



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## CITY COUNCIL AGENDA ITEM

Date: December 6, 2024

To: Honorable Mayor and City Council

From: Robert Bruner, Deputy City Manager  
Dylan Clark, Management Analyst

Subject: City Manager Employment Agreement



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### **Background**

At the November 25, 2024 meeting of Troy City Council, Frank Nastasi was appointed City Manager. This selection was contingent upon the mutual approval of an employment agreement negotiated between Frank Nastasi and the McGraw Morris law firm, the City of Troy's outside labor and employment attorneys.

Attached you will find a proposed City Manager Employment Agreement for your consideration.

**CITY MANAGER  
EMPLOYMENT AGREEMENT**

This City Manager Employment Agreement (“Agreement”), made and entered into this \_\_\_ day of December, 2024, and effective on the date on which City Manager executes the Agreement (“Effective Date”), by and between the City of Troy, a Michigan Home Rule City, whose address is 500 West Big Beaver Road, Troy, Michigan 48084, hereinafter referred to as “City” or “Employer” and Frank Nastasi, hereinafter referred to as “Employee,” “Nastasi,” or “City Manager,” both of whom understand as follows. The City and Nastasi are sometimes hereafter each referred to as a “Party” and collectively as the “Parties.”

**RECITALS:**

**WHEREAS**, the City desires to appoint Nastasi as the City Manager pursuant to and employ his services as set forth in the City of Troy City Charter and statutory law; and

**WHEREAS**, Nastasi shall perform all duties lawfully directed by the City Council, hereinafter referred to as the “Council,” except for those duties that are delegated by law to another City official; and

**WHEREAS**, the City Manager serves at the pleasure of the City Council; and

**WHEREAS**, it is the policy of the City that its City Council enacts policies of the City, and the City Manager carries out such directives and it is the City Manager’s role to oversee the day to day administration of the City’s government;

**WHEREAS**, the City Manager’s office is responsible for overseeing the administrative departments that are not under statutory authority of an elected official, as outlined in the job description attached hereto as Exhibit A;

**WHEREAS**, the City Council, as the City’s governing body, desires to provide certain benefits, to establish certain conditions of employment and to set working conditions of Nastasi; and

**WHEREAS**, the City desires to secure and retain the services of Nastasi; and

**WHEREAS**, Nastasi desires to accept appointment and employment as the City Manager.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the City and Nastasi agree as follows:

1. **Incorporation of Recitals.** All of the matters stated in the Recitals of this Agreement are true and correct and are hereby incorporated into the body of this Agreement as through fully set forth in their entirety herein. However, in cases of conflict or ambiguities between the Recitals and the other provisions of this Agreement, the other provisions of this Agreement shall control over matters stated in the Recitals.

2. **Duties.** The City agrees to employ Nastasi as its full-time City Manager to perform all of the functions and duties specified in the City’s City Manager job description, attached hereto as Exhibit A, the City Charter, applicable statutes of the State of Michigan, all ordinances and resolutions lawfully enacted, and to perform whatever legally permissible and proper functions and

duties as the City Council from time to time may assign or direct, whether verbal or written. Nastasi shall, at all times faithfully, industriously and to the best of his ability, experience, and talents, perform all of the duties that may be required of him or from him pursuant to the express and implicit terms of this Agreement and the assignments or direction of the City Council. Subject to approved absences, Nastasi shall maintain regular office hours during the City's regular hours of operation and shall attend all regular and special City Council meetings and other City meetings as needed or as directed by the City Council. The City Manager shall perform these duties with the highest moral standards and principals, including but not limited to those set forth in the International City/County Management Association (ICMA) Code of Ethics

- a. **Relationship to City Council.** Nastasi specifically understands that the City Council shall have the final authority and the power to direct, control or supervise the manner of Nastasi's performance of the duties of City Manager, which shall be consistent with the laws of the State of Michigan, the City Charter and the direction of the City Council, and this Agreement. The City Council shall be Nastasi's immediate supervisor, Nastasi shall report only to the City Council, all directives to Nastasi shall be made by the City Council and Nastasi serves only at the direction and pleasure of the City Council.
- b. **Working Hours.** The City Manager position is a full-time position, consisting of 40 hours per week, in addition to any and all additional work time reasonably required to discharge the duties and responsibilities of the office of the City Manager, including, but not limited to, any official meetings that are generally attended by the City Manager.

3. **Salary.** The City agrees to employ City Manager at an annual base salary of \$198,000.00 effective December 10, 2024.

- a. In consideration of setting the annual base salary of the City Manager, the Council shall consider the following:
  - 1. The performance evaluations of the City Manager, as conducted consistent with Section 4 of this Agreement;
  - 2. The financial condition of the City;
  - 3. Comparable salary information from other relevant municipalities. The data will be collected and assembled by a third party or the City's Human Resources Director, at a minimum of once every three years;
  - 4. Any additional relevant information brought forth by the City Manager for consideration by the City Council; and
  - 5. Any additional relevant information provided by members of the City Council, City Administration, or the public.
- b. Items 3, 4, and 5 shall be presented to City Council at least 45 days prior to May 1 of each year.
- c. The base salary of the City Manager shall be set annually by Council prior to

May 1. The annual salary set by the Council prior to May 1 shall take effect annually, starting July 1, and shall be the annual base salary for the period of July 1 – June 30.

- d. As stated in paragraph 2 of this Agreement, the term of this Agreement governs only the terms and conditions of Nastasi's employment set forth herein during Nastasi's employment with the City. Nastasi shall remain at all times an at-will employee of the City, serving at the pleasure of the City Council.

4. **Performance Review.** During the first year of Nastasi's employment as City Manager, the City Council shall performance quarterly performance reviews. The process, form, criteria, and format for the performance review shall be agreed upon by the City Council and Nastasi, but shall include the City Council's consideration of mutually agreed upon goals and objectives for the City Manager position and an agreed upon process for evaluating the City Manager's performance. Wage increases shall be based on these reviews as well as a percentage increase voted upon by the City Council during its annual wage consideration.

- a. City Council shall follow a standard performance evaluation process which will include, at a minimum, (1) an appropriate performance evaluation tool; and (2) a narrative summary of the prior year, prepared by the City Manager, of work performed, objectives achieved and updates on outstanding objectives. Unless requested by either party, and mutually agreed by both parties, the review process and evaluation tool shall be consistent with a review process utilized during the prior period.
- b. The timeline for the annual performance review shall be as follows (dates provided are all "on or about"):
  - 1. February 15 - Send performance evaluation tool and City Manager work performed narrative summary to reviewers.
  - 2. February 25 - Receive back the completed performance evaluation tool.
  - 3. March 10 - A draft report of the performance evaluation tool results shall be provided to Council.
  - 4. April 1 - Annual City Manager performance evaluation meeting with City Council. If requested by the City Manager, this meeting shall be conducted in executive session as provided by the state statute.

c. In an effort to make regular feedback accessible to the City Manager, and to supplement the annual performance review, additional quarterly evaluation dates will be scheduled. These evaluations will be held on or about January 1, July 1 and October 1. The City Manager may request that this performance review be conducted in a closed session as provided by Michigan's Open Meetings Act.

6. **Term of Agreement.** The terms and conditions contained in this Agreement will terminate one year from the Agreement's Effective Date, unless an addendum establishing a new duration of the terms and conditions contained in this Agreement has been negotiated and executed in writing by the City Council and Nastasi. If Nastasi wishes to continue as City Manager, he shall

inform the City Council of his intent to do so prior to the expiration of this Agreement. If he expresses a desire to continue, the City Council will decide whether to retain him at their next scheduled meeting. If Nastasi decides not to continue or if the City Council votes against retaining him, the Agreement will expire on its terms, and Nastasi will stop being City Manager when this Agreement terminates on its terms. If both Nastasi and the City Council agree to continue his employment, they will start negotiations to extend the Agreement and make any mutually agreed changes. The duration of this Agreement shall apply only to the terms and conditions set forth in this Agreement and Nastasi shall at all times be an at-will employee of the City, serving at the pleasure of the City Council, subject to termination at any time and for any reason, regardless of the term of this Agreement.

7. **Automobile and Cell Phone Stipend.** During his appointment as City Manager, Nastasi shall receive an automobile stipend in the amount of \$550.00 per month. The City Manager shall provide proof of insurance to the City, which the City Manager shall be responsible for maintaining, and at his expense, in a coverage amount of not less than \$250,000 bodily injury and \$250,000 property damage. During his appointment as City Manager, Nastasi shall receive a cell phone stipend in the amount of \$70.00 per month. Nastasi shall be entitled to the same rate changes as other exempt employees pursuant to any applicable City administrative memo.

8. **Other Employment.** The City Manager shall devote full-time attention, knowledge and skills in the interest of the City, and the City shall be entitled to full-time benefits arising from or incident to the full-time work, services and advice of the City Manager. The City Manager may from time to time teach, lecture or make presentations that will not conflict or interfere with his work for the City.

9. **Benefits.** The City shall provide City Manager with the following benefits:

- a. The City shall make an annual contribution in the total amount of \$7,500.00 on or before July 1<sup>st</sup> of each year to City Manager's MissionSquare Retirement Deferred Compensation Plan on behalf of City Manager.
- b. City Manager shall participate in the Retirement System Pension Program, as set forth in Chapter 10 of the Troy City Code and consistent with Section 6 of the City's collective bargaining agreement with the Troy Command Officers' Association ("CBA"). City Manager shall be entitled to the Straight Life Pension and Age and Service Retirement as provided in sections 6.1(A) and 6.1(B) of the CBA and the benefit computation shall be 2.8% for each year of service up to a maximum of 25 years. For each service year over 25 years, the benefit computation shall be 1.0%. The total benefit computation for all years of service rendered on behalf of the City shall not exceed 75% of City Manager's Final Average Compensation.
- c. City Manager shall retain his entitlement to accrued retirement/pension benefits accrued during his service to and employment with the City prior to appointment as City Manager, including his participation in the City's Defined Benefit Plan, as set forth herein and as outlined in the above-referenced CBA, as well as his entitlement to retirement healthcare, in which the City will pay for medical, hospitalization and dental coverage at the rate of 4% per complete year of retirement services to the City (maximum 100%) for two person coverage for self and spouse at the time of retirement (or dependent child). At

his own expense, in retirement, Nastasi may pay the difference between the two-person and family rate.

- d. The City shall provide City Manager with six weeks annual paid vacation.
- e. The City shall provide City Manager with a one-time clothing stipend in the amount of \$2,750.00. This stipend shall be paid to City Manager on the first date payable for payroll following execution of this Agreement. This one-time stipend shall not extend beyond the term of this Agreement, unless specifically agreed to in writing by the parties.

10. **Other Business Expenses.** The City shall reimburse the City Manager for all reasonable employment related expenses, subject to the administrative policies concerning such expenses, as currently exist in the City of Troy Employee Handbook for full time employees, as may be amended and otherwise. Such expenses may include, but are not limited to, the following: air travel, taxi and automobile rental, lodging, meals, memberships and subscriptions to the publications of the International City Managers Association, the Michigan Municipal Executives, Government Finance Officers Association, and such other national, regional, state and local governmental groups thereof which City Manager is a member. Registration fees shall be paid for training programs offered by such organizations, and travel and incidental costs relating to attending such programs or conferences and meetings of such organizations. It is specifically understood that such activities are to be undertaken by the City Manager and shall be considered part of the City Managers duties. In accordance with the relevant City rules and policies, other incidental expenses incurred by the City Manager during the course of his duties will also be reimbursed including business meals, supplies, and other costs associated with the position of City Manager.

11. **Public Official Liability Insurance and Representation by Legal Counsel.** The City shall provide the City Manager with public official liability insurance in accordance with that provided other officers in the City. In addition, the City shall provide the City Manager legal representation as otherwise provided for other city officials and as provided by ordinance, except for malicious, wanton criminal conduct arising from the City Manager's action or conduct and/or unless the City Council determines that the City Manager was clearly acting outside of the scope of his duties when engaged in the actions or conduct which form the basis of such charges or claims.

12. **Termination of Agreement.** The City or Nastasi may terminate this Agreement at any time with or without just cause. Nastasi may terminate his own employment by giving the City Council, through the City Clerk, at least sixty (60) days' notice in writing unless both parties mutually agree that shorter notice is acceptable.

The City shall also have the right to terminate Nastasi's employment without just cause. In the event that the City terminates Nastasi's employment without just cause, and the City Manager is willing, able, and ready to perform the duties as City Manager, the City shall pay Nastasi the equivalent of six (6) months' salary at the time of termination. The payment by the City shall be considered full satisfaction of the City's obligation under this Agreement. The City shall not, however, be required to pay said sum to the City Manager until such time as the City Manager executes a full and complete severance and release agreement in a form acceptable to the City.

The City shall also have the right to terminate Nastasi's employment for just cause, and all rights of the City Manager as to compensation and benefits under this Agreement, with the exception

of retirement and retirement health insurance, shall cease as of the date of such termination. The term “just cause” shall include, but is not limited to, any of the following:

- a. Fraud, dishonesty, or other intentional misconduct either:
  - i. in the performance of City Manager’s duties and responsibilities pursuant to this Agreement, or
  - ii. which has a material adverse impact on the City, its officials, administrators or the City Manager.
- b. The use by City Manager of alcohol, drugs, or any other intoxicant or controlled substance in such a manner as to impair his ability to perform his duties and responsibilities pursuant to this Agreement in a competent and diligent manner or in a manner which harms the reputation of the City.
- c. The City Manager’s arrest for a crime providing for a term of imprisonment (other than traffic violations and crimes not requiring the knowing involvement of the City Manager in the commission thereof).
- d. A pattern of neglect or persistent failure to perform the duties herein contained with respect to duties previously communicated to the City Manager in writing by the City Council but only after the City Manager has been provided notice by the City Council of its dissatisfaction with the performance of said duties and City Manager has been provided a reasonable opportunity to correct his performance; and
- e. Otherwise willful misconduct in connection with the performance of his duties hereunder.

13. **Eligibility for Benefits Afforded Other City Officials.** Except as otherwise provided in this Agreement, the City Manager shall receive the same benefits as provided to the City’s exempt employees including but not limited to: compensatory time, sick leave, group medical insurance benefits, life and other insurance, holidays, personal days and disability as is described in the City of Troy Employee Handbook for full-time employees, and exempt benefits summary, in effect at the time of this agreement and which may be modified from time to time during the course of this Agreement.

14. **Severability of Invalid Provision.** The provisions of this Agreement shall be deemed severable; the invalidity or unenforceability of any one or more of the provisions of this Agreement shall not affect the validity and enforceability of other provisions. This Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

15. **Entire Agreement.** This Agreement constitutes the full and complete Agreement between the parties on the subject matters contained herein, and no amendment of this Agreement, including the at-will employment provision contained herein, will be effective unless agreed to in writing by the parties hereto. Any and all prior agreements or understandings between the parties are null and void as of the date of execution of this Agreement.

16. **Interpretation.** For purposes of interpretation of this Agreement, neither the City

Council nor Nastasi shall be deemed to have been the drafter of this Agreement.

17. **Construction.** This Agreement has been prepared and negotiations have occurred in connection with said preparation pursuant to the joint efforts of the parties hereto. This Agreement therefore shall not be construed against any party to this Agreement.

18. **Modification.** This Agreement shall not be modified, altered, or amended except through a written amendment signed by the City Council and Nastasi.

19. **No Third-Party Beneficiaries.** This Agreement is not intended to confer upon any person or entity, other than the parties hereto, any rights or remedies of any kind or nature whatsoever.

20. **Counterparts.** This Agreement may be executed in several counterparts each of which shall be deemed one and the same Agreement. It shall be binding upon and inure to the benefit of the parties to it and their respective successors and assigns.

21. **Captions and Bylines.** The captions and bylines used in this Agreement are for the convenience of reference only and in no way define, limit or describe the scope of intent of any provision of this Agreement.

22. **Jurisdiction and Governing Law.** This Agreement shall be interpreted, enforced, and governed by the laws of the State of Michigan, with respect to all claims arising out of this Agreement. Nastasi further agrees that regardless of where he may reside, process may be served on him with respect to any such proceeding in accordance with the provisions of the Michigan Court Rules or Federal Rules of Civil Procedure regarding service and process. This Agreement shall be governed by and construed in accordance with the procedural and substantive laws of the State of Michigan without reference to Michigan's choice of law principles. Each party shall be responsible for their own attorney fees accrued in enforcing the terms of this Agreement.

23. **Notice.** Unless otherwise provided herein, any notice, communication, request, reply or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made or accepted by any party to any other party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by overnight courier (i.e., Federal Express or UPS) when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner described above shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

**If to City Council :**

**If to Nastasi:**

City Clerk  
500 West Big Beaver Road  
Troy, MI 48084

24. **Certification of Authority to Sign Agreement.** The persons signing on behalf of the City Council certify by their signatures that they are authorized to sign this Agreement on behalf



of the City Council and that this Agreement has been authorized by the City Council.

**IN WITNESS WHEREOF**, the City Council has caused this Agreement to be signed and executed on its behalf by the City Mayor and duly attested by the City Clerk and Nastasi has signed and executed this Agreement, both in duplicate, this \_\_\_ day of \_\_\_\_\_, 2024.

**CITY OF TROY**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Ethan D. Baker, Mayor

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
M. Aileen Dickson, City Clerk

**CITY MANAGER**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Frank Nastasi