CITY OF MONTROSE

MEMORANDUM

Date: May 26, 2026

To: Mayor Thomas J. Banks and Members of City Council

From: Joe Karlichek, City Manager

Subject: City Clerk Contract Addendum – Election Compensation Review and Recommendation

Background

I am writing to provide Mayor and City Council with updated context regarding the City Clerk contract addendum currently before Council for review and direction.

The addendum appears to have expired in **February 2025**. There are no records on file indicating that the addendum was formally renewed by City Council prior to my arrival as City Manager. Additionally, even if the addendum had previously been renewed, the language of the addendum contemplates annual review by City Council.

Given the expiration of the addendum, it is appropriate and necessary for Council to evaluate whether the addendum remains in the City's best interest, whether the terms remain justified, and whether the requested additional compensation is supported by the City's current operational needs.

Election Work and Additional Compensation Request

The Clerk has represented that changes in election administration, including expanded early voting requirements, have resulted in approximately **90 additional hours** of election-related work. While expanded election requirements are acknowledged, the Clerk has not provided sufficient supporting documentation to justify additional compensation under the expired addendum.

Specifically, the City has not been provided with a detailed operational basis showing:

- The specific election duties requiring additional compensation;
- The number of hours personally performed by the Clerk beyond normal Clerk responsibilities;
- A breakdown of election-related tasks by date, duty, and estimated time;
- The use or availability of existing City staff to assist with election administration;
- The number of election inspectors, chairpersons, or trained personnel needed for each election function;

- Why the existing Clerk position, existing staff support, and authorized election workers are insufficient to carry out election operations.

Election administration is a core responsibility of the City Clerk's office. While elections require careful planning, accuracy, and compliance, the work itself falls within the general statutory and operational responsibilities of the Clerk position. The City also has staff resources available to assist with election-related activity, including trained and certified personnel who may be utilized where appropriate.

At this time, the record does not support the continuation of an expired contract addendum that provides additional compensation for duties that appear to fall within the existing scope of the Clerk's position.

Administrative Concerns

The City has a responsibility to ensure that any additional compensation is supported by clear documentation, operational necessity, and Council authorization. Continuing or renewing an expired addendum without sufficient justification may create concerns regarding consistency, internal equity, and fiscal accountability.

If additional election support is necessary, that need should be demonstrated through a written election operations plan, staffing schedule, and detailed explanation of duties that cannot be reasonably absorbed through the Clerk's regular responsibilities, existing staff support, or authorized election workers.

Alternative Approach

Rather than renewing the expired addendum at this time, Council may wish to direct the Clerk to provide a comprehensive election operations plan for the 2026 election cycle. That plan should identify staffing needs, training requirements, election deadlines, statutory duties, use of election inspectors, and any specific areas where additional support may be necessary.

If Council determines that additional election support is warranted, the more appropriate approach would be to authorize temporary or limited election support based on actual documented need, rather than approving additional compensation through an expired addendum without a clear factual basis.

This approach would allow the City to support election administration while maintaining accountability, transparency, and proper fiscal oversight.

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City Council Options

City Council has several options available:

Option 1: Decline Renewal of the Addendum

Option 2: Table the Matter Pending Further Documentation

Council may table consideration of the addendum and direct the Clerk to provide a written election operations plan, including a detailed staffing and time justification for any additional compensation request.

Option 3: Modify the Addendum

Council may modify the addendum to require documented hours, Council approval, defined duties, and limitations on any future additional compensation.

Option 4: Renew the Addendum

Council may renew the addendum; however, based on the information currently available, I do not recommend this option without additional documentation and justification.

Recommendation

Based on the current record, I recommend that City Council **decline renewal of the expired City Clerk contract addendum** at this time.

In the alternative, if Council believes additional review is warranted, I recommend that Council table the matter and direct the Clerk to submit a detailed written election operations plan and justification before any additional compensation is considered.

Recommended Motion

Motion to decline renewal of the expired City Clerk contract addendum related to additional election compensation and direct the Clerk to provide a written election operations plan identifying staffing, training, scheduling, statutory deadlines, and any documented need for additional election support for the 2026 election cycle.

CITY OF MONTROSE

MEMORANDUM

Date: April 21, 2026

To: Honorable Mayor Banks and City Council Members

From: Joe Karlichek, City Manager

Subject: Expired Contract Addendum – Council Review and Direction

I am writing to provide context regarding the contract addendum currently before you on the agenda. The addendum has expired (February 2025) and requires City Council review and direction regarding its future status. There are no records on file to suggest this was renewed in February 2025 prior to my arrival as the city manager. Even if it had the addendum requires annual review by the council.

Given the expiration, it is appropriate for Council to evaluate the terms, performance, and continued relevance of the addendum in relation to current City operations and priorities.

Following this review, Council may determine whether it is in the City's best interest to renew, modify, or allow the addendum to remain expired.

Your consideration and direction on whether to proceed with renewal of the addendum is respectfully requested.

Recommendation: It is recommended that the City Council take formal action to either renew or decline renewal of the addendum to the City Clerk's contract, which expired in 2024 and has not been extended.

ADDENDUM TO
EMPLOYMENT CONTRACT BETWEEN
CHRISTINA RUSH
AND
THE CITY COUNCIL OF THE CITY OF MONTROSE

WHEREAS, City of Montrose Council has entered into an employment contract with its City Clerk, Christina Rush, effective August 28, 2006 (the "Contract"); and

WHEREAS, Section 4 of the Contract of the Employee agrees and promises to perform and discharge, well and faithfully, the duties and responsibilities assigned.; and

WHEREAS, Section 5 of the Contract agrees to pay, and Employee shall accept, as compensation for all services rendered hereunder a salary, as may be adopted from time to time by the City and duly approved by the Montrose City Council, commencing on the date the term of this Agreement commences, payable in accordance with the practice which the City may from time to time adopt for payment of Employees.; and

WHEREAS, Section 7 of the Contract specifies that the Employee is employed in a full-time capacity as a salaried, exempt employee. As such, Employee is expected to work a minimum of forty (40) hours per week plus any additional work time reasonably required to discharge the duties, functions, and responsibilities of the position.; and

WHEREAS, In 2022, Michigan voters passed a referendum known as Proposal 2 making two significant changes to the voting law, regarding early and absentee voting.; and

WHEREAS, These changes to election law now require the City Clerk to create and maintain an absentee voter roll and may require up to thirty six days of early voting in any election expanding the duties and scope of the Contract and of the work time reasonably required time to discharge the duties.; and

WHEREAS, These changes in the scope and duties of the City Clerk limits the use of paid time off, avaiable holidays and lengthens the regular work week and workday.

NOW, THEREFORE,

1. Election Compensation. Beginning February 21, 2024, the City Clerk shall be compensated an additional $2,600 per election/per year. This compensation was calculated on the average of an additional 90 hours of election duties as suggested by the Michigan Bureau of Elections and changes to election law and current wages of the City Clerk. Compensation would be made on the first full payroll after an election.

2. This addendum will be effective for a period of **one year** and will be reviewed by council at such time.

3. That all other provisions of said Contract, including the addendums not hereby amended by this addendum shall be and remain in full force and effect as written.

The Council and the Manager, by their authorized signatures, hereby agree to be bound by the covenants, agreements, and prohibitions set forth above and in the attachments to this contract.

IN WITNESS WHEREOF, the City of Montrose caused this Addendum to be executed by Mayor Colleen Brown and City Manager Neil Rankin.

Dated: 2/26, 2024

Christina Rush, personal

Dated: 2/28, 2024

Colleen Brown, Mayor

Dated: 2/27, 2024

Neil Rankin, City Manager

CITY OF MONTROSE
RESOLUTION NO. 2026-_____

A RESOLUTION ADOPTING THE FISCAL YEAR 2026–2027 BUDGET AND APPROVING A REVISED FEE SCHEDULE FOR THE CITY OF MONTROSE

WHEREAS, the City of Montrose has prepared and reviewed the proposed Fiscal Year 2026–2027 Budget; and

WHEREAS, the proposed budget outlines anticipated revenues and expenditures for the General Fund and all other municipal funds, including but not limited to Major Street, Local Street, Solid Waste, Mosquito, Downtown Development Authority (DDA), Sewer, and Water Funds; and

WHEREAS, the General Fund budget is balanced, with total expenditures equal to total revenues and does not require the use of fund balance; and

WHEREAS, the City Council has reviewed revenue projections and expenditure requirements and has determined that certain user fees, service charges, and assessments must be updated to ensure adequate cost recovery and continued delivery of municipal services; and

WHEREAS, a revised Fee Schedule has been prepared and presented to the City Council reflecting necessary adjustments for Fiscal Year 2026–2027, including increases to solid waste, mosquito control, water, and sewer rates; and

WHEREAS, the City Council finds that adoption of the proposed budget and revised Fee Schedule is in the best interest of the City of Montrose and its residents;

WHEREAS, the City of Montrose will levy 16.2629 mills, subject to possible Headlee rollback, on taxable valuation as equalized for general operating requirements of the City of Montrose; and

WHEREAS, the City of Montrose will levy 3.7869 Mills for Public Safety subject to possible Headlee rollback; and

WHEREAS, the City of Montrose will levy 1.8292 Mills subject to possible Headlee rollback for Downtown Development Authority (DDA),

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NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Montrose hereby adopts the Fiscal Year 2026–2027 Budget as presented.

BE IT FURTHER RESOLVED, that the City Council hereby approves and adopts the revised Fee Schedule for Fiscal Year 2026–2027, to be effective July 1, 2026, which shall include, but not be limited to, the following specific fee adjustments:

1. **Solid Waste (Curbside Collection and Recycling):**
   The annual residential equivalent fee is established at $230 per unit, to support contractual obligations for waste and recycling services.
2. **Hydrant Assessment:**
   $20.00 per parcel, subject to certain distance
3. **Mosquito Control Special Assessment:**
   The annual assessment is established at $50 per parcel, representing a $5 increase, to adequately fund contracted mosquito abatement services.
4. **Sewer Rates:**
   Sewer usage rates are increased from $3.60 per 1,000 gallons to $3.74 per 1,000 gallons, consistent with the 2026 rate study, and the readiness-to-serve fee shall increase by 4%, including adjustments to multi-residential units.
5. **Water Rates:**
   Water rates shall be adjusted in accordance with the 2026 User Rate study, including increases to both base and usage charges as reflected in the adopted Fee Schedule.
6. **Public Safety:** City of Montrose continues to contract with Montrose Township for police and fire services, with a probable increase in 2027.

BE IT FURTHER RESOLVED, that all other fees, charges, permits, and service rates contained within the revised Fee Schedule, though not specifically listed herein, are hereby adopted in full and incorporated by reference.

BE IT FURTHER RESOLVED, that the City Treasurer/Finance Director is hereby authorized to administer the budget and Fee Schedule and to make expenditures and collect fees in accordance with the adopted appropriations, schedule, and applicable City policies.

BE IT FURTHER RESOLVED, that the City Council acknowledges the following key financial conditions within the adopted budget:

- The General Fund is balanced with no use of fund balance.
- Major and Local Street Funds reflect anticipated state funding, though subject to final confirmation.
- Solid Waste and Mosquito Funds require fee adjustments to meet contractual obligations.
- Sewer and Water Funds remain stable, with rate adjustments supporting long-term financial health and infrastructure obligations.
- Downtown Development Fund anticipates a positive fund balance with continued investment in downtown improvements and programming.

MOTION BY: _____

SECOND BY: _____

VOTE COUNT: _____ YES / _____ NO / _____ ABSENT

AYES: _____

NAYS: _____

ABSENT: _____

RESOLUTION DECLARED ADOPTED.

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Montrose, County of Genesee, State of Michigan, at a regular meeting held on the ___ day of _____, 2026.

_____

Christina M. Rush

City Clerk
City of Montrose

_____

Thomas J. Banks
Mayor
City of Montrose

CITY OF MONTROSE
COUNTY OF GENESEE, STATE OF MICHIGAN

RESOLUTION NO. 2026-__

A RESOLUTION TO ADOPT WATER AND SEWER USER RATES AND READY-TO-SERVE CHARGES FOR FISCAL YEAR 2026/2027

WHEREAS, the City of Montrose owns and operates municipal water and wastewater utility systems for the benefit of its residents, businesses, and customers; and

WHEREAS, the City completed a comprehensive Water and Sewer Rate Study in collaboration with Bendzinski & Co. to evaluate the financial sustainability and operational needs of the utility systems; and

WHEREAS, the study identified the necessity of updating user rates and ready-to-serve charges to adequately support operations, maintenance, infrastructure improvements, debt obligations, and regulatory compliance; and

WHEREAS, the City Council finds that adopting updated utility rates is necessary to protect the public health, safety, and welfare and to maintain reliable water and wastewater services for the community.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Montrose hereby adopts the following Water and Sewer User Rates and Ready-to-Serve Charges effective July 1, 2026:

WATER RATES

Monthly Ready-to-Serve Charges

Meter Size	FY 2026/2027
5/8"	$42.50
1"	$42.50
1 1/2"	$212.50
2"	$340.00
3"	$637.50

Commodity Charge

Description	Rate
Water Commodity Charge (per 1,000 gallons)	$11.08

SEWER RATES

Monthly Ready-to-Serve Charges

Meter Size	FY 2026/2027
5/8"	$29.90
1"	$29.90
1 1/2"	$149.50
2"	$239.20
3"	$448.50

Commodity Charges

Description	Rate
Sewer Commodity Charge (per 1,000 gallons)	$3.74
Sewer Only Charge (monthly)	$46.75

BE IT FURTHER RESOLVED, that the City Manager and Finance Department are authorized and directed to implement the rates and charges established herein effective July 1, 2026.

BE IT FURTHER RESOLVED, that all prior resolutions or portions thereof in conflict with this Resolution are hereby repealed to the extent of such conflict.

AYES:

NAYS:

ABSENT:

RESOLUTION DECLARED ADOPTED.

_____

Thomas J. Banks, Mayor

_____

Tina Rush, City Clerk

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CITY OF MONTROSE
GENESEE COUNTY, MICHIGAN

RESOLUTION NO. ____

A RESOLUTION TO ADOPT THE CITY OF MONTROSE FEE SCHEDULE EFFECTIVE JULY 1, 2026

WHEREAS, the City Council of the City of Montrose is authorized under the City Charter, ordinances, and applicable laws of the State of Michigan to establish and amend fees, rates, charges, and related costs for municipal services, permits, licenses, utilities, inspections, and administrative functions; and

WHEREAS, the City administration has reviewed the existing fee schedule and recommends updates and adjustments to ensure the continued fiscal stability of municipal operations, recovery of service-related costs, and equitable administration of city services; and

WHEREAS, the proposed fee schedule includes updates to utility rates, permit fees, inspection fees, zoning and planning fees, rental registration fees, construction fees, and other municipal service charges as set forth in the attached "Exhibit A – City of Montrose Fee Schedule Approved July 1, 2026"; and

WHEREAS, the City Council has reviewed the proposed fee schedule and finds it to be reasonable, necessary, and in the best interests of the City of Montrose and its residents.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Montrose, Genesee County, Michigan, as follows:

1. The document attached hereto as "Exhibit A – City of Montrose Fee Schedule Approved July 1, 2026," is hereby adopted and incorporated by reference as the official fee schedule of the City of Montrose.
2. The adopted fee schedule shall become effective July 1, 2026.
3. All prior resolutions, fee schedules, or portions thereof in conflict with this Resolution are hereby rescinded effective July 1, 2026.
4. The City Manager, Clerk, Treasurer, Building Official, Department Heads, and all applicable city personnel are authorized and directed to administer and implement the adopted fee schedule accordingly.
5. Should any section, subsection, clause, phrase, or provision of this Resolution or attached fee schedule be declared invalid or unenforceable by a court of competent jurisdiction, the remaining portions shall remain in full force and effect.

YEAS:

_____

NAYS:

_____

ABSENT:

_____

RESOLUTION DECLARED ADOPTED.

Thomas J. Banks, Mayor City of Montrose	Melissa Rush, City Clerk City of Montrose

EXHIBIT A

CITY OF MONTROSE FEE SCHEDULE APPROVED JULY 1, 2026

(Attached Hereto)

CITY OF MONTROSE FEE SCHEDULE APPROVED JULY 1, 2026

SEWER CONNECTION	FEE	NOTES
1st 2 units	**$2,050**	
Units 3, 4, & 5	**$1,025**	
Each Additional Unit	**$512.50**	
Water Cut & Cap Fee	**$150**	*(If service has been disconnected for 18 months or less (from the date of disconnection), then a Water Reconnection Inspection Fee of $150 shall be required). 18 months or more is considered a new tap-in*
Water Turn On Fee	**$10**	
Water Turn Off Fee	**$10**	
Water Hydrant Usage Fee	**Annual Fee $300 + cost of water**	

GENERAL BUSINESS REGISTRATION	FEE	NOTES
Business Registration	**$25.00**	

SERVICES / OTHER	FEE	NOTES
Liquor License Fee	**$50**	
Non-Sufficient Funds	**$30**	
Non-Sufficient Funds	**$30**	
Notary Services Per Document	**$5.00**	**$8.00 for non-resident**
Park Pavilion Rental	**$15**	
Tax Database Record (per parcel)	**$0.30**	
Copies of FOIA – Fees apply per policy	**$.10 each**	
Depot Rental	**$85.00**	**$50.00 deposit request**
Faxes per sheet	**$1.00**	
Civil Infractions - Established by Ordinance	**$50/$100/$250/$500**	

CITY OF MONTROSE FEE SCHEDULE APPROVED JULY 1, 2026

WATER & SEWER		Ready to Serve (RTS) CHARGE	COMMODITY
WATER METER SIZE	**RATIO**	**FEE**	**FEE**
1 inch or less	1	**$42.50**	**$11.08 per thousand gallons**
1 ½ inch or less	5	**$212.50**	**$11.08 per thousand gallons**
2 inch	8	**$340.00**	**$11.08 per thousand gallons**
3 inch	15	**$637.50**	**$11.08 per thousand gallons**
Water only customers monthly charge			
SEWER METER SIZE	**RATIO**		**$3.74 per thousand gallons**
1 inch or less	1	**$29.90**	
1 ½ inch or less	5	**$149.50**	
2 inch	8	**$239.20**	
3 inch	15	**$448.50**	
Non Metered sewer only customers monthly charge		**$46.75**	
Equivalent Meter Size Water & Wastewater		**Meter Size**	**Equivalent Meter Ratio**
Multi-unit residential dwellings will be charged a water & sanitary sewer RTS charge		1 inch and less	1.0
for each dwelling unit. All other customers shall be charged the above water &		1.5 inch	5.0
sewer RTS fee multiplied by the equivalent meter ration according to the above ratio		2 inch	8.0
Water Meter Replacement Fee (new meter)		1 inch or less	**$130.00**
**a minimum 3 hour labor charge (per union contract) if called in post reg. hours		1.5 inch	**$300.00**
		2 inch	**$450.00**
Rebuilt meter replacements/parts will be billed @ cost		Greater than 2 inch	**$850 + material cost of meter**
WATER CONNECTION FEE METER SIZE		**First 2 Units**	**Units 3, 4, or 5**
1 inch		**$1,800**	**$900**
1.5 inch		**$1,970**	**$985**
2 inch		**$2,120**	**$1,060**
Greater than 2 inch		**$2,470**	**$1,235**

CITY OF MONTROSE FEE SCHEDULE APPROVED JULY 1, 2026

Rental Registration Program	FEE	NOTES
Rental Registration Fee/Valid for 2 years	$0	
Inspection	$110	
Tennant complaint	$110	
Failure to register property	$400	
Special Meeting City Council Appeal Hearing	$350	
Administrative Warrant	$110	
No Show/Missed Appointments Pre-Scheduled Inspection- Less than 48 hours' notice	$110	

Marijuana License	FEE	NOTES
Medical Annual		
Grower/processor/transportation/testing/retail	$5,000.00	
Recreational Annual		
Retail	$5,000.00	

Vacant Building Inspection	FEE	NOTES
Registration	$25.00	
Inspections	$125.00	

Zoning	FEE	NOTES
Zoning Maps	$10.00	
Zoning Appeal Application	$230	
Variance Application	$230	
Special Land Use Application	$240	
Re-Zoning Application	$155	
Lot/Combination Split Application	$45	

CONSTRUCTION FEES

The below listed fee schedule shall be used for new projects, remodels/alteration, based on the cost of construction, subject to approval by the building official. In addition to construction, work conducted without a permit and removal of Stop Work Orders are included in this Schedule.

The total cost of improvement provides for the bases for the fee schedules. The cost of improvement will be based on the latest version of the ICC's Building Valuation Data Table and will be calculated at the time the application is submitted. In addition, the applicant may be required to provide a copy of a signed contract to verify the cost of the project. Pre-manufactured unit fees are based on the cost of the foundation and setting fees.

COST OF CONSTRUCTION	FEE SCHEDULE
$1 to $500	$50 Base Permit Fee
$501 to $2,000	$50 for the first $500 plus $6.00 for each additional $100 or fraction thereof, to and including $2,000
$2,001 to $25,000	$140 for the first $2,000 plus $15 for each additional $1,000, or fraction thereof, to and including $25,000
$25,001 to $50,000	$485 for the first $25,000 plus $10.50 for each additional $1,000, or fraction thereof, to and including $50,000
$50,001 to $100,000	$747.50 for the first %50,000 plus $7.50 for each additional $1,000, or fraction thereof, to and including $100,000
$100,001 to $500,000	$1,122.50 for the first $100,000 plus $6.00 for each additional $1,000, or fraction thereof, to and including $500,000
$500,001 to $1,000,000	$3,522.50 for the first $500,000 plus $5.00 for each additional $1,000, or fraction thereof, to and including $1,000,000
$1,000,001 and up	$6,022.50 for the first $1,000,000 plus $4.00 for each additional $1,000, or fraction thereof.
Building Plan Review Fees - *New Single Family Dwelling Structure*	**$300**
Building Plan Reviews – Single Family Dwelling (3,500 sq. ft or more)	**$400**
Other Structures up to 200,000 Cubic Fee	**$500**
Other Structures over 201,000 Cubic Fee	**$1,000**
Site Plan Review - Planning Commission (regular meeting)	**$230**
Site Plan Review - Planning Commission (special meeting)	**$355**
Site Plan Review - Commercial (regular or special meeting)	**$1,550**
Removal of Stop Work Order	**$105**
Work Started Without Permit	**$150**
Parking Lot Construction	**$55 + $4 per 1,000 sq. ft.**
Driveway Approaches/Curb Cut/Culvert	**$95**

Permits are subject to approval first by Zoning Administrator or Building Official PRIOR to being paid.

PERMIT / INSPECTION FEES

Demolition Permit	**$75**
Mobile Home Tie Down	**$50 each**
Sign Permit/Building/Wall Sign Permit	**$125**
Free Standing - On-Site Sign	**$135**
Temporary Signage	**$90**
Window Permit	**$125**
Commercial Roofing Permit	**Based on Construction Cost**
Fence Permit	**$95**
Sidewalk Permit	**$95**
Roofing Permit	**$125**
Commercial Roofing Permit	**Based on Construction Cost**
Siding Permit	**$125**
Swimming Pool - Inground	**Based on Construction Cost**
Swimming Pool - Above Ground	**$155**
Zoning Compliance Permit (Sheds & Fences)	**$95**
Residential Occupancy Permit	**$80**
Commercial Occupancy Permit	**$105**
Home Occupation Permits New	**$135**
Home Occupation Permit Renewal	**$50**
Chicken Permit	**$35**
PERMIT INSPECTIONS – Special	
Inspections on Weekends	**$105**
Re-Inspection	**$65**

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CITY OF MONTROSE
MEMORANDUM

Date: May 2, 2026

To: Mayor Banks and Montrose City Council

From: Joe Karlichek, City Manager

Subject: Consider Employment Agreement – Kim Lynch, City Treasurer / Finance Director

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City Administration is submitting for your consideration the proposed employment agreement for Ms. Kim Lynch to continue serving as the City Treasurer and Finance Director in a contractual capacity for the upcoming fiscal year.

Over the past year, Ms. Lynch has demonstrated a high level of professionalism, technical expertise, and commitment to the City of Montrose. Her tenure has brought both stability and forward progress to the Treasurer's Office during a critical period. With more than 13 years of governmental accounting experience and credentials as a Michigan Certified Professional Treasurer, she has proven to be a valuable asset to the organization.

Most notably, Ms. Lynch has implemented several fundamental reforms within the Treasurer's Office. These improvements have strengthened financial controls, enhanced transparency, improved reporting accuracy, and ensured compliance with applicable state laws and Generally Accepted Accounting Principles (GAAP). Additionally, her proficiency with BS&A systems and municipal finance operations has streamlined internal processes and increased overall operational efficiency.

The continuity of leadership in this role is essential to maintaining the progress achieved over the past year, as well as supporting ongoing financial management responsibilities including tax collection, payroll, accounts payable, and long-term financial planning.

The proposed agreement reflects a one-year term beginning July 1, 2026, and outlines the responsibilities, compensation, and expectations associated with this position. City Administration believes the terms of the agreement are appropriate and in the best interest of the City.

Recommendation: City Administration respectfully recommends that the Mayor and City Council approve the employment agreement with Ms. Kim Lynch as City Treasurer / Finance Director.

CITY OF MONTROSE
EMPLOYMENT AGREEMENT
CITY TREASURER / FINANCE DIRECTOR (CONTRACTUAL)

This Employment Agreement ("Agreement") is made and entered into this ___ day of _____, 2026, by and between the City of Montrose, a Michigan municipal corporation ("City"), and Kim Lynch ("Employee").

1. APPOINTMENT AND DESIGNATION

The City hereby appoints Kim Lynch to serve as City Treasurer and Finance Director in a contractual capacity. The Employee agrees to perform all duties in accordance with applicable laws and City policies.

2. TERM OF AGREEMENT

This Agreement shall be for a period of one (1) year, commencing on July 1, 2026, and expiring on July 1, 2027, unless terminated earlier in accordance with the provisions of this Agreement.

3. COMPENSATION

Salary: $3,300.00 bi-weekly.
Other Compensation: None.
Compensation shall be paid in accordance with standard payroll practices.

4. DUTIES AND RESPONSIBILITIES

The Employee shall oversee all treasury and finance operations, including property tax collection, financial reporting, payroll, accounts payable, investment management, DDA coordination, and use of BS&A software, ensuring compliance with GAAP and Michigan law.

5. QUALIFICATIONS

Michigan Certified Professional Treasurer, 13+ years governmental accounting experience, Master's in Accounting from Walsh College, and expertise in municipal finance operations and BS&A systems.

6. LIABILITY COVERAGE
The City shall provide full general liability coverage while the Employee performs duties within the scope of employment.

7. EMPLOYMENT STATUS
The Employee is designated as a contractual employee and not a permanent full-time employee.

8. TERMINATION
This Agreement may be terminated by either party with or without cause, upon not less than thirty (30) days written notice to the other party.

In the event of termination, the Employee shall be compensated through the last day worked. The City reserves the right to relieve the Employee of duties during the notice period while continuing compensation through the effective termination date.

9. ENTIRE AGREEMENT
This document constitutes the entire agreement and may only be amended in writing approved by City Council.

10. GOVERNING LAW
This Agreement shall be governed by the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties have executed this Agreement.

CITY OF MONTROSE

By: _____
Mayor, Thomas J. Banks

By: _____
City Manager, Joe Karlichek

Date: _____

EMPLOYEE

Kim Lynch

Date: _____

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CITY OF MONTROSE
MEMORANDUM

Date: May 2, 2026

To: Mayor Banks and Montrose City Council

From: Joe Karlichek, City Manager

Subject: Consider Employment Agreement – Marcy Collins, Deputy Treasurer / Administrative Assistant

Over the past year, Ms. Collins has proven to be a reliable and highly effective member of the City's administrative team. Her service has provided critical day-to-day operational support within the Treasurer's Office, while also assisting across departments to ensure continuity in customer service and administrative functions.

Ms. Collins has played an important supporting role in the fundamental reforms implemented within the Treasurer's Office. Through her work, the office has experienced improved organization, increased responsiveness to residents, and more efficient processing of financial and clerical tasks. Her ability to adapt, maintain accuracy, and provide consistent front-line service has been essential to the success of these improvements.

In her capacity as Deputy Treasurer / Administrative Assistant, Ms. Collins performs a wide range of responsibilities including financial processing, customer service, clerical support, and coordination between departments. This position is integral to maintaining daily operations and supporting the broader financial management functions of the City.

The proposed agreement reflects a part-time, at-will employment arrangement, not to exceed 30 hours per week, with an hourly rate of $21.50. The terms outlined are consistent with City policies and operational needs.

Maintaining continuity in this role is important to preserving the progress made within the Treasurer's Office and ensuring continued efficiency in service delivery to residents and internal departments.

Recommendation: City Administration respectfully recommends that the Mayor and City Council approve the employment agreement with Ms. Marcy Collins as Deputy Treasurer / Administrative Assistant.

PART-TIME EMPLOYMENT AGREEMENT

City of Montrose

Deputy Treasurer / Administrative Assistant

This Employment Agreement ("Agreement") is entered into on this 26 day of May, 2026, by and between the City of Montrose, a Michigan municipal corporation ("Employer"), and Marcy Collins ("Employee").

1. Position and Appointment

The Employer appoints the Employee to the position of Deputy Treasurer / Administrative Assistant on a part-time basis.

The Employee shall report to the City Treasurer, and/or City Manager and perform duties consistent with the official job description, including but not limited to clerical, financial, customer service, and administrative support functions for the Treasurer's office and related departments.

The Employer reserves the right to modify duties to meet operational needs.

2. Employment Status (At-Will)

Employment with the City is at-will and may be terminated by either party at any time, with or without cause or notice, subject to applicable law and any governing personnel policies.

Nothing in this Agreement alters the at-will nature of employment.

3. FLSA Classification and Compensation

This position is classified as non-exempt under the Fair Labor Standards Act (FLSA).

Hourly Rate: $21.50 per hour

The Employee is eligible for overtime compensation at one and one-half (1.5) times the regular rate of pay for all hours worked in excess of 40 hours in a defined workweek, in accordance with federal and state law.

All overtime must be pre-approved by the Employer. Payroll shall be processed in accordance with the City's standard payroll schedule and procedures.

4. Work Schedule

This is a part-time position not to exceed 30 hours per week.

Work hours and schedule shall be assigned by the Employer based on operational needs.

Hours may vary and may include front desk coverage and cross-departmental support.

This position is not benefit-eligible as a full-time position and shall not be construed as full-time employment.

5. Benefits and Leave

The Employee shall be eligible only for those benefits provided to part-time employees under applicable City policies, ordinances, or employee handbooks.

Unless otherwise required by law or policy:

The Employee is not eligible for full-time benefits, including health insurance, retirement contributions, or paid leave typically reserved for full-time employees.

Any paid sick leave or other statutory benefits shall be provided in accordance with Michigan law and City policy.

6. Qualifications and Standards of Performance

The Employee affirms they possess and will maintain the qualifications necessary for the position.

The Employee shall perform duties in a competent, timely, and professional manner and comply with all City policies, procedures, ordinances, and applicable laws.

7. Policies and Compliance

The Employee agrees to abide by all applicable City policies.

8. Work Environment and Physical Requirements

The position is primarily performed in an office setting.

9. No Property Interest in Employment

Nothing in this Agreement shall be interpreted to create a property right in employment.

10. Entire Agreement

This Agreement constitutes the entire agreement between the parties.

11. Governing Law

This Agreement shall be governed by the laws of the State of Michigan.

EMPLOYER:

City of Montrose

By: _____

Name/Title: Joe Karlichek, City Manager

Date: _____

City of Montrose

By: _____

Name/Title: Thomas J. Banks, Mayor

Date: _____

EMPLOYEE:

Signature: _____

Name: Marcy Collins

Date: _____

6.

CITY OF MONTROSE
MEMORANDUM

Date: May 2, 2026

To: Mayor Banks and Montrose City Council

From: Joe Karlichek, City Manager

Subject: Consider Employment Agreement – Tim Mazur, Building Inspector

City Administration is submitting for your consideration the proposed employment agreement for Mr. Tim Mazur to continue serving the City of Montrose as Building Inspector.

Over the past year, Mr. Mazur has provided consistent, knowledgeable, and professional service in this critical role. His experience and understanding of construction codes, inspection processes, and municipal requirements have contributed significantly to the City's ability to effectively oversee development and ensure compliance with applicable laws and ordinances.

In addition to his technical capabilities, Mr. Mazur has played an important role in advancing fundamental improvements within the community. His work has strengthened relationships between the City, contractors, and residents by improving communication, responsiveness, and clarity in the inspection and permitting process. These efforts have helped foster a more cooperative and efficient environment for both development activity and code compliance.

The Building Inspector position is essential to protecting public safety, maintaining property standards, and ensuring that all construction within the City meets required codes and regulations. Continuity in this role is important to sustaining the progress made over the past year and supporting ongoing development within the community.

As part of the proposed agreement, Mr. Mazur has requested an increase in his monthly stipend from the current rate outlined in the existing contract. City Administration has reviewed this request in the context of his performance, responsibilities, and the value he brings to the organization. Given his contributions and the importance of retaining qualified and reliable inspection services, Administration finds this request to be reasonable and worthy of consideration.

The agreement continues to reflect an at-will, contractual arrangement, with compensation structured as a monthly stipend for services rendered.

Recommendation: City Administration respectfully recommends that the Mayor and City Council approve the employment agreement with Mr. Tim Mazur as Building Inspector, inclusive of the requested adjustment to his monthly stipend.

BUILDING INSPECTOR
EMPLOYMENT AGREEMENT

THIS AGREEMENT is made this 26th day of May 2026 between the City of Montrose (the "city"), Genesee County, Michigan, whose principal office is located at 139 South Saginaw Street, Montrose, Michigan MI, (hereinafter referred to as "City"), and Timothy Mazur (hereinafter referred to as 'EMPLOYEE"), an individual whose address is P.O. Box 264, Birch Run, MI 48415.

WHEREAS City desires to employ EMPLOYEE in the capacity of Building Inspector, (the "Position"), on the terms and conditions set forth herein, including Attachment A, (hereinafter referred to as the "Attachment"), which attachment is incorporated herein; and

WHEREAS, EMPLOYEE desires to perform for City the tasks required by the Position on the terms and conditions set forth herein;

NOW THEREFORE in consideration of the mutual covenants and agreements set forth below, the parties agree as follows:

EMPLOYEE agrees:

A1. When employed in the Position EMPLOYEE shall have no right to any fringe benefits such as a vacation, hospitalization or retirement plan.

A2. EMPLOYEE will secure and maintain the qualifications, certifications, registrations and licenses necessary to properly perform the Position and agrees to carry out the administrative and operational functions of the Position as required by law and as authorized by the City Council of the City.

A3. EMPLOYEE shall perform the duties of the Position as set forth in the Attachments.

A4. EMPLOYEE shall serve the City loyally, diligently and effectively, and shall at all times exert his/her best efforts to complete the duties as herein required in a faithful manner, and will perform all of his/her duties with full and complete fidelity according to law.

A5. EMPLOYEE agrees that while employed in the Position he/she shall not engage in the installation of any building, mechanical and plumbing systems as a contractor or employee within the jurisdictional limits of the City without the prior written permission of the City.

A6. EMPLOYEE will provide original copies of all records pertaining to inspections to the City.

A 7. EMPLOYEE The Employee shall possess full authority and discretion to direct, control, and supervise the manner, methods, and timing by which the duties of the Position are performed. The Employee shall operate independently in carrying out these responsibilities, subject only to applicable laws, ordinances, and duly adopted City policies.

The Employee shall report to the City Manager for administrative purposes; however, such reporting shall not be construed to limit the Employee's independent authority in the execution of the Position's duties.

City agrees:

B1. City will furnish all information necessary for EMPLOYEE to complete his/her duties.

B2. City will provide filing areas and clerical assistance to EMPLOYEE during regular business hours.

B3. City will pay EMPLOYEE a wage determined at a rate of $1,600/month for inspection services rendered. EMPLOYEE will submit an itemized statement of hours worked in accordance to the City payroll policies for all services rendered to the City under this contract. The City hereby agrees that it shall thereafter compensate EMPLOYEE through its regular City bi-weekly payroll. Notwithstanding the language of Section C6 concerning modification of this Agreement, Employee's pay may be modified by majority vote of the City Council.

B4. EMPLOYEE will be covered by a policy similar, if not identical, to a policy procured by the City of Montrose (hereinafter referred to as the "City"), which policy will defend and indemnify EMPLOYEE for lawsuits and complaints brought against EMPLOYEE for actions arising out of his/her performance of the Position.

It is mutually agreed:

C1. This Agreement shall take effect when signed by both parties.

C2. EMPLOYEE'S employment in the Position is at will and may be terminated by either party at any time, for any reason or for no reason, by giving thirty days written notice to the other party.

C3. EMPLOYEE shall have no rights to unemployment insurance, severance pay, or other benefits in the event of termination of this Agreement.

C4. The provisions of this agreement shall be deemed severable, the validity or unenforceability of any one or more 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.

C5. It is understood and agreed that the terms of this Agreement are fully contained herein and EMPLOYEE'S employment is not based upon any oral promises or anything outside of the terms and conditions of this Agreement. This Agreement may only be modified by a writing signed by both parties.

C6. One or more waivers of any clause by City shall not be construed as a waiver of any further or subsequent breach of the same or any other clause.

C7. This Agreement shall extend to and bind the parties to this Agreement. EMPLOYEE shall not assign this Agreement. City may assign this Agreement in which case it shall be binding on that assignee.

C8. Michigan law shall govern the right and duties of the parties to this Agreement and the interpretation of its provision.

IN WITNESS WHEREOF, the parties hereto have caused the within agreement to be executed on their behalf by their duly authorized officers.

Approved and accepted:

CITY OF MONTROSE

BY: Timothy Mazur
EMPLOYEE

BY: Thomas J. Banks
Mayor

BY: Joe Karlichek
City Manager

ATTACHMENT A
BUILDING INSPECTOR

As Building Inspector, EMPLOYEE agrees to perform all duties and responsibilities of the back-up to the regular Building Inspector, required by the CITY OF MONTROSE as follows:

1. Although not a registered plan reviewer, reviewing plans for proposed new residential, commercial and industrial buildings or structures, or alterations and repairs to existing buildings or structures to assure compliance with codes enforced by the City of Montrose.

2. Corresponding verbally and in writing as necessary with design professionals, homeowners, engineers and other agencies regarding corrections or modifications to planned buildings or structures, or planned changes in existing buildings or structures.

3. Calculating the cost of installation or modifications to said buildings or structures and issue permits accordingly.

4. Scheduling and conducting on-site inspections of installation, erection, alteration, repair, relocation, replacement, additions to, use or maintenance of buildings and related structures within the Construction Code Group.

5. Issuing detailed orders for correction of such buildings or structures when necessary to bring them into compliance.

6. Prepare and initiate violation notices when building and other construction codes are not met and appearing in court to testify when necessary.

7. Making final inspections when building projects are completed to determine conformity to approved plans, codes, laws and ordinances.

8. Investigating and providing aid to resolve citizen concerns regarding the installation and repair to their buildings.

9. Compiling reports to the City of Montrose or State of Michigan authorities as required and needed.

10. Preparing various forms and reports, and maintenance of accurate records of all code permits issued, correction notices issued, inspection approvals, inspections made, dates for re-inspections and other work done according to procedures and requirements.

11. Responding to concerns and supplying accurate answers to the inquiries from professionals, contractors, and the general public who come to the office of the City of Montrose in person, or who make contact via telephone or in writing regarding codes and ordinances as such relate to buildings.

12. Enforcing housing regulations relative to code enforcement when directed to do so.

13. Performing related duties as assigned

CITY OF MONTROSE
MEMORANDUM

Date: May 19, 2026

TO: Thomas J. Banks and Montrose City Council

FROM: Joe Karlichek, City Manager

Subject: Notice of Resignation and Transition Planning

Mayor Banks and Members of Council,

Please accept this memorandum as my formal notice of resignation from the position of City Manager for the City of Montrose. Following formal approval of a manager position I have accepted with another municipality, I will be transitioning from my role with the City.

Pursuant to the terms of my employment agreement requiring a thirty (30) day notice, my final day of employment with the City of Montrose will be June 19, 2026.

Serving the City of Montrose has been both a privilege and an honor. I remain committed to ensuring a professional, organized, and collaborative transition process that supports continuity of operations, organizational stability, and the continued delivery of municipal services during this transition period.

Discussion regarding transition planning, administrative continuity, contractual considerations, and any related matters appropriate for closed session consideration pursuant to Michigan law will be placed on the agenda for the May 26, 2026 regular City Council meeting.

Over the coming weeks, I will continue working closely with staff and Council to ensure projects, operations, and administrative functions remain organized and appropriately transitioned. Council also has an additional memorandum outlining a separate recommendation relative to transition.

I sincerely appreciate the opportunity to serve the residents, employees, and elected officials of the City of Montrose and remain grateful for the trust placed in me during my tenure.

Recommendation #1: It is recommended the city council formally accept the resignation notice and that my last date as city manager is June 19, 2026.

Recommendation #2: It is recommended the city council direct city administration to engage Pivot Group Municipal Services in a contract for the purposes to procure a new city manager.

7.

CITY OF MONTROSE

MEMORANDUM

Date: May 15, 2026

TO: Honorable Mayor Thomas Banks and Members of the City Council

FROM: Joe Karlichek, City Manager

SUBJECT: Recommendation to Approve Executive Recruitment Proposal – Pivot Group Municipal Services

Mayor Banks and Members of Council,

As the City prepares for the transition and recruitment of the next City Manager, it is critically important that the City undertake a professional, organized, and comprehensive executive recruitment process. The selection of a City Manager is among the most significant decisions a governing body will make, as the position directly impacts the City's operational leadership, organizational culture, financial stewardship, community development, and long-term strategic direction.

Following review of the proposal submitted by Pivot Group Municipal Services, I am recommending approval of the agreement for executive recruitment services for the City Manager position.

The proposal provides a detailed and structured recruitment process designed specifically for municipal executive leadership recruitment. Services include:

- Development and marketing of the position profile;
- Targeted outreach and recruitment of qualified candidates;
- Professional review and vetting of applicants;
- Criminal, financial, reference, and social media background investigations;
- Facilitation of candidate interviews;
- Contract negotiation assistance; and
- A one-year placement guarantee should the selected candidate separate within the first year of employment.

Additionally, the proposal outlines a multi-phase recruitment strategy focused on identifying highly qualified municipal leadership candidates while ensuring stakeholder engagement and organizational alignment throughout the process.

Pivot Group Municipal Services also brings extensive municipal recruitment experience throughout the State of Michigan, including prior executive recruitment work involving municipalities and organizations such as the Village of Birch Run, City of Portland, City of Charlotte, City of Boyne City, City of Albion, and other local governmental organizations.

The benefits to the City in utilizing a professional executive recruitment firm include:

- Broader statewide and regional candidate outreach;
- Independent and objective applicant evaluations;
- Reduced risk associated with inadequate vetting procedures;
- Assistance with legal and procedural compliance throughout the hiring process;
- Improved candidate quality and recruitment competitiveness; and
- Professional facilitation of negotiations and transition planning.

The proposal further demonstrates value through the inclusion of consultant travel for up to three meetings and a one-year placement guarantee.

The total recruitment fee proposed by Pivot Group Municipal Services is **$10,400.00**, exclusive of advertising/publication costs, candidate travel/accommodations, and background review costs not to exceed approximately $750.

Given the importance of securing qualified and experienced administrative leadership for the City, the proposed cost is reasonable and consistent with the level of professional services being provided. The use of an experienced executive recruitment firm will assist Council in conducting a thorough, objective, and efficient recruitment process while minimizing operational disruption during the transition period.

Recommendation: It is my recommendation that the City Council approve the agreement with Pivot Group Municipal Services for executive recruitment services for the City Manager position in the amount of $10,400.00, plus associated advertising/publication costs, candidate travel/accommodation costs, and background review expenses as outlined within the proposal.

PIVOT group | Municipal Services

City of Montrose, Michigan

A proposal for Mayor Banks
and
City Council



PIVOT group | Municipal Services

3205 Armour St, Port Huron, MI 48060
(810) 300.7147 | Info@ThinkAboutPivot.com
www.PivotGroupMunicipalServices.com

City of Montrose
139 S. Saginaw Street
Montrose, MI 48457

May 14 2026

Re: Executive Recruitment, City Manager

Dear Mayor Banks and City Council,

Choosing the City of Montrose's next City Manager is one of the most important decisions you will make in the upcoming year. At Pivot Group Municipal Services, we take the process of recruiting, robustly vetting, and selecting the best candidate for such a critical position very seriously. With that in mind, we are proud to provide the City of Montrose with the following proposal to conduct professional services during the search for your next City Manager.

Pivot Group will provide professional vetting of candidates and advocacy of the best possible choice for the City, soliciting candidates from the ranks of various professionals and public policy practitioners across our state and region. We will actively reach out and recruit candidates, bearing in mind that the qualified candidates you desire are not necessarily spending their days looking at job boards or classified ads. We know that Montrose is a wonderful community, and we believe the opportunity to serve as your next City Manager will garner much interest among qualified professionals.

We provide a one-year placement guarantee. If for any reason the chosen candidate does not work out during their first year on the job, we will redo the search at no cost to the City.

We look forward to collaborating with you during this important process.

Respectfully,

Kris D. Pence

Kris Pence, Principal

PIVOT group | Municipal Services

Scope of Services

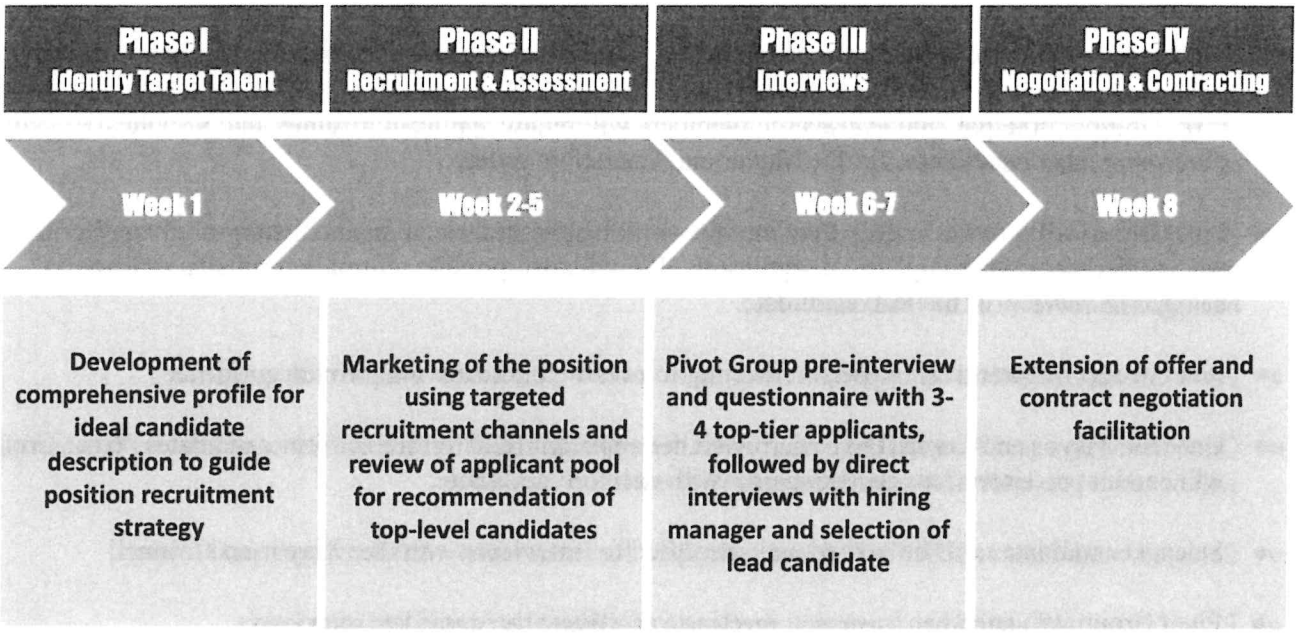
Pivot Group Municipal Services proposes to provide the following services to the City of Montrose:

- Develop a public job posting based on consultation with the City of Montrose and the job description as denoted by the City of Montrose and ordinances.
- Advertise the job posting on the Michigan Municipal League, Michigan Municipal Executives and the International County/City Management Association websites.
- Market the position to select, top-notch potential candidates and advocate that they apply for the job.
- Pivot Group's principal and lead search members will review applicant résumés and provide a selection of recommended candidates for the Mayor and Council to review.
- Pivot Group will provide a deep dive into the work history and social media history of all applicants, as well as reference screenings for all applicants. We will also provide a formal criminal and financial background review of the lead candidate.
- Pivot Group will attend an in-person meeting to review candidates and provide guidance.
- Once the Mayor and Council have narrowed the applicant field to three or four candidates, Pivot Group will conduct pre-interview questionnaires with each top candidate.
- Selected candidates will be invited and scheduled for interviews with the Mayor and Council.
- Pivot Group will attend an in-person meeting to facilitate the candidate interviews.
- Upon identification of a lead candidate, Pivot Group will provide a criminal background check completed by a certified law enforcement officer in the State of Michigan.
- Pivot Group will facilitate the completion of an Everything DiSC® Management Profile questionnaire, as well as a research-validated personal assessment, and we will offer professional feedback to the Mayor and Council.
- A sample contract will be provided for the Mayor, Council, and candidate to review.
- Aid in contract negation facilitation will also be provided as necessary.
- Onboarding and transition support services can be added at additional cost, pending individual and organizational need.
- Leader success check-in following six months of employment to aid in transition and performance review.

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Executive Search Work Plan

Pivot Group submits the following Executive Search Work Plan to outline the timeline of this recruitment proposal. This structured but flexible process is meant to be adapted as the needs of the City, stakeholders, and potential candidates are taken into consideration.



Phase I: Identify Target Talent

Through in-depth listening assessments, we will learn the "must-have" and "ideal" experiences, traits, and behaviors you are looking for in a City Manager. We will start by interviewing stakeholders and staff members to understand the goals, skills, experiences, and behaviors that are critical and "ideal" for the position. We will also identify the key selling points of the position, organization, and community, which informs the marketing strategy that we will create to pursue a talent pool.

Based on stakeholder assessments, a comprehensive position profile will be prepared for approval. Additionally, we will research the existing compensation and benefits structure as compared to the market. The finalized position profile and compensation will be presented for approval prior to marketing the position.

PIVOT group | Municipal Services

Phase II: Market the Posting to the Right People, and Assess Applicants

We will use social media and national job boards to promote the opportunity, as well as to promote the amazing aspects of living, working, and playing in and around the City of Montrose. This will result in the largest possible number of qualified applicants. In addition to searches of executive and professional talent databases, we will perform direct targeted outreach to candidates who might not apply through social media platforms or who might not engage with Michigan Municipal League and other municipal websites. This targeted outreach will help create a deep, diverse pool of qualified and interested candidates.

Upon receipt of applications, we will thoroughly assess the qualifications and suitability of all candidates in an independent and objective manner. We will use a survey, video interview, phone interview, cyber review, reference checks, and background checks to thoroughly assess applicants. We will provide access to and summarize this data for review by relevant decision stakeholders. Select candidates will be recommended for further consideration and as potential interview candidates. Additional assessments can be coordinated, as needed, or directed by the Mayor and Council.

Phase III: Interviews

We will coordinate an outstanding interview experience of the top three or four candidates, conducted by the City stakeholders, in compliance with current laws. Finalists will have an on-site interview, which can include a wide range of community engagement opportunities and tours. As directed by the Mayor and Council, we will coordinate schedules, manage candidate communications, and provide on-site logistic support during the on-site interviews. We will thoroughly prepare the Mayor and Council for the interviews by providing guidance, support, and interview questions customized to the qualities that emerged through the detailed position profile and ideal candidate assessment. We will also provide a comprehensive background review of the selected lead candidate.

Phase IV: Negotiation and Contract Development

We will assist with the negotiation and contract development process, along with other administrative and legal parties. We can provide a sample contract for consideration. Our specific role will be directed by the Mayor and Council as it relates to an offer extension and the facilitation of contract negotiation. An Everything DiSC® Management Profile will be completed upon offer acceptance.

Optional Phase V: Onboarding and Transition Support

For additional fees, candidate onboarding and support services can be arranged to aid in their successful transition into their new role. We offer a complimentary 360-degree feedback check-in after six months, and we will assist the hiring stakeholder(s) in determining performance expectations.

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Executive Search Team

James R. Freed, Lead Executive Recruiter



James has more than 18 years of senior leadership experience in both the public and private sectors. In the private sector, James served as an executive working to grow businesses in southern Michigan. In the public sector, as City Manager of one of Michigan's larger core communities, he led one of the largest financial turnarounds in state history. James has also led executive recruitments for municipalities ranging in size from six employees to more than 540 employees. This gives him a unique perspective on local government, as well as the needs of the business community.

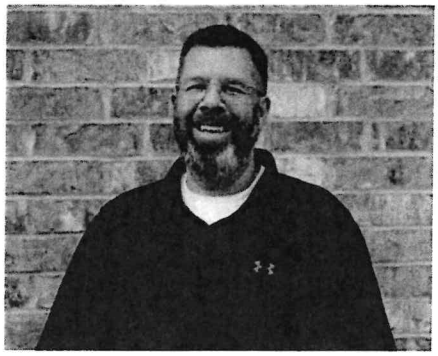
James holds a Bachelor of Science from Indiana Wesleyan University, with an emphasis in political science, as well as a Master of Business Administration from DeVos Graduate School at Northwood University.

James was among the *Crain's Detroit Business* "40 Under 40" winners in 2016. In 2017, the Port Huron NAACP awarded him the Martin Luther King "Honorable Mention" for his work on equity and inclusion. And in 2018, the Michigan Chamber Foundation and JCI Michigan included him on their list of Outstanding Young Michiganders.

James has previously served as a keynote speaker for the Michigan Municipal League, West Michigan Policy Forum, and several colleges and universities.

In addition to his formal education, James has proven experience in economic development, community development, government administration, human resources fiscal policy, grant writing, collective bargaining negotiations, project management, environmental protection, and constituent relations.

Kris Pence, Principal



Kris Pence is an organizational development consultant, licensed professional counselor, and award-winning educator. He is passionate about human capital — aiding organizations in the retention of high-value employees and the attraction of new talent. Kris draws on more than a decade of experience teaching political science and public policy, and nearly as much time counseling/consulting with individuals, groups, and organizations.

Pivot Group was started when Kris began consulting with organizations to develop and strengthen their people and processes. He has designed and delivered learning strategies to meet the needs of everyone from frontline employees to members of the boardroom. As his engagement with leaders deepened, it provided opportunities to aid with hiring decisions and subsequently finding talent as well. He has also

assisted with generating organizational change by helping leaders clarify their goals, shift workplace cultures, close performance gaps, and achieve organizational objectives.

Kris holds a Bachelor of Science from Indiana Wesleyan University, with majors in political science, psychology, and history. He also holds a Master of Arts in political science from Miami University of Ohio, as well as a Master of Arts in clinical mental health counseling from Western Michigan University (WMU). He is in the final stages of his doctoral work in counselor education and supervision at WMU. He is a licensed professional counselor (License # 6401015448) and a licensed marriage and family therapist (License # 4151000160) in the State of Michigan.

Darin Dood, Lead Investigator



Darin has spent 22 years working in Michigan law enforcement, 16 of those years as a chief of police. In addition to his experience in community policing and criminal investigations, Darin has also served as a Village Manager/DDA Director and chief administrative officer in our state. This gives him great perspective on what municipalities are looking for during an executive recruitment process.

Darin is an expert in candidate vetting and background investigations. His deep dives into a candidate's history include criminal, financial, and social media reviews.

Just a few of our recent comments

Pivot Group is leading the Executive Recruitment for the City of Saline's next Director of Public Services. You can learn more about his opportunity here: Saline Opportunity

Pivot Group is leading the Executive Search for the Village of Birch Run's next Village Manager/ DDA Director

Pivot Group led the second round Executive Search for the City of Belding

CITY OF CROSWELL

Pivot Group led the successful search for the next City Administrator for Croswell, Michigan

Boyne City

Pivot Group led the search of the position of "Director of Public Works" for Boyne City, Michigan

CITY OF ALBION, MICHIGAN
= Est. 1835 =

Pivot Group lead the successful search for the City of Albion as new City Manager

City of Montrose
Est. 1899

Pivot Group successfully lead the recruitment and placement of Montrose new Village Manager

CITY OF PORTLAND, MICHIGAN
CITY OF TWO RIVERS

Pivot Group led the successful search for the City of Portland's new City Manager

Lapeer District Library

Pivot Group successfully recruited and placed a new Library Director for the Lapeer District Library

THE CITY OF
CHARLOTTE
MICHIGAN

The City of Charlotte, Michigan engaged Pivot Group to facilitate their successful executive recruitment for their City Manager, Chief Administrative Officer

THE CITY OF
LAPEER
MICHIGAN

"In a tight talent market, Pivot Group did a great job bringing us quality candidates and ultimately a new quality City Manager. I would not hesitate to hire Pivot Group again in the future. They are very professional, always available, and completely guide you through the process."

-Mayor Deb Marquardt
www.cityoflapeer.net



Pivot Group Municipal Services successfully placed the City Planner / Director of Neighborhood Services for the City of Coldwater, Michigan
www.coldwater.org

City of Northville Michigan

Pivot Group led the City of Northville, Michigan's search for their next Community Development Director

AUBURN HILLS

Pivot Group was retained by the City of Auburn Hills, MI to lead their Assistant Town Manager search for their next Recreation Director
www.[illegible].org

CITY OF Stanton
Stanton, MI

"Pivot Group Municipal Services did an excellent job. Their product was on par with larger and more expensive firms. We are very pleased with their recruitment work and City Manager placement."

Mayor [illegible]
www.[illegible].org

PIVOT group | Municipal Services

Executive Recruitment – Price Proposal

Executive Recruitment Fee: **- Scope of Services & Executive Search Work Plan** **- Consultant Travel (up to 3 trips)**	**$10,400**
Total Recruitment Fee:	**$10,400**

The recruitment fee does not include advertising/publication costs, background review (up to $750), or travel/accommodations for candidates interviewed.

Consultant travel expenses, up to three trips, are included in the price proposal. Possible in-person meetings could include:

1. Stakeholder interviews for position profile and ideal candidate description.

2. Presentation of recommended candidates.

3. Interview process and lead candidate selection dialogue.

Any additional consultant visits requested by the client (beyond the three visits listed above) will be billed at $100 per hour, $340 for a half day, or $680 for a full day. The travel expenses incurred for additional visits will be billed to the client.

Payment for Fees and Services

Professional fees and expenses will be invoiced as follows:

1st Invoice upon acceptance of proposal:	40% of the Recruitment Fee
2nd Invoice upon recommendation of candidates:	40% of the Recruitment Fee
Final Invoice upon completion:	20% of the Recruitment Fee plus all expenses

Payment of invoices is due within 30 days of receipt (unless the client advises that its normal payment procedures require 60 days).

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Placement Guarantee

Pivot Group is dedicated and committed to assisting our clients until a candidate is appointed to the position. Therefore, no additional professional fee will be incurred if the client does not select from the initial group of recommended candidates and requests that additional candidates be developed for interview consideration. If additional advertising beyond Phase I is requested, the client will be billed for the actual advertising charges.

Upon appointment of a candidate, Pivot Group provides the following guarantee: Should the selected and appointed candidate, at the request of the client or the employee's own determination, leave the employ of the client within the first 12 months of appointment, we will (if desired) conduct one additional recruitment, billing the client for the cost of expenses and announcements only. This request must be made within three months of the employee's departure.

Proposal Acceptance

We believe we have provided you with a comprehensive proposal; however, if you would like a service that you do not see in our proposal, please let us know. We can most likely accommodate your request.

This proposal will remain in effect for a period of six months from the date of the proposal. We look forward to working with you on this recruitment and selection process!

The City of Montrose, Michigan, agrees to retain Pivot Group Municipal Services to conduct City Manager recruitment in accordance with the above proposal. The terms of the proposal are incorporated herein and shall become a part of this contract.

ACCEPTED:

City of Montrose, Michigan

By: _____
Title: _____
Date: _____
Billing Contact: _____
Billing Contact Email: _____

Pivot Group Municipal Services

By: _____
Title: _____
Date: _____

PIVOT group | Municipal Services

Recent Client References

Paul Moore
Village Manger, DDA Director
Village of Birch Run
(989) 624.5711

Dan Swallow
City Manager
City of Saline

Jeannine Leary
Mayor
City of Belding
(305) 988.7888

Tim Nemecek
Mayor
City of Boyne City
(616) 389.3725

Micheal Duweck
Mayor Pro-Tem
City of Charlotte
(517) 888.3544

Micheal Womack
City Manager
City of Lapeer
(586) 215.0851

Dan Kelly
The Kelly Firm
(248) 655.7025

Bill Marquardt
Board Chair
Lapeer District Library
(810) 240.0546

Jim Barnes
Mayor
City of Portland
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Thomas Banks
Mayor
City of Montrose
810.639.6125

Doug Terry
City Manager
City of Albion
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CITY OF MONTROSE
MEMORANDUM

Date: May 19, 2026

TO: Thomas J. Banks and Montrose City Council

FROM: Joe Karlichek, City Manager

Subject: Transition Consulting Services Agreement Recommendation

The purpose of this memorandum is to provide City Council with a recommendation regarding the proposed Transition Consulting Services Agreement intended to assist the City during the administrative transition following my resignation effective June 19, 2026.

As the Council is aware, continuity in municipal administration is critically important to maintaining daily operations, organizational stability, financial oversight, grant administration, project coordination, and ongoing communication between departments, elected officials, consultants, and residents. Transitions in executive leadership can create operational gaps, particularly when recruitment and appointment of a successor City Manager may extend beyond an established departure date.

The proposed agreement is intended to provide the City with limited, temporary transitional consulting assistance in the event the City has not appointed a new City Manager by my final date of employment. The agreement would allow the City to retain access to institutional knowledge, ongoing project status information, budgetary continuity assistance, records transition support, and administrative guidance necessary to ensure uninterrupted municipal operations during the transition period.

Importantly, the agreement has been structured specifically as an independent contractor relationship and does not reestablish employment status. The agreement further limits the role to transitional and advisory services unless additional authority is expressly authorized by formal action of the City Council. The proposed arrangement also establishes a finite sixty (60) day term, compensation structure, mileage reimbursement standards, technology stipend provisions, and liability coverage protections consistent with municipal operational practices.

The intent of this agreement is not to delay or interfere with the City's recruitment of a successor administrative leader, but rather to ensure the City maintains operational continuity and organizational stability during any interim period between administrations.

Recommendation: It is my recommendation that the City Council approve the Transition Consulting Services Agreement as presented. This agreement has been reviewed and approved by the City Attorney.

CITY OF MONTROSE
TRANSITION CONSULTING SERVICES AGREEMENT

This Transition Consulting Services Agreement ("Agreement") is entered into by and between the City of Montrose, a Michigan municipal corporation ("City"), and Joe Karlichek ("Consultant").

1. PURPOSE

The purpose of this Agreement is to provide temporary administrative transition assistance and operational continuity support to the City following Consultant's resignation as City Manager.

The parties acknowledge this Agreement is intended solely to facilitate an orderly transition of municipal operations while the City identifies and appoints a successor administrative leader.

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2. TERM

This Agreement shall commence on June 20, 2026 and automatically terminate sixty (60) calendar days thereafter unless terminated earlier pursuant to this Agreement.

This Agreement shall not be extended except by written approval of the City Council.

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3. INDEPENDENT CONTRACTOR STATUS

Consultant shall serve solely as an independent contractor and not as an employee of the City.

Consultant shall not:

- accrue pension benefits;
- accrue vacation or sick leave;
- receive health, dental, vision, disability, or life insurance benefits;
- participate in employee retirement systems; or
- otherwise be considered a City employee for any purpose.

Nothing contained herein shall be interpreted as reinstatement to employment.

Consultant shall be solely responsible for all federal, state, and local taxes associated with compensation received under this Agreement.

4. SERVICES

Consultant shall provide reasonable transition and administrative advisory services to the City, which may include:

- Assisting with operational continuity;
- Providing institutional and historical knowledge;
- Assisting with budgetary and financial transition matters;
- Assisting with grant administration continuity;
- Assisting with preparation of agendas, memoranda, and transition reports;
- Providing project status updates;
- Assisting with onboarding and orientation of successor administration;
- Coordinating transfer of records, systems, passwords, and administrative materials; and
- Attending meetings as reasonably requested by the Mayor, acting on behalf of the City Council, or by formal action of the City Council.

Services shall be provided on an as-needed basis and are anticipated not to exceed an average of twenty (20) hours per week.

5. LIMITATION OF AUTHORITY

Consultant shall not possess executive or administrative authority of the City Manager unless expressly authorized by formal action of the City Council.

Absent separate written authorization, Consultant shall not:

- hire, terminate, discipline, or supervise employees;
- direct collective bargaining matters;
- issue disciplinary directives;
- execute contracts on behalf of the City;
- authorize expenditures;
- independently direct code enforcement actions; or
- otherwise exercise statutory or charter-based executive authority.

Consultant's role shall remain advisory and transitional in nature.

6. COMPENSATION

Consultant shall receive compensation in the amount of Six Thousand Dollars ($6,000.00) per month for services rendered under this Agreement. In the event services are provided for less than a full calendar month, compensation shall be prorated on a weekly basis at a rate of One Thousand Three Hundred Eighty-Four Dollars and Sixty-Two Cents ($1,384.62) per week, with partial weeks further prorated based upon the number of days worked during that week.

Payments shall be made in accordance with the City's normal accounts payable procedures. All compensation payments are subject to lawful appropriation by the City Council.

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7. LIABILITY COVERAGE AND INDEMNIFICATION

During the term of this Agreement, the City shall maintain liability insurance coverage applicable to Consultant while acting within the scope of duties authorized under this Agreement, consistent with protections generally afforded to City officials, employees, and authorized agents acting on behalf of the City.

To the extent permitted by law, the City agrees to defend and indemnify Consultant for actions taken in good faith within the scope of services authorized under this Agreement.

Nothing contained herein shall be construed as a waiver of any governmental immunity, statutory protection, or limitation of liability otherwise available under Michigan law.

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8. TECHNOLOGY STIPEND

The City shall provide Consultant a monthly cell phone and technology stipend of One Hundred Dollars ($100.00) during the term of this Agreement.

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9. MILEAGE REIMBURSEMENT

Consultant shall be reimbursed for authorized business mileage incurred in connection with services provided under this Agreement at the then-current Internal Revenue Service (IRS) standard mileage reimbursement rate.

Mileage reimbursement requests shall be submitted in accordance with City reimbursement procedures.

10. TERMINATION

Either party may terminate this Agreement, with or without cause, upon seven (7) calendar days written notice.

The City shall compensate Consultant for services satisfactorily performed through the effective termination date.

11. CONFIDENTIALITY

Consultant acknowledges continuing obligations regarding confidential and proprietary information obtained during prior employment with the City and during the term of this Agreement.

Nothing herein shall prohibit disclosures required by law.

12. NO EXPECTATION OF CONTINUED ENGAGEMENT

Nothing in this Agreement shall create any expectation of continued employment, consulting relationship, or future appointment beyond the expiration of this Agreement.

13. GOVERNING LAW

This Agreement shall be governed by and interpreted under the laws of the State of Michigan.

14. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the parties concerning transition consulting services and supersedes all prior discussions relating thereto.

CITY OF MONTROSE

Mayor

Date: _____

Clerk

Date: _____

CONSULTANT

Joe Karlichek

Date: _____