LETTER OF AGREEMENT

This LETTER OF AGREEMENT ("Agreement") is made this ____ day of _____, 2025, by and between the VILLAGE OF NORTHPORT, a Michigan municipal entity whose address is 516 West Nagonaba Street, Northport, Michigan 49670 (hereinafter, the "Village"), and Mr. JERED OTTENWESS, a Michigan resident whose address is _____ (hereinafter, "Mr. Ottenwess" or the "Village Manager"), on the terms and conditions set forth below.

Recitals

Whereas, for the purposes of this Agreement, the term Village Manager shall bear the meaning given in Section 8 of Chapter V of Michigan's General Law Village Act (Public Act 3 of 1895; MCL §65.8); and

Whereas, for the purposes of this Agreement, the term Zoning Administrator shall bear the meaning given in Article 2, Section 2.02 Definitions of The Village of Northport Zoning Ordinance

Whereas, the Village wishes to retain the services of Mr. Jered Ottenwess as Village Manager and Zoning Administrator; and

Whereas, Mr. Ottenwess wishes to be employed by the Village in the capacity of Village Manager and Zoning Administrator; and

Whereas, it is to the advantage of both the Village and Mr. Ottenwess to specify the conditions under which Mr. Ottenwess is to work and to be compensated.

Now, Therefore, the parties mutually agree to the following:

1. Employment. The Village hereby employs Mr. Jered Ottenwess as the Village Manager and Zoning Administrator, and Mr. Ottenwess hereby accepts employment upon the terms and conditions set forth in this Agreement. The Village agrees to employ Mr. Ottenwess and he accepts employment as the Village Manager, to perform all of the functions and duties specified by law, including but not limited to those set forth in the General Law Village Act (MCL §61.1 *et seq.*; hereinafter, the "Act"), and other legally permissible and proper duties and functions as the Village shall from time-to-time assign by resolution. ~~In addition, by~~Furthermore, and as stated in the resolution approving this Letter of Agreement, the Village ~~has pursuant to MCL §65.8, as amended, appointed~~hereby appoints Mr. Ottenwess ~~as~~to the role of Village Manager with all of the duties and powers specified in ~~that statute.~~the Act, including, but not limited to, MCL §65.8, as amended. Should the Village fail to adopt an Ordinance as specified in MCL §65.8 and designate the Village Manager as the Chief Administrative Officer of the Village, should such an Ordinance be repealed, or become ineffective by referendum, at any time during Mr. Ottenwess's

employment, this Letter of Agreement shall be void and the Buy Out Payment specified in Paragraph 6(c)(i), below shall apply.

2. Term. This Agreement shall commence as of May 5, 2025 and shall continue for a term of three (3) years, subject to satisfactory performance evaluations, which may be conducted from time to time. ~~At~~On or before the conclusion of the third year~~,~~ (prior to May 5, 2028), the parties shall have the opportunity to renew, renegotiate, or extend the terms of this Agreement.

3. Compensation. Effective May 5, 2025 or such other date as may be mutually agreed by the parties, and in consideration of Mr. Ottenwess's transition from his current employment~~. For,~~ for all services rendered by Mr. Ottenwess under this Agreement, the Village shall pay Mr. Ottenwess an annual base salary of Ninety Thousand and 00/100 Dollars ($90,000.00), to be paid out over the year on a biweekly~~.~~ basis. Annual increases, if any, shall be based on performance and a review of market data. In addition to the annual base salary~~, Mr.~~ and the provisions of Paragraphs 4 and 5 below, Mr. Ottenwess shall be entitled to such benefits as may be provided to other Village employees. Such benefits shall include, but are not limited to, holidays, medical, dental, and life insurance. These non-salary benefits shall commence upon Mr. Ottenwess's assumption of the full-time role detailed in this Agreement.

4. Additional Financial Allowances.

a. Any approved travel will be compensated at the approved I.R.S rate.

b. Mr. Ottenwess may be provided a cell phone for official Village business, or may elect to receive Sixty Dollars ($60) per month as a stipend therefore. If the Stipend is selected, the payment will be reported as compensation for income tax purposes;

c. Mr. Ottenwess shall receive an annual allowance of Five Hundred Dollars ($500.00), or such other amount as may be appropriated or approved by the Village Council, for use in conjunction with obtaining and/or maintaining professional memberships related to the work of the Village Manager and/or Zoning Administrator;

5. Vacation/Leave. Mr. Ottenwess shall be entitled to Two Hundred and Eighty (280) hours of annual leave (vacation and personal days are combined in this total) and shall have the option to roll-over any unused time on an annual basis, provided that the maximum number of hours of vacation and/or leave under this policy shall not exceed Four Hundred and Twenty (420) hours total. Mr. Ottenwess agrees not to utilize any vacation days (outside of federally recognized national holidays) within the first ninety (90) days of employment.

6. Termination. Either party has the right to terminate the employment relationship at any time and in the sole discretion of the party terminating the relationship subject to the following provisions:

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a. In the event Mr. Ottenwess resigns from the position of Village Manager, Zoning Administrator, or both, sixty (60) days advance notice shall be given to the Village Trustees.

b. In the event the Village terminates the services of Mr. Ottenwess due to just cause, Mr. Ottenwess shall receive no further compensation following the effective date of said termination.

c. In the event the Village terminates the services of Mr. Ottenwess without just cause:

   i. If the termination occurs within the first year of this Agreement, Mr. Ottenwess shall be entitled to a "buy-out" payment equivalent to six (6) months or one hundred eighty (180) calendar days of compensation, or in the alternative, the equivalent of one hundred eighty (180) calendar days' advance notice of such termination.

   ii. If the termination occurs at any point after the first year of the contract, Mr. Ottenwess shall be entitled to a "buy-out" payment equivalent to ninety (90) calendar days of compensation, or in the alternative, the equivalent of ninety (90) calendar ~~days'~~days of advance notice of such termination.

   iii. For purposes of this Agreement "just cause" shall be defined as follows:

      1. Dishonesty, theft, or breach of fiduciary duty related in any way to ~~her~~his employment.

      2. Conviction of any felony.

      3. Breach of the ICMA Code of Ethics or ~~her~~his breach of other laws, rules or regulations related to his job duties and functions.

      4. Failure to perform his employment duties as described in this Agreement promptly and in a manner satisfactory to the Village, provided that the Village shall give him written notice of the performance deficiencies and specific details of the improvement needed and shall give him at least sixty (60) calendar days within which to cure such deficiencies before termination.

7. Applicable Laws. This Agreement is subject to all applicable laws and administrative rules bearing upon the parties and the subject matter of this Agreement as such law may be in effect from time to time, including, with limitation, Michigan Public Act 3 of 1895, as amended, and such law is incorporated herein by reference. In the event of conflict between the provisions of this Agreement and such applicable law, such applicable law shall control.

8. Duties. The duties established and contracted by the Village shall consist primarily of those duties and functions listed in the job description attached hereto as "Attachment A," which

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shall be considered the present determination thereof of the Village Trustees and may be relied upon by Mr. Ottenwess. However, the Village Trustees may from time to time, by resolution, alter this description of Mr. Ottenwess's responsibilities, provided that such alterations shall not be effective until a copy of such resolution shall be delivered to Mr. Ottenwess.

9. Extent of Services. Mr. Ottenwess shall devote sufficient professional time, attention, and energies to the business of the Village and his role as Village Manager and Zoning Administrator. In order to discharge the functions of his role, early morning, luncheon, and night-time meetings and activities may occur outside of regular office hours that require Mr. Ottenwess's attendance. Upon notice to and approval by the Village Council, Mr. Ottenwess may be permitted to act as a consultant on governmental and legal matters, provided such employment does not conflict with or interfere in the performance of the duties required by this Agreement, or MCL 65.8.

10. Professional Development. Mr. Ottenwess shall be entitled to attend professional development activities related to Village affairs, such as seminars and conventions. The Village may pay for or reimburse Mr. Ottenwess for certain expenses in connection with such professional development activities in its sole discretion. In any event, Mr. Ottenwess shall take not more than seven (7) working days per fiscal year for professional development activities unless specifically authorized by the Village Trustees. Days so expended shall be regarded as days worked.

11. Performance Evaluation. The Village shall have the right to conduct regular performance evaluations on or before June 30th of each year. The performance of Mr. Ottenwess shall be evaluated primarily upon the duties and functions listed in the job description (Attachment A) as well as the goals and plans expressed by the Village Trustees during goal-setting sessions, strategic planning, and/or formal performance evaluation sessions as outlined herein. Such evaluations shall not be a renegotiation of the terms of this Agreement. Mr. Ottenwess is entitled to request a closed session relative to any such evaluation, to the extent provided by MCL §15.268(a).

12. Civic Organizations. The Village encourages membership by Mr. Ottenwess in local civic organizations and in executing civic responsibilities. The Village shall reimburse Mr. Ottenwess for dues and reasonable expenses incurred in membership in one or more such organizations out of the sum allotted in Section 4.c. above.

13. Assignment. This Agreement is not assignable by either party.

14. Waiver of Breach. A waiver by the Village of a breach(es) by Mr. Ottenwess of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by Mr. Ottenwess.

15. Non-Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment because of their actual or perceived race, color, religion, national origin, sex, age, height, weight, marital status, physical or mental disability, ~~family~~familial status, sexual orientation, or gender identity~~.~~ or expression. Breach of this covenant may be regarded as a material breach of this Agreement.

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[signature pages follow]

~~15.~~

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VILLAGE OF NORTHPORT

Date: _____, 2025.

_____
By: Christopher McCann
Its: Village President

JERED OTTENWESS

Date: _____, 2025.

_____

Approved as to form:

_____
Ross A. Hammersley
Village General Counsel

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