



**City of Moorhead  
Economic Development Authority**

**Meeting Agenda  
January 04, 2016 at 11:45 AM  
1st Floor, Council Chambers, Moorhead City Hall**

<u>ITEM</u>	<u>REMARKS</u>
1. Call meeting to Order / Roll Call	_____
2. Agenda Amendments	_____
3. Approve Minutes	_____
A    December 21, 2015	_____
4. Citizens Addressing the Board	_____
5. Resolution to Approve Employment Agreement between Moorhead Economic Development Authority and Cynthia Graffeo	_____
6. Adjourn	_____

Upon request, accommodations for individuals with disabilities, language barriers, or other needs to allow participation in Economic Development Authority meetings will be provided. To arrange assistance, call the City Clerk's office at 218.299.5166 (voice) or 711 (TDD/TTY).





**City of Moorhead  
Economic Development Authority**

**Meeting Agenda  
December 21, 2015 at 11:45 AM  
1st Floor, Council Chambers, Moorhead City Hall**

Pursuant to due call and notice thereof, a regular meeting of the Economic Development Authority was held in the 1st Floor, Council Chambers, Moorhead City Hall, on December 21, 2015, at 11:45 AM.

**Roll call of the members was made as follows:**

Board Member:	Bob Buth	Present
Board Member:	Violet Deilke	Present
Board Member:	Steve Gehrtz	Present
Board Member:	Charley Johnson	Present
Board Member:	Pat Kovash	Present
Board Member:	Dave Sederquist	Present
Board Member:	James Steen	Present
Board Member:	Del Rae Williams	Present
Board Member:	John Rogalla	<i>Absent</i>
Board Member:	Bruce Bekkerus	Present
Board Member:	Marsha Weber	Present

**Others Present:**

Michael Redlinger, City Manager  
John Shockley, City Attorney  
Amy Thorpe, Economic Development Program Administrator  
Jill Wenger, Human Resources Director

**1. Call meeting to Order / Roll Call**

**2. Agenda Amendments**

**3. Approve Minutes**

A November 9, 2015

**Motion to Approve made by Charley Johnson and seconded by Violet Deilke**

*Motion Passed: For: 10; Against: 0; Abstain: 0; Absent: 1*

**4. Citizens Addressing the Board - None**

**5. Commissioners' Reports - None**

**6. Items Related to EDA Executive Director Position**

**Motion to Approve made by Steve Gehrtz and seconded by Marsha Weber**

Motion to Approve 6. Items Related to EDA Executive Director Position

*Motion Passed: For: 10; Against: 0; Abstain: 0; Absent: 1*

- A Resolution to Enter into Employment Contract Negotiations with Cynthia Graffeo as finalist for the EDA Executive Director Position

**Motion to Approve made by Steve Gehrtz and seconded by Marsha Weber**

Motion to Approve Resolution to Enter into Employment Contract Negotiations with Cynthia Graffeo as finalist for the EDA Executive Director Position

*Motion Passed: For: 10; Against: 0; Abstain: 0; Absent: 1*

- B Motion to Move into Executive Session for the Purpose of Contract Negotiations

**Motion to Approve made by Bob Buth and seconded by Violet Deilke**

Motion to Approve Move into Executive Session for the Purpose of Contract Negotiations

*Motion Passed: For: 10; Against: 0; Abstain: 0; Absent: 1*

**Motion to Approve made by Marsha Weber and seconded by Dave Sederquist**

Motion to Authorize City Human Resources Director and the City Attorney to enter into negotiations pursuant to the parameters described in executive session with Cynthia Graffeo.

*Motion Passed: For: 10; Against: 0; Abstain: 0; Absent: 1*

**7. Information / Update**

- A GFMEDC Activity Report - November
- B Building & Permit Valuation Summary - November

**8. Adjourn**

Minutes: Adjourned at 12:48 p.m.

APPROVED BY:

ATTEST:

\_\_\_\_\_  
Jim Steen  
Chair

\_\_\_\_\_  
Charley Johnson  
Secretary

The proceedings of this meeting are digitally recorded and are available for public review.

*Respectfully submitted by:  
Amy Thorpe, Economic Development Program Administrator*



## Human Resources

500 Center Avenue | PO Box 779 | Moorhead MN 56561-0799  
218.299.5179 | [humanresources@cityofmoorhead.com](mailto:humanresources@cityofmoorhead.com)

# Memorandum

**To:** Moorhead Economic Development Authority (EDA) Board  
**From:** Jill Wenger, Human Resources Director  
**Date:** December 28, 2015  
**Subject:** Employment Agreement – Cynthia Graffeo

On December 21, 2015 the Moorhead Economic Development Authority (EDA) Board selected Cynthia Graffeo as the candidate of choice for the Moorhead EDA Executive Director position. An employment agreement has been negotiated with Ms. Graffeo outlining compensation, benefits, and other aspects of employment.

The following is a summary of the agreement terms:

- **Term:** Agreement of three (3) years, subject to City of Moorhead’s annual approval to levy taxes on behalf of the Moorhead EDA.
- **Salary:**
  - **Starting salary** – \$78,042.15 annually to begin employment;
  - **Wage Adjustment at 6 Months** – After six (6) months of employment, an adjustment to \$80,477.06 annually contingent on a satisfactory performance evaluation;
  - **Wage Adjustment at 18 Months** – Thereafter, consideration of increases in compensation contingent on satisfactory annual performance evaluations; and
  - **General Wage Adjustments** – Annual general wage adjustments as provided by the Moorhead City Council to the City of Moorhead Management/Professional wage schedule.
- **Leave Time:**
  - **Vacation Leave** – Accrual of 112 hours (14 days) per year in the first year of employment, with a maximum cap of 280 hours;
  - **Sick Leave** – Accrual of 96 hours (12 days) per year, with a maximum cap of 960 hours; and
  - **Holidays** – Total of ten (10) holidays per year.
- **Benefits:**
  - **Health Insurance** – Employer contribution toward health insurance as provided to City of Moorhead Management/Professional employees;
  - **Life Insurance** – \$50,000 Term Life Insurance policy;

- **Pension** – Public Employees Retirement Association of Minnesota (PERA) contributions by employee and employer, as required by State law;
- **Auto Allowance** – \$400/month and access to City of Moorhead fleet vehicles for business-related travel; and
- **Cell Phone Reimbursement** – \$65/month cellular telephone allowance.
  
- **Other** – The agreement also provides provisions related to:
  - Dues and Subscriptions;
  - Professional Development;
  - Civic Club Membership;
  - Outside Employment/Activities;
  - Hours of Work;
  - Bonding; and
  - Termination Benefits.

A copy of the full Employment Agreement is attached for the EDA Board's consideration and approval.

The terms of this Employment Agreement have been reviewed by the City Attorney and are in accordance with the Moorhead EDA 2016 Budget and Tax Levy as adopted by the Moorhead City Council.

With the Board's approval, Ms. Graffeo is available to begin employment as the Moorhead EDA Executive Director on January 11, 2016.

Attachments: Draft Resolution  
Draft Employment Agreement

**Draft Resolution**

WHEREAS, the Moorhead Economic Development Authority (MEDA) desires to enter into an Employment Agreement with Cynthia Graffeo to act as the MEDA Executive Director.

NOW, THEREFORE, BE IT RESOLVED that the Moorhead Economic Development Authority does hereby authorize an Employment Agreement, for the MEDA Executive Director position with Cynthia Graffeo, a copy of which was before the MEDA Board and is now of record and on file in the office of City of Moorhead Human Resources.

PASSED: January 4, 2015 by the Moorhead Economic Development Authority Board.

## EMPLOYMENT AGREEMENT

**AGREEMENT** made this \_\_\_\_ day of \_\_\_\_\_, 2015, by and between the MOORHEAD ECONOMIC DEVELOPMENT AUTHORITY, a Political Subdivision of the State of Minnesota, (“Employer”), and CYNTHIA GRAFFEO (“Employee”).

The parties agree as follows:

1. **POSITION.** Employer agrees to employ Employee as its Executive Director. Employee agrees to serve as Executive Director in accordance with State statutes and the Employer’s Enabling Resolution, and to perform such other legally permissible and proper duties and functions as Employer from time to time assigns.

2. **TERM.** The term of the Agreement will begin on \_\_\_\_\_, 2016, and, subject to the City of Moorhead’s approval of Employer’s request to levy taxes on its behalf, will continue through \_\_\_\_\_, 2019. **Employee expressly agrees and acknowledges that the City of Moorhead may refuse for any reason to levy taxes to provide budget funds for Employer. Employee also expressly agrees and acknowledges that the City of Moorhead has the ability to and may change the Enabling Resolution or take any other action that may negatively impact Employee’s position with Employer. In these events, Employer may terminate this agreement.** \_\_\_\_\_ (Employee’s Initials).

3. **PENSION PLAN.** Employer will contribute to the Public Employees Retirement Association of Minnesota (PERA) as required by State law for Employee.

4. **SALARY.** Employer will pay Employee a salary of \$78,042.15 per year, which is Step 2 on the wage schedule, starting on the \_\_\_\_ day of \_\_\_\_\_, 2016, payable in bi-weekly installments. After six (6) months of employment, Employee will

receive a salary adjustment to Step 3 on the wage schedule, which is \$80,477.06 annually, upon conclusion of a satisfactory performance evaluation. Performance evaluations utilizing written performance standards will be conducted annually thereafter, and Employer agrees to consider an increase in compensation to Employee dependent upon the results of the annual performance evaluation. Future salary increases will be in accordance with the wage schedule and must be approved by the Economic Development Authority Board (the "Board"). The wage schedule will be the same as the City of Moorhead Management/Professional wage schedule and Employee will receive any annual general wage adjustments as provided by the Moorhead City Council.

5. **PERFORMANCE STANDARDS/REVIEWS.** Employer will review Employee in accordance with specific criteria developed jointly, and as may be modified thereafter, by Employee and Employer. Employer and Employee will jointly define in writing the goals and performance objectives for the proper operation of the Economic Development Authority and the attainment of Employer's policy objectives, and will further establish a relative priority among those various goals and objectives. The goals and objectives should generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations provided. Failure by either party to complete the duties described above will not constitute a breach of this Agreement.

6. **VACATION LEAVE.** Vacation leave will accrue at the rate of 112 hours (14 days) per year during the first year of employment, with a maximum cap of 280 accrued hours. Vacation leave accrued in excess of the maximum 280 hours will be placed in a deferred sick leave bank. Upon termination of employment, Employee may

extend her termination date by any holiday or vacation hours remaining, or may elect to receive a lump sum payment for those total hours. If Employee elects to extend her termination date, Employee retains all the rights and privileges of employment. Any vacation leave benefits remaining upon resignation of Employee will be disbursed at the last rate of pay when leaving employment.

During Employee's first year of employment, in July of 2016, Employee will be able to receive and utilize up to 5 days of vacation leave, in addition to any vacation leave accrued. Employee will also be able to receive and utilize up to 5 days in August, in addition to vacation leave accrued. In the event Employee receives vacation leave not yet earned, Employee will be required to reimburse Employer in subsequent consecutive payrolls until the balance is replenished. In the event Employee's employment is terminated for any reason prior to the balance of the vacation leave being replenished, Employee will be responsible for providing Employer payment for the hours not replenished, at the current rate of pay.

7. **SICK LEAVE.** Sick leave will accrue at the rate of 96 hours (12 days) per year, with a maximum cap of 960 hours. When the 960 hour limit is reached, each additional hour earned is divided, with ½ hour placed in a second sick leave bank and ½ hour placed in a deferred vacation bank to be used as extra vacation during the next calendar year. Hours accumulated in the second sick leave bank may only be used after every hour of regular sick leave has been used. Employee may receive pay for ½ of Employee's accumulated sick leave at the last rate of pay when leaving employment due to death or retirement. There will not be any pay-out for hours accrued in the deferred sick leave bank.

8. **HOLIDAY LEAVE.** Holiday leave will include a total of 10 days per year and the holiday schedule will be the same as the holiday schedule observed for the City of Moorhead.

9. **HEALTH INSURANCE.** Employee will receive Employer contributions toward health benefits as outlined in the 2016 Benefits Guide, which is attached hereto and made a part of this Agreement.

10. **LIFE INSURANCE.** Employee will receive a \$50,000 Term Life Insurance policy from Employer.

11. **DUES AND SUBSCRIPTIONS.** Employer will budget and pay the professional dues and subscriptions for Employee which are deemed reasonable and necessary for Employee's continued participation in national, regional, state, and local associations necessary and desirable for Employee's continued professional participation, growth, and advancement.

12. **PROFESSIONAL DEVELOPMENT.** Employer will budget and pay necessary and reasonable registration, travel, and subsistence expenses of Employee for professional and official travel, meetings, and occasions adequate to continue the professional development of Employee. Examples include, but are not limited to, the International Economic Development Council and the Economic Development Association of Minnesota. Employee will use good judgment in her outside activities and will not neglect her primary duties to Employer.

13. **CIVIC CLUB MEMBERSHIP.** Employer recognizes the desirability of representation in and before local civic and other organizations. Employee is authorized

to become a member of such civic clubs or organizations as deemed appropriate by Employee and Employer, at Employer's expense.

14. **AUTOMOBILE.** Employee will receive a monthly vehicle allowance of \$400 for use of Employee's personal vehicle on official business. Employee will also have access to City of Moorhead fleet vehicles for business-related travel. Use of City of Moorhead fleet vehicles must be in accordance with City of Moorhead policies and procedures.

15. **CELL PHONE REIMBURSEMENT.** Employee will receive a monthly cellular telephone allowance of \$65. Employee must comply with City of Moorhead policies and procedures with regard to use of cell phones.

16. **OTHER BENIFITS.** Employee is eligible for, and may elect, other optional voluntary benefits, at Employee's sole cost, as outlined in the 2016 Benefits Guide.

17. **OUTSIDE EMPLOYMENT/ACTIVITIES.** Employee will devote her full time and best efforts to the business and affairs of Employer. Employee will not spend more than ten (10) hours per week performing other non-work business, without first obtaining the Employer's approval.

18. **HOURS OF WORK.** It is understood that the position of Executive Director requires attendance at regular Board meetings, EDA sub-committee meetings, and other meetings related to the Economic Development Authority, and occasionally at weekend meetings. It is understood by Employee that additional compensation and compensatory time will not be allowed for such additional expenditures of time. It is further understood that Employee may absent herself from the office to a reasonable

extent in consideration of extraordinary time expenditures for evening and weekend meetings at other than normal working hours.

19. **BONDING.** Employer will pay the cost of any fidelity or other bonds required of the Employee under any law or circumstance.

20. **TERMINATION BENEFITS.** In the event Employee is terminated by Employer during such time Employee is willing and able to perform the duties of Executive Director, Employer agrees to pay Employee, at the time of receipt of her last pay check, a lump sum cash payment equal to three (3) months aggregate salary and to continue to provide and pay for the benefits set forth above for a period of three (3) months following termination, except as set forth below. A majority vote of all members of the Board will be required for termination of Employee.

In the event Employee is terminated for cause, including but not limited to, malfeasance in office, gross misconduct, conviction for a felony, conviction for an illegal act involving personal gain to Employee, gross inefficiency or incompetence in office that is not corrected after a reasonable written notice, or willful neglect of duty, then Employer will have no obligation to pay any termination benefits and Employee will not be entitled to receive any termination benefits.

If Employer, at any time during the employment term, reduces the salary or other financial benefits of Employee, or if Employer refuses, following written notice, to comply with any other provisions of this Agreement benefitting Employee, or Employee resigns following a formal request by Employer that she resign, then Employee may, at her option, be deemed to be “terminated” on the effective date of Employee’s resignation and Employee will be entitled to receive the termination benefits set forth above.

In the event the City of Moorhead refuses for any reason to levy taxes to provide budget funds for Employer, or if the City of Moorhead changes the Enabling Resolution or takes any other action that negatively impacts Employee's position or Employer's budget as it relates to Employee's position, and Employer terminates this Agreement pursuant to paragraph 2 above, Employer agrees to pay Employee, at the time of receipt of her last pay check, a lump sum cash payment equal to six (6) months aggregate salary and to continue to provide and pay for the benefits set forth in this Agreement for a period of six (6) months following termination.

If Employee voluntarily resigns her position with Employer, Employee agrees to give Employer forty-five (45) days advance notice. If Employee voluntarily resigns her position with Employer, there will be no termination pay due to Employee.

21. **GENERAL PROVISIONS.**

- A. **Entire Agreement.** This Agreement contains the entire understandings of the parties hereto. It may not be changed orally, but only upon an agreement in writing signed by Employee and the authorized officials of Employer.
- B. **Modifications.** This Agreement may be modified as to terms and conditions from time to time upon mutual consent of the parties; however, such modification must be reduced to writing and signed by the parties as authorized by law.
- C. **Binding Effect.** The terms and conditions of this Agreement are to apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties.

D. **Severability.** If any provision or any portion thereof contained in this Agreement is held unconstitutional, invalid, or unenforceable, the remainder of this Agreement, or portion thereof, is deemed severable and will not be affected and will remain in full force and effect.

E. **Governing Law.** This Agreement will be construed and enforced in accordance with Minnesota law. The parties agree any litigation arising out of this Agreement will be venued in Clay County District Court in Clay County, Minnesota, and the parties waive any objection to venue or personal jurisdiction.

**IN WITNESS WHEREOF,** Employer has caused this Agreement to be signed and executed on its behalf by its \_\_\_\_\_ and its \_\_\_\_\_, and Employee has signed this Agreement, in duplicate, the day and year first written above.

EMPLOYER:

EMPLOYEE:

ECONOMIC DEVELOPMENT AUTHORITY  
OF MOORHEAD

CYNTHIA GRAFFEO

BY: \_\_\_\_\_

\_\_\_\_\_

AND

BY: \_\_\_\_\_