

Three Rivers DDA Main Street

June 6, 2014 Agenda

City Hall 8:00am

1. Call to order
2. Roll Call
3. Approval of Agenda
4. Approval of May 2 & May 21, 2014 minutes
5. Accept Financial Report dated 4/30/14
6. Citizen Comments
7. Discussion Items
 - a. National Main Street Conference
 - b. Director responsibilities accountability now
 - c. Baseline Assessment Final
8. Action Items
 - a. National Main Street Conference reimbursement
 - b. Approval of Contract with Three Rivers Area Chamber of Commerce
 - c. Approval the Employment Contract for Executive Director
9. Miscellaneous
10. Next Regular Board Meeting July 11, 2014
11. Adjournment

Meeting Minutes
Three Rivers Downtown Development Authority
May 2, 2014

1. Call to Order

The meeting was called to order by Chair Zimont at 8:01 a.m. in the Commission Chambers of City Hall.

2. Roll Call

The following members were present at roll call:

Doug Mitchell

Donna Grubbs

Joe Bippus

Jeff Zimont

Nancy Boyce

Paul Shingledecker, Tricia Meyer, Tom Miles & Danielle Moreland were absent.

3. Approval of the Agenda

It was moved by Mitchell and seconded by Boyce to remove item #7 and approve the agenda. Motion passed 5-0.

4. Approval of the Minutes of April 4, 2014 and Committee Minutes

5. Accept the Financial Report

It was moved by Grubbs and seconded by Mitchell to approve and accept the minutes and financial report as presented. Motion passed 5-0.

6. Citizen Comments

Peggy Deams commented on the process for deliberating and selecting the new Main Street Manager.

7. Directors Comments

Trammell provided a brief reflection on her time with the DDA.

Meyer joined the meeting at 8:08 a.m.

Grubbs and Bippus thanked Trammell for her work with the DDA over the past 6 years.

8. Discussion Items

a. Main Street Committees June Trainings

Zimont stated that the trainings would be provided by the MMS staff and would last approx. 3 hours.

b. National Main Street Conference, May 18-20th

Zimont stated that early registration fees would be honored if board members wanted to attend but had not pre-registered.

c. Executive Committee Duties

Zimont stated that responsibilities could include approving volunteer application, bringing back recommended procedures, review bylaws, and meet as needed.

Discussion included what/how does Main Street see the hierarchy.

Attorney O'Connor stated that executive committee meetings provided a good sounding board for the newly hired main street manager.

d. Contract for employment with Chamber of Commerce

Zimont noted that there would be two contracts; employment services and contract between the Chamber and the new MMS Manager.

Attorney O'Connor commented on liability concerns from the Chamber but stated that the contract would address procedures, parameters for negotiations, and final recommendations would be brought back to the full board for approval. O'Connor stated that the Chamber contract would mirror the terms for the arrangement made between the DDA and MMS Manager.

Zimont stated the options for employment contracts; city employee, employment leasing options similar to a temporary agency, DDA separate organization with their own employee. Leased employment options appear to be the least expensive.

Meyer inquired about who the MMS Manager would take direction from.

O'Connor stated that the Chamber was waiting for a draft agreement.

Boyce asked for clarification regarding the Chambers role with the employee. Zimont stated that it would be the same arrangement that has been used with Trammell, pass through.

Meyer inquired about a timeline for the process. Zimont stated that the Executive Committee could work on the negotiations and bring final recommendations back to the full board for approval. O'Connor stated that by Monday or Tuesday of next week a contract would be sent back to the DDA to begin moving the process along.

Miles joined the meeting at 8:37 a.m.

Zimont stated that the Chamber's Executive Committee met with himself and Trammell and were in support for the concept but were waiting for the contract before presenting information to their Board for approval.

9. Action Items

a. Extend an offer to Executive Director Candidate

It was moved by Grubbs and seconded by Meyer to proceed to offer Joe frost the position.

Zimont stated that the background checks and references came back positive.

Grubbs stated her appreciation for the job of the Selection Committee.

Bippus stated that he was able to view each candidate during the first round of interviews.

By a roll call vote motion passed 6-1 with Mitchell dissenting.

Boyce inquired about the process if Candidate 1 did not move forward. Boyce also asked if she could recast her vote and stated her reservations.

Zimont noted that Main Street Manager Krisov had only one recommendation after seeing all of the candidate interviews and that was for Candidate 1.

b. Authorize contract negotiation with the Chamber of Commerce

It was moved by Bippus and seconded by Mitchell to appoint the Executive Committee with the task to negotiate the contracts with the Chamber for services. Motion passed 6-0.

c. Authorize contract negotiation with Executive Director

It was moved by Bippus and seconded by Mitchell to appoint the Executive Committee with the task to negotiate the offer with Candidate 1 Joe Frost. Motion passed 6-0.

10. Miscellaneous

Zimont commented on the communication among other candidates and the challenges as a public body. Mitchell stated that as a common courtesy, calls should have been made. Meyer stated that the timing of the Boards' decision does play a factor in the process. Mitchell noted that Vander-Giessen Reitsma would like to continue to volunteer and be involved in other ways with the DDA.

Meyer reminded the Board about the Three Rivers Community Pride Day on May 10th.

Meyer inquired about the thank you cards for the MMS Staff.

Meyer stated that a letter was received by Peggy Deames regarding bikes downtown on the sidewalks.

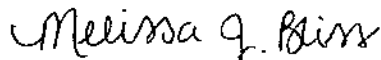
Zimont thanked Trammell for her dedication and years of service and the continued partnership with the Chamber.

11. Next Meeting – June 6th, 8 a.m.

12. Adjournment

By Board consent, Chair Zimont adjourned the meeting at 9:01 a.m.

Respectfully submitted,



Melissa Bliss
City Clerk

Special Meeting Minutes
Three Rivers Downtown Development Authority
May 21, 2014

1. Call to Order

The meeting was called to order by Chair Zimont at 8:00 a.m. in the Commission Chambers of City Hall.

2. Roll Call

The following members were present at roll call:

Doug Mitchell	Danielle Moreland
Tom Miles	Paul Shingledecker
Nancy Boyce	Donna Grubbs
Tricia Meyer	Joe Bippus
Jeff Zimont	

3. Approval of the Agenda

It was moved by Mitchell and seconded by Bippus to approve the agenda. Motion passed 9-0.

4. Citizen Comments:

Mayor Lowry commented on the interview process for the MMS Director position and noted that two applicants came to see him because they found out from the local press that they were not selected to proceed.

Mayor Lowry also commented on the \$26,000 contribution request, expressed his dissatisfaction with the DDA's Board's communication. He also noted the City's budget process and stated that the DDA's actions were perceived negatively by the public.

5. Discussion

a. Main Street Director Position

Zimont stated that Frost did not accept the offer and it was now a decision for the board to determine the next step. Zimont also stated that he had received communication from a couple of different individuals including applicant Candidate #2 Brian Persky. Persky expressed continued interest in the position and would like additional consideration.

Zimont stated that MMS Manager Laura Krisov provided an extension for the hiring date in order to get the best candidate for our community.

City Manager Bippus expressed his support for bringing back Persky for a third interview. Moreland had concerns for hiring outside of the local area. Mitchell also commented on the prerequisite for encouraging applicants to live in our community. Bippus stated that Persky brought experience and resources. Miles supported moving forward with Persky.

Shingledecker supported revisiting Persky and others in the final selection process. Grubbs inquired about the background and the process if the Candidate #1 was not selected.

Further discussion included day one interviews. Boyce noted her support for starting over in the selection and voting process. Meyer commented on losing momentum if the process started over. Meyer noted her support for both local and qualified candidates. Bippus stated that this is not an atypical situation and generally you would move on to the second highest candidate. Zimont stated that the DDA Board needs to stay focused

on the priorities, qualities, and a consistent process. Zimont noted that Krisov stated that often the job posting is republished.

Zimont commented on the notification process for applicants that weren't selected to move forward noting that in a public position it's often released in the media first. Moreland also commented on the interview process.

Boyce and Meyer expressed concern for communication and the process moving forward. Mitchell, Shingledecker, and Bippus stated support for moving forward with Candidate #2.

It was moved by Mitchell and supported by Shingledecker to offer the position to Candidate 2 Brian Persky.

By a roll call vote motion passed 6-3 with Boyce, Moreland and Meyer dissenting.

Moreland inquired about the contract to be offered to Persky. Zimont stated that Executive Committee discussion should take place regarding specifics. O'Connor noted that agreements were presented to the Chamber with some specific concerns but overall they were in agreement with the concept.

Zimont will provide a copy of the contract that was given to Frost.

Moreland inquired about a timeline for notifying Persky and supported immediate notification.

Boyce noted her continued support for Babcock.

Zimont stated that once the position is accepted and finalized, communication would be made to all 21 candidates.

b. Current Contract with Chamber

Supervision of DDA Maintenance - daily activities

Moreland inquired about current grant applicants. Trammell stated that Marilyn Smith was the third party administrator and would continue to work with the property owners. Trammell noted that communication had been made and they are aware that transition will occur on May 31st. Trammell also stated that continued monthly meetings occur, six different committees and boards.

City Manager Bippus stated that an option would be to reach out to DPS Director Roth to provide oversight.

Bippus left the meeting at 8:51 a.m.

Moreland inquired about the DDA computer. Trammell stated that it was not being used.

Moreland inquired about MMS Committee structures and processes. Zimont stated that training was coming next month from Main Street.

By consent, there was not a need to continue with a month to month chamber contract with the DDA.

6. Next Meeting – June 6th at 8:00 a.m.

7. Adjournment

By Board consent, Chair Zimont adjourned the meeting at 8:56 a.m.

Respectfully submitted,

Melissa G. Binn

Fund 214 DOWNTOWN DEVELOPMENT AUTHORITY

GL Number	Description	Current Year Beg. Balance	Balance
*** Assets ***			
214-000-001.00	CASH	75,788.27	46,032.38
214-000-003.00	CASH EQUIVALENT INVESTMENTS	42,590.86	43,283.44
214-000-003.10	UNREALIZED GAIN OR LOSS	(955.15)	(955.15)
214-000-040.07	ACCOUNTS RECEIVABLE-REV LOAN	5,323.78	5,323.78
214-000-056.00	ACCRUED INTEREST RECEIVABLE	99.53	99.53
Total Assets		122,847.29	93,783.98
*** Liabilities ***			
214-000-202.00	ACCOUNTS PAYABLE	5,588.86	(5.25)
214-000-289.00	UNEARNED REVENUES	400.00	400.00
Total Liabilities		3,988.86	394.75
*** Fund Balance ***			
214-000-389.40	RESERVE-REVOLVING LOAN	43,899.83	43,899.83
214-000-390.00	Fund Balance	47,118.59	47,119.59
Total Fund Balance		91,018.42	91,018.42
Beginning Fund Balance			91,018.42
Net of Revenues VS Expenditures			2,370.81
Ending Fund Balance			93,389.23
Total Liabilities And Fund Balance			93,783.98

GL NUMBER	DESCRIPTION	2013-14 ORIGINAL BUDGET	2013-14 AMENDED BUDGET	YTD BALANCE 04/30/2014	ACTIVITY FOR MONTH 04/30/2014	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT USED
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Fund 214 - DOWNTOWN DEVELOPMENT AUTHORITY								
Dept 000								
214-000-403.00	CURRENT PROPERTY TAXES	11,732.00	11,732.00	10,877.00	0.00	0.00	855.00	92.71
214-000-403.01	TAX INCREMENT FINANCING-PLAN	20,140.00	20,140.00	20,431.70	0.00	0.00	(291.70)	101.45
214-000-403.02	TAX INCREMENT FINANCING-Plan	6,261.00	6,261.00	82,210.45	0.00	0.00	(75,949.45)	1,313.06
214-000-403.03	TAX CAPTURE-BENTWATERS ONLY	74,448.00	74,448.00	0.00	0.00	0.00	74,448.00	0.00
214-000-407.00	DELINQUENT PERSONAL PROPERTY	200.00	200.00	654.13	0.00	0.00	(454.13)	327.07
214-000-437.00	PROPERTY TAX - IFT	146.00	146.00	145.74	0.00	0.00	0.26	99.82
214-000-445.00	PENALTIES - TAXES	50.00	50.00	425.72	0.00	0.00	(375.72)	851.44
214-000-665.00	INTEREST ON INVESTMENTS	2,000.00	2,000.00	1,049.40	81.05	0.00	950.50	52.47
214-000-676.16	CONTRIBUTION FROM PRIVATE SOU	1,200.00	1,200.00	0.00	0.00	0.00	1,200.00	0.00
214-000-677.00	REIMBURSEMENTS	0.00	0.00	8,187.35	782.50	0.00	(8,187.35)	100.00
214-000-688.00	MISCELLANEOUS REVENUE	0.00	0.00	35.00	0.00	0.00	(35.00)	100.00
214-000-688.05	MISC REVENUE - FUNDRAISING	5,750.00	5,750.00	3,084.00	0.00	0.00	2,666.00	53.63
214-000-688.06	MISCELLANEOUS REVENUE - PAINT THE TC	0.00	0.00	155.00	0.00	0.00	(155.00)	100.00
214-000-694.00	OTHER REVENUES	0.00	0.00	2,369.55	(760.11)	0.00	(2,369.55)	100.00
Net - Dept 000		121,927.00	121,927.00	129,625.04	103.44	0.00	(7,698.04)	

Dept 543-GENERAL ADMINISTRATIVE								
214-543-701.00	SALARIES/WAGES FULLTIME EMPLO	0.00	0.00	1,211.39	0.00	0.00	(1,211.39)	100.00
214-543-702.00	SALARIES/WAGES - PART TIME EM	13,000.00	13,000.00	9,622.13	525.00	0.00	3,377.87	74.02
214-543-705.00	OVERTIME WAGES	0.00	0.00	324.93	0.00	0.00	(324.93)	100.00
214-543-715.00	FICA - EMPLOYERS SHARE	995.00	995.00	853.68	40.16	0.00	141.32	85.80
214-543-720.00	WORKERS COMPENSATION	438.00	438.00	374.00	0.00	0.00	64.00	85.39
214-543-725.00	PHYSICAL EXAMINATIONS	200.00	200.00	197.00	0.00	0.00	3.00	98.50
214-543-728.00	POSTAGE	0.00	0.00	181.71	135.66	0.00	(181.71)	100.00
214-543-729.00	PRINTING	0.00	0.00	794.46	0.02	0.00	(794.46)	100.00
214-543-740.00	GENERAL PLANT SUPPLIES	3,000.00	3,000.00	1,314.45	(71.52)	40.10	1,645.45	45.15
214-543-740.40	SUPPLIES - DESIGN COMMITTEE	3,550.00	3,550.00	1,550.08	0.00	0.00	1,999.92	43.66
214-543-741.00	FUEL - GAS & OIL	500.00	1,500.00	1,415.84	71.99	0.00	84.16	94.39
214-543-801.00	EQUIP MAINT SUPPLIES/PARTS	500.00	500.00	927.52	0.00	0.00	(578.98)	215.80
214-543-803.00	PROFESSIONAL FEES	1,000.00	2,000.00	1,226.00	0.00	4,700.00	(3,926.00)	296.30
214-543-880.00	DUES AND MEMBERSHIPS	550.00	550.00	350.00	0.00	0.00	200.00	63.54
214-543-901.00	COMMUNITY PROMOTIONS	6,326.00	3,500.00	3,073.31	569.23	0.00	426.69	87.81
214-543-921.00	ADVERTISING	200.00	200.00	475.28	180.00	0.00	(275.28)	237.54
214-543-936.00	ELECTRIC	700.00	700.00	655.63	25.84	0.00	44.37	93.66
214-543-941.00	CONTRACTUAL SERVICES	25,300.00	41,400.00	36,640.63	2,203.33	18.75	4,740.62	88.55
214-543-954.00	LEASE OF MOTOR VEHICLES	100.00	0.00	0.00	0.00	0.00	0.00	0.00
214-543-954.00	FINANCIAL SERVICES	6,869.00	6,869.00	5,720.00	572.00	0.00	1,149.00	83.27
214-543-959.00	TRAINING AND TUITION	3,400.00	3,400.00	1,129.36	0.00	0.00	2,270.64	33.22
214-543-964.00	REFUNDS AND REBATES	2,400.00	1,000.00	190.84	0.00	0.00	809.16	19.08
Net - Dept 543-GENERAL ADMINISTRATIVE		(69,028.00)	(82,802.00)	(69,228.24)	(4,251.71)	(4,910.31)	(9,663.45)	

Dept 905-DEBT SERVICE								
214-905-991.00	PRINCIPAL PAYMENTS	44,876.00	44,876.00	46,076.00	17,000.00	0.00	(1,200.00)	102.67
214-905-995.00	INTEREST EXPENSE	23,392.00	16,926.00	12,919.70	6,238.61	0.00	4,006.30	76.33
214-905-998.00	PAYING AGENT FEES	120.00	120.00	30.29	0.00	0.00	89.71	25.24
Net - Dept 905-DEBT SERVICE		(68,388.00)	(61,922.00)	(59,025.99)	(23,238.61)	0.00	(2,896.01)	

REVENUE AND EXPENDITURE REPORT FOR CITY OF THREE RIVERS
 PERIOD ENDING 04/30/2014

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE 04/30/2014	ACTIVITY FOR MONTH 04/30/2014		ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDCI USED
		ORIGINAL BUDGET	AMENDED BUDGET		MONTH	YEAR-TO-DATE			
Fund 214 - DOWNTOWN DEVELOPMENT AUTHORITY									
Fund 214 - DOWNTOWN DEVELOPMENT AUTHORITY:									
TOTAL REVENUES		121,927.00	121,927.00	129,625.04	103.44	0.00	(7,698.04)	106.31	
TOTAL EXPENDITURES		137,416.00	144,724.00	127,254.23	27,490.32	4,910.31	12,559.46	91.32	
NET OF REVENUES & EXPENDITURES		(15,489.00)	(22,797.00)	2,370.81	(27,386.88)	(4,910.31)	(20,257.50)	11.14	

EMPLOYEE LEASING AGREEMENT

This Employee Leasing Agreement ("Agreement") is entered into on _____, 2014 between the Three Rivers Area Chamber of Commerce ("Chamber"), a Michigan nonprofit corporation, with an address of 57 North Main Street, Three Rivers, Michigan 49093, and the Three Rivers Downtown Development Authority ("DDA"), a public corporation organized and existing pursuant to the authority of Act 197, Public Acts of Michigan, 1975, as amended, MCL 125.1651, et seq., with an address of 57 North Main Street, Three Rivers, Michigan 49093.

RECITALS

A. The governing body of the Chamber is its Board of Directors which possesses all necessary powers to carry out the purposes and objectives of the Chamber, including the power to contract for personal services of its employee.

B. The Chamber desires to lease to the DDA, and the DDA desires to lease from the Chamber, the services of an Acting Executive Director ("Executive Director").

C. The Chamber acting through its Board of Directors approved this Agreement at a meeting held on May 28, 2014.

D. The DDA acting through its Board of Directors approved this Agreement at a meeting held on _____, 2014.

E. The parties having come to certain understandings regarding the terms and conditions of this Agreement wish to have them evidenced by this writing.

NOW, THEREFORE, for good and valuable consideration, the parties agree as follows:

AGREEMENT

1. **Services.** The Chamber agrees to lease to the DDA and the DDA agrees to lease from the Chamber the Employee on the terms and conditions set forth in this Agreement. The Chamber shall (a) compile, prepare and file all payroll and employee information and make all proper payroll deductions, including payments for income and Social Security tax requirements under local, State and Federal laws for the Employee; (b) assume responsibility for administrative matters and the provision of contracted fringe benefits relating to compensation of the Employee; and (c) secure and maintain insurance coverage for the Employee as required in this Agreement.

2. **DDA Responsibilities.** The DDA shall be responsible for the supervision and management of the Employee. The DDA shall comply with all health, labor, and safety laws and regulations, ordinances, and rules of federal, state, and local authorities. The DDA shall report all employee accidents, injuries or misconduct to the

Chamber within 24 hours of being reported to the DDA. The DDA agrees to provide the Chamber with a periodic report regarding the Employee.

3. **Mutual Cooperation.** Each party to this Agreement shall:
 - A. Take all actions required of it by the terms of this Agreement as expeditiously as possible;
 - B. Cooperate, to the fullest extent possible, with the other party to this Agreement;
 - C. Use its best efforts to assist the other party to this Agreement in the discharge of their respective obligations hereunder.

4. **Premises.** The DDA will occupy such space ("Premises") which is designated in attached **Exhibit 4**. The common area space ("Common Area"), also depicted in **Exhibit 4**, shall be shared with the Chamber in a spirit of mutual cooperation and under such further terms and conditions as specified in **Exhibit 4**.

5. **Employee Compensation.** The DDA shall establish all wages and salaries. All benefits, bonuses and fringe benefits ("Compensation Package") shall be mutually agreed by the Chamber and the DDA. Attached as **Exhibit 1** is the Compensation Package, effective on the date hereof, which may be adjusted from time-to-time by the DDA. The Employee's responsibilities as Executive Director are set forth in an Employment Agreement, dated _____, 2014, between the Chamber and Employee, attached hereto as **Exhibit 2**, and a Job Description, attached hereto as **Exhibit 3**. The Employment Agreement may be modified from time to time with the written consent of the DDA.

6. **Retirement Benefits.** The Chamber shall not be responsible or liable for any pension liability at any time before, during or after termination of this Agreement. The DDA shall indemnify and hold the Chamber harmless from any loss, claim or damages that arise out of or relates to any claims for pension or benefit payments. The Chamber, however, shall assume the responsibility for making current pension payments that are due or required by the terms of the Employee's employment contract with the Chamber.

7. **Insurance.** The Chamber shall secure workers' compensation insurance for the Employee in an amount determined by the Chamber as appropriate and required by law. Coverage shall be maintained throughout the term of this Agreement. The Chamber shall have the right to change insurance coverages and/or carriers at its discretion provided changes do not cause any interruption or lapse of coverage to the DDA. The DDA shall furnish and keep in full force and effect at all times during the terms of this Agreement comprehensive general liability insurance on its entire business operation and automobile insurance liability covering all vehicles in the DDA's business.

8. **Independent Contractor.** The Chamber is an independent contractor. Neither party is the agent of the other. The Employee shall not be considered an employee of the City of Three Rivers ("City") or the DDA and shall not be entitled to any fringe benefit from the DDA or the City, including but not limited to health insurance, dental insurance, life insurance, disability insurance, longevity pay, sick pay, vacation pay or retirement pay.

9. **Standard of Practice.** The Employee shall perform services on behalf of the DDA in accordance with the standards of professional services and care observed by their peers as experienced, knowledgeable and skilled in performing services of the type and scope normally required by an Executive Director of a Downtown Development Authority.

10. **Records and Documents.** All records and documents, including computerized records, prepared by and created by the Employee pursuant to this Agreement and pertaining to functions and activities of the DDA, shall be the sole property of the DDA.

11. **Term of Agreement.** This Agreement shall remain in full force and effect for two years commencing on the date of Employee's term of employment. This Agreement shall be renewed for additional periods of one year unless terminated by either party or if the DDA is in default for nonpayment, in which case the Chamber may immediately terminate this Agreement.

12. **Payment and Expenses.** In consideration of the services called for in this Agreement, the DDA shall reimburse the Chamber within 30 days after receipt of an invoice. The annual amount of the Chamber's charges shall be prorated over a 12 month period and invoiced accordingly. The dates for reimbursement and the amounts the DDA shall pay to the Chamber in consideration of receipt of the services of the Employee are attached as **Exhibit 1**. The Chamber shall obtain written approval from the DDA for any additional expenses. Any and all payments not received by the Chamber when due shall bear interest at the rate of 1% per month.

The Chamber shall be responsible for all normal and customary expenses related to the administrative functions of the Employee, including unemployment costs which shall be reimbursed by the DDA. The Chamber shall provide a copier and bear the cost of utilities, including heat, electric, and water/sewage as well as pay all charges for fax services and internet services. The DDA shall provide basic office supplies and equipment as may be necessary including, but not limited to, a computer, stationery, paper, pens, and other office supplies.

13. **Termination.** Either party may terminate this Agreement at any time with or without cause upon 30 days written notice. In the event the Employee is terminated under the terms of the Employment Agreement, the parties to this Agreement will endeavor to make such adjustments in costs and the like so that this Agreement may continue.

14. **Indemnification.** The DDA shall defend, indemnify and save harmless the Chamber, its successors and assigns from and against any and all claims, causes of action, damages and liabilities whatsoever made as a result of actions by the Employee against the Chamber arising from this Agreement or the Employment Agreement.

15. **Enforcement and Arbitration.** This Agreement shall be interpreted under Michigan law. All disputes under the terms of this Agreement shall be submitted to a Board of Arbitration. The Board shall consist of one member selected by each party and a third member selected by the first two members. The Board shall operate under generally recognized arbitration rules. The parties agree that they and their heirs, personal representatives, successors and assigns shall be bound by the decision of such Board. A decision by the majority of the members of the Board of Arbitration shall be controlling.

16. **Assignment.** This Agreement may not be assigned by either party.

17. **Severability.** If any one or more of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected, impaired, or prejudiced, and any portion deemed invalid, illegal or unenforceable shall be construed and enforced to the greatest extent legally possible.

18. **Changes and Modification.** This Agreement may not be changed or modified without the written consent of both the DDA and the Chamber.

19. **Section Headings and Interpretation.** The section headings of this Agreement are for convenience of the parties only and in no way alter, modify, amend, limit or restrict contractual obligations of the parties. This Agreement shall not be construed for or against either party based on the drafting of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

THREE RIVERS AREA
CHAMBER OF COMMERCE

THREE RIVERS DOWNTOWN
DEVELOPMENT AUTHORITY

By: _____

By: _____

Its: _____

Its: _____

By: _____

By: _____

Its: _____

Its: _____

Exhibit 1
Compensation Package
June 2014

Salary	\$ 35,000.00	
Medical Stipend	\$ 6,500.00	
Retirement Benefit (3.0% of salary)	\$ 1,050.00	
FICA employer match (7.65%)	\$ 2,678.00	
Worker's Comp Insurance Premium	\$ 500.00	(calculate actual)
Employee Leasing fee	\$ 3,000.00	(flat amt)
	<u>\$ 13,728.00</u>	
Total		<u>\$ 48,728.00</u>

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") made and entered into this _____ day of June, 2014, by and between the Three Rivers Area Chamber of Commerce, a Michigan nonprofit corporation, ("Employer"), and _____ ("Employee"):

RECITALS

A. The Employer is willing to assist the Three Rivers Downtown Development Authority ("DDA") in its efforts to engage a full-time Acting DDA Executive Director ("Executive Director").

B. Pursuant thereto, the Employer will hire as its Employee the individual designated herein.

C. Contemporaneously, the Employer shall lease the Employee to the DDA to act as its Executive Director pursuant to an Employee Leasing Agreement between the Employer and the DDA, dated May ____, 2014.

D. Employee is willing to be employed by the Employer and desires to serve as the Executive Director for the DDA.

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

1. EMPLOYMENT. Employer hereby agrees to employ Employee and Employee hereby accepts employment as Acting DDA Executive Director.

2. DUTIES. Employee shall provide and render services to the DDA in an executive capacity, as Executive Director, including such duties as described in the Job Description attached hereto and made a part hereof, together with such additional duties as may be assigned to Employee from time to time by the DDA. Employee shall devote his full time and effort to the performance of his duties as described in said Job Description and render such services to the best of his ability and with loyalty to Employer and the DDA.

3. TERM. The term of this Agreement shall commence _____, 2014 and end at midnight _____, 201__, unless earlier terminated as hereinafter provided.

4. COMPENSATION AND BENEFITS. Employee's compensation and benefits shall be as follows:

A. Salary. Employee shall receive an initial salary for the first 12 months of this Agreement the sum of \$35,000.00, payable weekly.

- B. Salary Adjustment. At the expiration of each 12 month period from and after the date hereof ("Commencement Date"), the Employer may, at its election and with the consent of the DDA, increase the annual salary.
- C. Other Benefits.
- i. Employee shall participate in the following benefits:
 - \$6,500.00 Medical Stipend
 - Retirement Benefits of 3.0% of base salary
 - Mileage Reimbursement of Internal Revenue Service maximum rate for out-of-county travel (currently .56 per mile)
 - Sick Pay=5 days annually, not carried over year to year
 - Vacation Pay=10 days annually, not carried over year to year.
 - ii. Employee shall receive a faithful performance bond and directors and officers insurance coverage.
 - iii. Employer is not obligated to reimburse Employee for the ordinary and usual business expenses incurred by Employee in performance of his/her duties, including professional dues and subscriptions of Employee. Reimbursement for these expenses shall be at the discretion of the DDA

5. TERMINATION. The Employer is an "at will" employer and employment and compensation are for no definite period of time and can be terminated by either the Employee or the Employer at any time with or without notice and with or without cause.

In the event termination is for cause, Employee's compensation and benefits shall be payable through the date of termination. Termination for cause shall mean a) the failure or inability by the Employee to substantially perform his/her normal employment duties for the Employer; b) the engaging by the Employee in willful misconduct, gross negligence or gross incompetence materially injurious to the Employer; c) the Employee's refusal to follow reasonable written instructions of the Employer's Board of Directors; or d) the Employee's conviction of a misdemeanor or felony. Any dispute as to the determination of "cause" shall be subject to the terms of paragraph 6, "Claims Procedure and Arbitration".

If this Agreement is terminated by Employer without cause, then, in such event, the Employee will be entitled to receive from the Employer an amount equal to one month salary, less withholding and payroll taxes, of which shall be payable not later than 30 days after termination by the Employer. Termination "without cause" shall include, but not be limited to, Employer's cessation of operations, in which event the

entire amount due hereunder shall be paid on the 1st day of the month following Employer's commencement of winding down its affairs.

If this Agreement is terminated by Employee without cause, he/she shall provide 30 days prior written notice. Employee's compensation and benefits shall be payable through the date of termination.

6. CLAIMS PROCEDURE AND ARBITRATION. If a dispute arises over the benefits provided under this Agreement or the discharge of the Employee for "cause", such dispute shall be submitted to a Board of Arbitration. The Board shall consist of one member selected by each party and a third member selected by the first two members. The Board shall operate under generally recognized arbitration rules. The parties agree that they and their heirs, personal representatives, successors and assigns shall be bound by the decision of such Board. A decision by the majority of the members of the Board of Arbitration shall be controlling.

7. MISCELLANEOUS.

A. Revocation. The parties agree that this Agreement may be amended or revoked at any time or times, in whole or in part, by the mutual written consent of the Employee and the Employer.

B. Effect on Other Employee Benefit Plans. Nothing contained in this Agreement shall affect the right of the Employee to participate in or be covered by any qualified or non-qualified pension, profit-sharing, group, bonus, or other supplemental compensation or fringe benefit plan constituting a part of Employee's existing or future compensation structure.

C. Headings. Headings and subheadings in this Agreement are inserted for reference and convenience only and shall not be deemed a part of this Agreement.

D. Applicable Law. The validity and interpretation of this Agreement shall be governed by the laws of the State of Michigan.

E. Additional Benefits. Employer expressly reserves the right to award additional benefits from time-to-time to Employee such as an annual performance bonus.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

EMPLOYER:

EMPLOYEE:

THREE RIVERS AREA
CHAMBER OF COMMERCE

By: _____

Its: _____