL OF REGULAR MEETING DATES FOR 2020

Motion was made by Lowe, seconded by Vann, the schedule the 2020 regular meeting dates of the Sallisaw Industrial Finance Authority on the second Monday of each month, immediately following the meeting of the Sallisaw Library Authority. Vote: Lowe aye; Vann aye; Mendiola aye; Gay aye; Martens aye. Motion carried 5-0.

ADMINISTRATIVE REPORTS

None.

Motion was made by Lowe, seconded by Vann, to adjourn the meeting there being no further business. Vote: Lowe aye; Vann aye; Mendiola aye; Gay aye; Martens aye. Motion carried 5-0. The meeting adjourned at 6:34 p.m.

APPROVED the 8TH day of JUNE, 2020.

SECRETARY TO THE AUTHORITY

(SEAL)

AGENDA ITEM COMMENTARY

Meeting Date: June 8, 2020
Board: Sallisaw Industrial Finance Authority
Subject: City Manager Contract

ITEM TITLE: Consider Approval of City Manager Contract for Period of July 1, 2020 to June 30, 2021

INITIATOR: City Manager

STAFF INFORMATION SOURCE: City Manager

BACKGROUND: The contract for the City Manager for the upcoming fiscal year is presented as discussed during the FY 2021 budget meetings.

EXHIBITS: 1. 7.1.2020.KS.SallisawCMContract.Final

KEY ISSUES: None

FUNDING SOURCE: General Fund

RECOMMENDATION: Staff recommends approval.

CITY MANAGER EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered on this 1st day of July, 2020, by and between the **City of Sallisaw, Oklahoma, Sallisaw Municipal Authority, Sallisaw Library Authority, Sallisaw Economic Authority, and the Sallisaw Industrial Finance Authority**, to further the public interest of the community, hereinafter called City, and Herman Keith Skelton, hereinafter called City Manager, both of whom understand as follows:

WHEREAS, the purpose of this Agreement is to establish the terms and conditions under which the City would employ the City Manager; and

WHEREAS, as an individual, the City Manager has the required education, training and experience in local government management; and

WHEREAS, the City Manager commits to being a member of the International City Management Association (ICMA), and to comply with the ICMA Code of Ethics; and

WHEREAS, the City wishes to employ City Manager under the terms and conditions set forth in this agreement; and

WHEREAS, the City agrees there shall, at all times this Agreement is in effect, be sufficient funds budgeted and appropriated to pay all benefits City Manager may be entitled to receive should this contract be fully performed, either by continued employment or termination;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

AGREEMENT

SECTION 1: TERM

1. This Agreement shall become effective on July 1, 2020 and shall continue through June 30, 2021 unless terminated by the City or City Manager, as provided for in Sections 9 and 10 of this Agreement.
2. This agreement shall be extended for each Fiscal Year hereafter, as approved by both parties, provided that both parties shall agree to extending contract prior to June 30 of each year.

SECTION 2: DUTIES

1. The City of Sallisaw, Oklahoma, and various public trusts created by the City of Sallisaw pursuant to Title 60 of the Oklahoma Statutes, to further the public interest of the community, hereby agree to employ City Manager as City Manager of said City, to perform the functions and duties specified in the City Charter, Code of Ordinances and

applicable Oklahoma State Statutes, and to perform other legally permissible and proper duties and functions as the City Council shall from time-to-time assign, both in regard to the City of Sallisaw and those trusts related to the City.

2. The City Manager shall perform high-level administrative, technical and professional responsibilities in directing and supervising the administration of all departments of city government. The City Manager exercises supervision over all municipal employees, either directly or through subordinate supervisors, and works under broad policy guidance and the direction of the City. Essential responsibilities of the position include, but are not limited to
 - a. As head of the City's management team, manage and supervise all departments, agencies and offices of the City to achieve goals within available resources. Plan and organize workloads and staff assignments, review progress, and direct changes, as needed.
 - b. Oversee personnel practices and provide direction, job performance evaluations, and discipline to subordinates in accordance with established policies.
 - c. Provide leadership and direction in the development of short and long range plans. Gather, interpret and prepare data for studies, reports and recommendations. Coordinate city activities with other departments and agencies as needed.
 - d. Provide professional advice to the City Council and department heads. Make presentations to councils, boards, commissions, civic groups and the general public.
 - e. Communicate official plans, policies and procedures to the City Council, staff and the general public.
 - f. Assure that assigned areas of responsibility perform within budget. Monitor revenues and expenditures to assure sound fiscal control. Advise the City Council of financial conditions and current and future needs of the City.
 - g. Maintain harmony among workers and resolve grievances. Assist subordinates in performing duties; address errors and complaints in a professional and timely manner.
 - h. Appointment and removal of all department heads and employees of the City following the applicable guidelines of the personnel manual and other related policies and laws, except those appointed by City Council or elected as provided in the Charter of the City of Sallisaw.
 - i. Other duties of a similar or related nature as required.

SECTION 3: COMPLIANCE WITH APPLICABLE LAWS, CITY POLICIES AND ETHICS GUIDELINES

1. In performing the duties of the City Manager, City Manager shall faithfully observe and comply with all applicable federal, state, and local laws and local ordinances.
2. City Manager shall abide by all established city policies, unless they conflict with this Agreement, in which case this Agreement shall prevail.
3. If not already a member, City Manager shall become a member of the International City Management Association (ICMA) within two months of the effective date of this agreement and shall abide by the most current version of the ICMA Code of Ethics as adopted by the ICMA. To facilitate the role of City Manager, City Manager shall also become a member of the City Management Association of Oklahoma (CMAO).

SECTION 4: BASE SALARY, HEALTH INSURANCE AND OTHER BENEFITS

1. The City agrees to pay City Manager, for City Manager's services rendered pursuant hereto, an annual base salary of \$118,000.00 for the effective period of this Agreement, except as adjusted by council, and for each year thereafter except as modified as provided herein. Said annual base salary shall be paid on a bi-weekly basis.
2. During the term of this agreement, City Manager shall receive a percentage cost of living pay increase equal to any across the board cost of living increase provided for the general employees of the City. Additionally, the Council shall annually review the salary of the City Manager to determine whether any merit increase should be provided. If the Council approves both a merit increase for the City Manager and a cost of living adjustment for all city employees, then City Manager shall only be provided the greater amount of the pay adjustments, not both.
3. Cell Phone Allowance. City agrees to pay City Manager \$100.00 per month for a cell phone allowance.
4. Health Insurance. The City agrees to pay 100% of the cost of health insurance for the City Manager, and shall pay 100% of the dependent coverage of the City Manager. Cost of health insurance shall include health, vision, dental and life insurance as provided to other city employees. Additional supplemental policies, as offered to all city employees, shall be paid by the City Manager in full.
5. Vacation Leave. On July 1 of each year, City Manager shall be granted one hundred sixty hours (160) hours of vacation (four weeks). City Manager, if city operations allow, shall use a minimum of eighty (80) hours of vacation between the dates of July 1 and June 30 of the following year. All unused hours of vacation shall carry over to the next fiscal year and may accrue up to a maximum of 400 hours (ten weeks).
6. Accrued Vacation Leave Prior to July 1, 2018. City understands that City Manager, as an employee of the City of Sallisaw prior to July 1, 2018, has accrued 946 hours of vacation, with a value of \$39.82 per hour. As of July 1, 2020, the balance of these hours is 346. City agrees that City Manager is entitled to payment for these accrued vacation hours and agrees to the following.

- a. On the second pay period of the fiscal year, City Manager shall be paid for the remaining balance, 346 hours of his Accrued Vacation Leave. When paid to City Manager, it shall be paid at the rate of \$39.82 per hour.
7. Longevity. City Manager, being a city employee since September of 1994, shall be eligible for Longevity Pay, as provided for by city policies.
8. Sick Leave. City shall allow City Manager to keep all accrued sick leave currently accrued as an employee of the City of Sallisaw prior to July 1, 2018, and shall allow sick leave to continue to accrue as provided for in the City of Sallisaw personnel policies. Upon resignation for the purpose of normal retirement, payment of sick leave hours shall be provided for as allowed in the City of Sallisaw personnel policies.
9. OMRF Retirement. City Manager shall be allowed to continue in his current OMRF retirement plan, Plan AAA with rule of 80 and 10 year vesting, as adopted and provided by the City of Sallisaw. City Manager shall pay the required percentage as paid by other city employees. City shall pay the required percentage as required to pay for other city employees.
10. City agrees to furnish City Manager a laptop and other items, as needed, to perform his duties as City Manager.
11. City agrees to furnish a city vehicle for City Manager and pay fuel and other related costs. Said vehicle is to be used by the City Manager for business purposes only and De Minimis personal use. It is understood and approved by City that family members may travel with City Manager, in the city vehicle, when City Manager attends business related meetings and conferences in or outside the City of Sallisaw or outside the State of Oklahoma.

SECTION 5: HOURS OF WORK

It is expected that the City Manager will typically work during normal City Hall office hours. However, it is recognized that the City Manager must devote a great deal of time outside those normal office hours on business for the City. Accordingly, City Manager may establish his own work schedule, subject to reasonable direction by City Council. City Manager is not eligible for overtime or paid compensatory hours. City Manager agrees to provide the City Council with timely reports of City Manager's activities on a regular basis

SECTION 6: PROFESSIONAL DEVELOPMENT, DUES AND EXPENSES

1. City agrees to budget and pay the professional dues for the City Manager's membership in the International City Management Association (ICMA) and the City Management Association of Oklahoma (CMAO). City further agrees to pay the professional dues for the City Manager's membership in other municipal-related and civic organizations in which the City deems City Manager's membership to be in the best interest of the City.
2. The City agrees to budget and to pay the actual and necessary travel and attendance expenses of City Manager for professional and official functions to adequately continue the professional development of City Manager. These functions may include, but are not limited to, functions of the Sallisaw Chamber of Commerce, Oklahoma Municipal League (OML), International City Management Association (ICMA), City Management Association of Oklahoma (CMAO), Municipal Electric Systems of Oklahoma (MESO), National League of Cities (NLC), American Public Power Association (APPA), Grand

River Dam Authority (GRDA) and other municipal or governmental groups the City of Sallisaw is involved in.

3. When attending functions of professional organizations, City Manager shall notify City of dates attending. As provided for in the City Charter, City Manager shall name an acting City Manager when attending functions outside the State of Oklahoma.

SECTION 7: PERFORMANCE EVALUATION AND GOALS

City shall annually review the performance of the City Manager and discuss goals for the City. This review shall normally take place during the month of May.

SECTION 8: OUTSIDE ACTIVITIES

The employment provided for by this Agreement shall be the City Manager's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the City and the community, the City Manager may elect to accept limited teaching, consulting or other business opportunities as long as such arrangements do not interfere with or cause a conflict of interest with City Manager's responsibilities pursuant to this Agreement.

SECTION 9: TERMINATION

The Board of Commissioners may suspend or remove the City Manager at any time by majority vote of all of its members; provided, that the Board of Commissioners shall give the City Manager a written statement of the reason(s) for suspension or removal at least thirty days prior to the effective date of said suspension or removal; and, shall upon request, give the City Manager an opportunity for a public hearing thereon, after the expiration of such notice, before suspension or removal.

SECTION 10: SEVERENCE PAY

In the event of termination of City Manager's employment without cause, City Manager shall be paid a severance package as follows:

- a) Severance pay shall be paid in an amount equal to six (6) month's salary (13 pay periods). Severance pay shall be based on the City Manager's current salary rate at the time of termination, said severance to begin immediately after the last day worked.
- b) Severance pay shall be paid as a lump sum payment or in bi-weekly installments, as determined by the City Manager, within five (5) days of last day worked.
- c) Unused accrued vacation, as provided in Section 4.5 above, shall be paid City Manager at the current salary rate at the time of termination.
- d) In the event severance pay is paid as a lump sum payment, or bi-weekly amounts, City shall also pay City Manager a lump sum amount equal to four (4) months of COBRA premiums.

SECTION 11: INDEMNIFICATION AND SAVINGS CLAUSE

City shall defend, save harmless and indemnify City Manager 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 and arising out of the course and scope of City Manager's duties as City Manager, or resulting from the exercise of judgment or discretion in connection with the performance of the duties or responsibilities of the City Manager, unless the act or omission involved willful or wanton conduct. Legal representation, provided by City for City Manager, shall extend until a final determination of the legal action including any appeals brought by either party. The City shall indemnify City Manager against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorney's fees, and any other liabilities incurred by, imposed upon, or suffered by such City Manager in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of his duties and occurring within the course and scope of his employment. Any settlement of any claim must be made with prior approval of the City in order for indemnification, as provided in this Section, to be available.

SECTION 12: BONDING

City shall bear the full cost of any fidelity or other bonds required of the City Manager under any law or ordinance, and professional liability insurance.

SECTION 13: NOTIFICATIONS

City: City of Sallisaw, PO Box 525, Sallisaw, OK 74955

City Manager: Keith Skelton, 2809 Clydesdale Street, Sallisaw, OK 74955

IN WITNESS WHEREOF, the City of Sallisaw has appropriated funds to satisfy the terms and conditions of this Agreement, the City approves such agreement and authorizes the Mayor

and respective Chairmen to execute said Agreement and attested to by the City Clerk and respective Secretaries, and the City Manager has signed and executed this Agreement, which becomes effective commencing on the 1st day of July, 2019.

CITY OF SALLISAW, OKLAHOMA:

CITY MANAGER

By: _____
Ernie Martens, Mayor

Herman Keith Skelton

ATTESTED

Dianna Davis, City Clerk

SALLISAW MUNICIPAL AUTHORITY

By: _____
Ernie Martens, Chairman

ATTESTED

Dianna Davis, Secretary

SALLISAW ECONOMIC AUTHORITY

By: _____
Ernie Martens, Chairman

ATTESTED

Dianna Davis, Secretary

SALLISAW INDUSTRIAL FINANCE AUTHORITY

By: _____
Ernie Martens, Chairman

ATTESTED

Dianna Davis, Secretary

SALLISAW LIBRARY AUTHORITY

By: _____
Ernie Martens, Chairman

ATTESTED

Dianna Davis, Secretary

APPROVED AS TO FORM:

John Robert Montgomery, City Attorney