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CLOSED SESSION MINUTES
WEDNESDAY, AUGUST 24, 2022

The City Council met in a closed session at 5:31 p.m. on Wednesday, August 24, 2022, during a recess of a special meeting. The Clerk reported that the following Council members were:

PRESENT: Leroy Duncan
Sonya Hagaman
Jeremy Plank
Scott Tweedy
Tom Stalcup

PERSONNEL:

Mayor Stalcup asked if anyone has any questions or comments regarding the contract that was submitted by Interim City Manager Steve Palen and if the Council is comfortable with this contract or is the Council still wanting to seek outside candidates for the City Manager position.

Councilwoman Hagaman stated that things have moved very quickly since Interim City Manager Steve Palen stepped into the position and he knew what needed to be done especially coming from a position where he was already very involved has helped him to lead the City in the right direction. She stated that in conversation with current employees they have given nothing but glowing remarks about him.

Councilman Tweedy stated that he has spoke to Department Heads and stated that the Mayor can speak as well as anyone on his comfort level with Interim City Manager Steve Palen being in the position.

Councilman Duncan stated that he feels the same way.

Councilman Plank asked how this contract is different than the contract for City Manager Jim Schneider and how long Jim Schneider was the Interim City Manager.

Conversation ensued regarding the length of time that Jim Schneider was Interim City Manager and how he was Interim City Manager while he was working the rest of his years with the Police Department so he could retire with his Police pension. Jim Schneider was Interim City Manager for three years.

Councilman Plank stated that 2 ½ months does not feel like enough time to make the Interim City Manager the City Manager especially when the city hasn't gone out and tested the waters for outside candidates. He stated that the city hasn't received any resumes or anything.

Mayor Stalcup stated that there is a comfort level on his part since Steve Palen has stepped into the Interim position. He feels that Chief Stahlhut did okay in the Interim position but there was a learning process for him. He feels that since Steve has stepped into the Interim position he has been there, and he knows the processes and he has been able to ease the workload for other Department Heads and feels that Steve Palen is leading the City in the right direction. Mayor Stalcup is comfortable with Steve Palen being the City Manager, but he wanted to get an idea from council on how everyone is feeling about it.

Councilwoman Hagaman stated that going outside is not a bad answer in some situations but stated that right now there are so many projects going on and if the City decided to hire someone from outside, there would be so much time spent for that person to get caught up to speed.

Mayor Stalcup stated that Councilwoman Hagaman makes a good point because he recently spoke to another Mayor locally and the municipality ran into that issue, and it really set them back with their projects. Mayor Stalcup believes that Steve Palen has kept it in step and has kept everything moving forward.

Councilman Duncan stated that he feels that so far it has been a smooth transition.

Councilman Plank would like to see what the differences are between this contract and the contract for City Manager Jim Schneider and stated that it looks like there is different language in the contract the Steve Palen is proposing.

Interim City Manager Steve Palen stated that he took the last three contracts that the City had with Chief Stahlhut's contract, Jim Schneider's contract and Thomas Christy's contract and morphed them together to write his proposed contract. He offered to go through the contracts and outline the differences.

Councilman Plank stated that he would like for Steve Palen to do that. He would like to see the differences between the contracts.

Steve Palen stated that one of the differences is that City Manager Jim Schneider retired so some of things are different contractually for retirement versus being fired or resigning. Councilman Plank stated that he thinks he has a copy of Jim Schneider's contract. Steve Palen offered to send him a copy of it.

Councilwoman Hagaman asked if there would be an annual review of the contract. She asked if it is City policy to review employees annually.

City Attorney Rene Bassett-Butler advised putting a specific month in the contract at which time the contract would be reviewed annually to follow our ordinance because she doesn't believe that the ordinance gives a specific timeframe in which it must be done.

Interim City Manager Steve Palen asked if that would be done in a closed session or an open session.

City Attorney Rene Bassett-Butler stated it would have to be done in a closed session because the Council would be discussing the performance of personnel.

Councilman Plank asked if City Attorney Rene Bassett-Butler had a chance to look at the contract and asked if from a statutory standpoint she is good with the language.

City Attorney Rene Bassett-Butler stated yes.

Councilwoman Hagaman felt that the contract fell in line with what would be expected for the City Manager position.

Mayor Stalcup stated that City Manager Jim Schneider's longevity payout was a large sum of money that the City had to pay out when Jim left and that is something he would like to stay away from in the future. As Steve carries on he will stay within IMRF and stated that if Steve leaves there should be something in place regarding a severance package that would take care of his salary for one year within the IMRF sick time buildup and he would be paid half of \$130,000 and the other half would come from the unused sick time.

Steve Palen explained that upon retirement with IMRF, the City policy matter pays for half of the approved sick time and the other half of sick time is with IMRF since it is considered unpaid sick time it gives the employee service credit for the unpaid sick time so there's a value to the unpaid sick time upon retirement.

Mayor Stalcup stated that instead of giving a flat pay of \$130,000 per year, the City would give \$65,000 and the other half would be picked up with the accumulated sick time.

Steve Palen explained that being terminated is a different situation and if you are fired with IMRF, they do not pay out anything.

Councilman Plank asked if Steve Palen is grandfathered in for unused sick time. Steve Palen stated yes.

Conversation ensued about the new policy for employees hired after May 2019. Employees hired after May 2019 will not get paid for unused sick time upon retirement or separation with the City. Councilman Plank asked if the max is 2080 hours. Steve Palen answered yes, the max is 2080 hours but the City will only pay you for 1040 hours.

Councilwoman Hagaman stated that the reason City Manager Jim Schneider got such a large payout when he retired was because he wasn't compensated for the three years that he was Interim City Manager.

Mayor Stalcup explained that City Manager Jim Schneider had to start off from square one because he went from the Police pension to IMRF and at the time no one knew that he would be with the City for the next 19 years.

Conversation ensued regarding putting something in the new contract for the City Manager position that would prevent a big payout at the end of the next person's tenure as City Manager. It was also discussed that the contract needs to have a specific time that the contract will be reviewed annually so that we follow City Code. Steve Palen stated that April might be the most logical.

Mayor Stalcup had a few items that he felt needed changed. Section 6 speaks on subscriptions and organizations and Mayor Stalcup would like to add that this is approved by Mayor and City Council. He also questioned section 14, item 2. City Attorney Rene Bassett-Butler referred the Mayor to paragraph C on page 8 of the contract should be read in conjunction with one another.

Councilwoman Hagaman asked if Interim City Manager Steve Palen was going to add language to Section 3 regarding the year-end review. Steve was understanding that it was already in the City Code. Councilman Plank stated that the contract supersedes the City Code and City Attorney Rene Bassett-Butler agreed. Steve agreed that he would add language to the contract itself.

Discussion ensued on a couple of spelling corrections throughout the contract.

Interim City Manager Steve Palen stated that if the contract is approved, he thanks council for the opportunity and wishes to move the city forward.

There being no further business, the closed session adjourned at 5:56 pm.