



MEMORANDUM

TO: Members of the Troy City Council
 FROM: Lori Grigg Bluhm, City Attorney *lg*
 DATE: February 16, 2009
 SUBJECT: City Manager Resignation and Next Steps

On February 13, 2009, City Manager Phillip L. Nelson has submitted a letter of resignation, with a proposed effective date of February 27, 2009. Although his contract technically requires 30 days advance written notice, City Council can waive the additional two week advance notice period.

According to the Troy City Charter, in lieu of immediately designating a permanent City Manager, City Council could appoint an Acting City Manager during the period of a vacancy (Section 3.12). Section 3.10 of the Charter requires a City Manager vacancy to be filled within 120 days (Section 3.10).

A proposed resignation date of February 27, 2009 would require City Council to appoint an Acting City Manager at the February 16, 2009 regular City Council meeting, or at the February 18, 2009 Liquor Violation hearings, or require a special meeting prior to February 27, 2009. Council also has the ability to require the full 30 day notice, which would expire on March 15, 2009, allowing for City Council to make the decision on the Acting City Manager appointment at the March 2, 2009 regular City Council meeting.

As with any separation of employment, there may be issues concerning benefit entitlement, which could be discussed with labor counsel and brought back to Council for final disposition. In addition, Council may want our labor counsel to negotiate a contract with the Acting City Manager, which could also be brought back for final action at a later time.

Since the time for an Acting City Manager is limited to 120 days, City Council will also need to act quickly on determining the course of action for filling the permanent position. City Administration is in the process of compiling different alternatives for Council consideration, but may not have sufficient information to provide for Council's deliberation at the meeting tonight. However, Council may want to further discuss available options at a study session, which Council may wish to call after the Liquor Hearings this Wednesday, February 18, 2009, or schedule for March 2, 2009 or at a Special Meeting.

The following are proposed resolutions that City Council may want to consider:

- A. The Troy City Council accepts the resignation of City Manager Phillip L. Nelson, effective *February 27, 2009 at midnight (or March 15, 2009 at midnight)*.
- B. The Troy City Council appoints _____ as Acting City Manager, effective *February 28, 2009 at 12:01am, (or March 16, 2009 at 12:01 am)* on terms and

conditions that will be negotiated by outside labor counsel and brought back to City Council for action at the earliest opportunity.

- C. The Troy City Council refers any employee benefit entitlement issues between the City of Troy and City Manager Phillip L. Nelson to outside labor counsel, with the understanding that any recommendations will be brought back to City Council for final action at the earliest opportunity.
- D. City Council *schedules a Special Meeting* to discuss options for the permanent City Manager search *after the February 18, 2009 Liquor Hearings (or requests the item will appear as a Study Item on the March 2, 2009 regular meeting)*.

REGULAR BUSINESS:

E-9 City Manager Resignation and Next Steps

a) Proposed Resolution to Accept Resignation of City Manager

Suggested Resolution
Resolution #2009-02-
Moved by
Seconded by

RESOLVED, That Troy City Council hereby **ACCEPTS** the resignation of City Manager, Phillip L. Nelson, **EFFECTIVE** Friday, February 27, 2009 **OR** Sunday, March 15, 2009 at midnight.

Yes:
No:

b) Proposed Resolution to Appoint an Acting City Manager

Suggested Resolution
Resolution #2009-02-
Moved by
Seconded by

RESOLVED, That Troy City Council hereby **APPOINTS** _____ as Acting City Manager **EFFECTIVE** Saturday, February 28, 2009 **OR** Monday, March 16, 2009 at 12:01 am on terms and conditions that will be negotiated by outside labor counsel and brought back to City Council for action at the earliest opportunity.

Yes:
No:

c) Proposed Resolution to Refer Employee Benefit Entitlement Issues to Outside Labor Counsel

Suggested Resolution
Resolution #2009-02-
Moved by
Seconded by

RESOLVED, That Troy City Council hereby **REFERS** any employee benefit entitlement issues between the City of Troy and City Manager Phillip L. Nelson to outside labor counsel, with the understanding that any recommendations will be brought back to City Council for final action at the earliest opportunity.

Yes:
No:

d) **Proposed Resolutions to Schedule Available Options for the Hiring of a New City Manager as Study Item or Schedule a Special Meeting**

1. Proposed Resolution to Schedule as a Study Item

Suggested Resolution

Resolution #2009-02-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **SCHEDULES** *Available Options for the Hiring of a New City Manager* as a Study Item on the agenda for the Regular City Council Meeting scheduled for **Wednesday, February 18, 2009** **OR** **Monday, March 2, 2009.**

Yes:

No:

2. Proposed Resolution to Schedule a Special Meeting

Suggested Resolution

Resolution #2009-02-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **SCHEDULES** a Special Meeting on _____, _____, 2009 at ____:____ AM/PM in the Council Board Room for the purpose of discussing *Available Options for the Hiring of a New City Manager*.

Yes:

No: