

South Portland City Council  
***Position Paper of the Interim City Manager***

***Subject:***

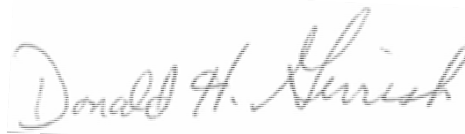
**ORDER #130-16/17 – Appointing Scott T. Morelli as City Manager. Passage requires majority vote.**

***Position:***

Pursuant to South Portland Charter §227, the City Council shall appoint an officer of the City who shall have the title of City Manager. The City Council has chosen Scott T. Morelli, of New Gloucester, ME for this position. Chapter §230 of the South Portland Charter states the City Council shall fix, by order, the salary of its appointees. The salary for Mr. Morelli is being set at \$115,000.

***Requested Action:***

Council passage of Order #130-16/17.



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Interim City Manager

## **DRAFT - PRESS RELEASE**

### **SOUTH PORTLAND CITY COUNCIL SELECTS SCOTT MORELLI AS ITS NEXT CITY MANAGER**

The South Portland City Council is pleased to announce the selection of Scott Morelli as its next City Manager. Scott is a resident of New Gloucester and is currently serving as City Manager of Gardiner. He was selected from a field of 33 applicants following a national search which began in November.

The Council and Mr. Morelli have reached a tentative agreement to enter into a 3 year contract with a starting salary of \$115,000. The Council will vote on selection of its City Manager and approval of a contract at their meeting scheduled for Monday, February 6 at 7:00 pm.

“We are very pleased and excited with the selection of Scott Morelli as our next City Manager” said Mayor Patti Smith. After the selected candidate in the first round of advertisement decided not to accept the position, the Council decided not to rush a second round of advertisement in order to focus on obtaining the best qualified person for the position. Scott has the experience as a City Manager and is enthusiastic about assuming his new role as Manager of South Portland.



CITY OF SOUTH PORTLAND

PATRICIA A. SMITH  
Mayor

DON H. GERRISH  
Interim City Manager

SALLY J. DAGGETT  
Jensen Baird Gardner & Henry

EMILY F. SCULLY  
City Clerk

**IN CITY COUNCIL**

**ORDER #130-16/17**

District One  
CLAUDE V. Z. MORGAN

\_\_\_\_\_  
District Two  
PATRICIA A. SMITH

\_\_\_\_\_  
District Three  
EBEN C. ROSE

\_\_\_\_\_  
District Four  
LINDA C. COHEN

\_\_\_\_\_  
District Five  
BRAD FOX

\_\_\_\_\_  
At Large  
MAXINE R. BEECHER

\_\_\_\_\_  
At Large  
SUSAN J. HENDERSON

**ORDERED**, that Scott T. Morelli of New Gloucester, ME, be and hereby is appointed City Manager, effective March 13, 2017.

**BE IT FURTHER ORDERED**, that the annual salary of the City Manager be fixed at \$115,000.

February 6, 2017

**Employment Agreement – City Manager  
City of South Portland, Maine**

**and**

**INTRODUCTION**

This Agreement, made and entered into this 6th day of February 2017, by and between the City of South Portland, Maine, a municipal corporation (hereinafter called the “City”), and Scott T. Morelli (hereinafter called the “Manager”), an individual who has the education, training and experience in local government management, both of whom agree as follows:

**WITNESSETH:**

**WHEREAS**, the City Council of the City desires to appoint Manager to serve, and the City desires to employ the services of Manager, as City Manager of the City of South Portland, as provided in Section 227 of the Charter of the City of South Portland (the “City Charter”);

**WHEREAS**, it is the desire of the City Council to provide certain benefits, establish certain conditions of employment, and to set working conditions of the Manager;

**WHEREAS**, it is the desire of the City Council (1) to secure the services of the Manager and to provide inducement for him to remain in such employment, (2) to make possible full work productivity by assuring Manager’s morale and peace of mind with respect to future security, and (3) to provide a just means for terminating the Manager’s services at such time as he may be unable to fully discharge his duties, within the discretion of the City Council, due to disability, or when the City may otherwise desire to terminate his employment; and,

**WHEREAS**, the Manager desires to maintain employment as City Manager of the City;

**NOW, THEREFORE,** in consideration of the promises and of the mutual covenants and agreements herein set forth, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

**Section 1. Duties.**

The City hereby agrees to employ Manager as City Manager of the City. The Manager agrees to perform the functions and duties specified in the City Charter, City Ordinances, and the Maine General Statutes, and to perform such other legally permissible and proper duties, and reasonable functions, as the City Council shall from time to time assign to the Manager.

**Section 2. Term.**

A. This Agreement shall begin March 13, 2017 and end March 12, 2020, unless otherwise terminated pursuant to the terms of this Agreement. The Manager's first day of work will be Monday, March 13, 2017. No later than September 1, 2019, the parties agree to meet and discuss the possible extension of this Agreement. The parties may extend this Agreement by mutual written agreement.

B. This Agreement may be terminated and the Manager may be removed from office by the City Council for cause in accordance with the procedures set forth in Article II, Section 228 of the City Charter. In the event the Manager's employment is terminated for cause, the City's only obligation shall be to pay all compensation (including the compensation set forth in Article II, Section 228 of the City Charter) and vacation time as of the date of termination; provided, however, that payment for accrued vacation time shall not exceed the value of forty (40) days.

C. This Agreement may be terminated and the Manager removed from office by the City Council for convenience (i.e., without cause). In the event the City Council terminates the

employment of the Manager for convenience during the term of this Agreement, the City agrees as follows:

(1) During the first six months of this Agreement, to pay the Manager a lump sum cash payment equal to three (3) calendar months of the Manager's then current salary less applicable withholdings and deductions. After six months of service, the payment will be for six (6) months of then current salary, less applicable withholdings and deductions;

(2) to the maximum extent allowed by law, to make a contribution to the Manager's deferred compensation account on the value of the compensation set forth in subsection (1) above calculated using the rate ordinarily contributed on regular compensation;

(3) pay the Manager for vacation time and one-half ( $\frac{1}{2}$ ) of accrued sick leave as of the date of termination; provided, however, that payment for accrued vacation time shall not exceed the value of forty (40) days and payment of one-half ( $\frac{1}{2}$ ) accrued sick leave shall not exceed the value of seventy-five days. ;

(4) to pay the cost to continue health insurance for the Manager and his dependents as provided in Section 4 of this Agreement for a period of three (3) calendar months and increase to six (6) calendar months after the first six months of service, unless the Manager accepts new employment providing comparable health insurance benefits within the time frame of the payments.

The City and the Manager agree that termination of this Agreement and removal of the Manager for convenience shall not require compliance with the procedures set forth in Article II, Section 228 of the City Charter or 30-A M.R.S.A. § 2601, and that in the event of termination of the Agreement for convenience, the Manager expressly waives any rights or claims based upon Article II, Section 228 of the City Charter or 30-A M.R.S.A. § 2601.

D. The Manager may terminate this Agreement and resign from employment as Manager upon forty-five (45) days written notice to the Mayor, with a copy to the City Clerk. In the event the Manager resigns from employment, the City's only obligation to the Manager shall be to pay all compensation and vacation time and one-half (½) accrued sick leave as of the date of resignation; provided, however, that payment for accrued vacation time shall not exceed the value of forty (40) days and payment of one-half (½) accrued sick leave shall not exceed the value of seventy-five (75) days.

**Section 3. Compensation.**

A. Base Salary: The City agrees to pay the Manager an annual base salary of \$115,000, payable in installments in accordance with the City's usual payroll practices and procedures for management employees. After six months, on September 13, 2017, the Manager's annual base salary shall increase to \$120,000.

B. The City shall not, at any time during the term of this Agreement, reduce the salary, compensation or other financial benefits of the Manager except to the degree of such a reduction across-the-board for all management employees of the City.

C. The City agrees to review annually the compensation of the Manager depending upon the results of the performance evaluation to be conducted of the Manager's work performance under the provisions of Section 14 of this Agreement.

D. The Manager may be provided with such additional or further compensation above the base salary as may be approved by the City Council from time to time, based upon its annual performance evaluation and review of the Manager.

**Section 4. Health, Life, Dental and Disability Insurance.**

A. The City agrees to provide to the Manager and his dependents the same health, life, dental and disability insurance coverage and benefits afforded to other City management employees upon commencement of employment.

B. The City shall pay the amount of premium due for term life insurance provided as part of a group life insurance program (e.g., Maine Municipal Employees Health Trust program) in the amount of two (2) times the Manager's annual base salary, including all increases in the base salary during the life of this Agreement. The Manager shall have the right to name the beneficiary of the life insurance policy.

C. The City shall provide the same long-term disability insurance coverage to the Manager as is afforded to other City management employees upon commencement of employment. If the Manager becomes temporarily or permanently disabled, the City shall provide the Manager, directly or indirectly, with those payments afforded to other City management employees. To the extent the City provides the Manager with payments, and to the extent allowed by law, the Manager shall surrender to the City any worker's compensation, accident, sickness, or other disability benefits the Manager has received from the City or any of its insurers during the initial period, up to but not exceeding the amount of payments the City has provided to the Manager.



**Section 5. Deferred Compensation Plan/Retirement**

A. The City shall pay the Manager annual deferred compensation in an amount equal to 5% of base salary. Said deferred compensation shall be paid to the ICMA Retirement Corporation (457 Plan). The City agrees to transfer ownership of said plan to succeeding employers upon Scott T. Morelli's resignation or discharge.

B. The Manager shall participate in and the City shall contribute to the Maine Public Employees Retirement System (MainePERS) in the same fashion as other non-union administrative employees of the City.

**Section 6. Cell Phone and Internet Service.**

The City will provide the Manager with Cell Phone Hardware and Service, Computer Equipment and Services for home base connectivity available 24/7 while employed as City Manager. The City agrees that personal use of these devices by the Manager shall be permissible, so long as such use is not for other business purposes that result in financial profit for the Manager.

**Section 7. Automobile.**

During the term in which the Manager is engaged in the performance of his duties and responsibilities pursuant to this Agreement, the City agrees to provide a six hundred dollar (\$600.00) monthly allowance for automobile expenses in recognition of the requirements of the position. The City is under no obligation to reimburse the Manager for any automobile costs that exceed this amount, with the exception of gasoline and tolls for business travel outside the "Greater Portland" area. Review of the adequacy of this monthly allowance will be done on an annual basis during budget review discussions.

**Section 8. Dues and Subscriptions.**

The City hereby agrees to budget and pay for the professional dues and subscriptions of the Manager necessary for his continuation and full participation in national, regional, state, and local associations and organizations, necessary and desirable for his continued professional participation, growth and advancement, and for the good of the City.

**Section 9. Professional Development.**

The City hereby agrees to pay, within the budgetary constraints of the Manager's professional development budget, the necessary expenses of the Manager's professional development to continue his professional development and to adequately pursue official functions of the City, including but not limited to attending and participating in the annual conferences of the ICMA, the Maine Municipal Association and the Maine Town and City Managers Association.

**Section 10. General Expenses - Expense Account.**

The City recognizes that certain expenses of a non-personal and generally job-affiliated nature will be incurred by the Manager, and hereby agrees to reimburse or to pay said reasonable expenses upon receipt of duly executed expense vouchers, receipts, statements, or personal affidavits from the Manager.

**Section 11. Holidays and Vacation.**

A. The Manager shall receive twenty (20) days of accrued vacation time upon commencement of work and accrue vacation at the rate of one and two-third (1.67) days for each full calendar month of service. The Manager shall not utilize vacation days beyond those accrued on a pro rata basis without the consent of the City Council. The Manager may carry-over accrued unused vacation time, not to exceed forty (40) days in total; provided, however, that the Manager shall not use more than twenty (20) vacation days at one time and, if the Manager uses

twenty (20) vacation days at one time, he must return to work thereafter for at least one (1) month before using any additional vacation days.

B. The Manager shall be entitled to the same paid holidays as granted to other City management employees.

**Section 12. Sick Leave; Personal Leave; Educational Leave.**

A. The Manager will earn and accumulate sick leave at the rate of one and one quarter (1.25) days for each full calendar month of service up to fifteen (15) paid sick days each year, accumulative to a maximum of one hundred and fifty (150) days. If the Manager leaves the position, either through his own will or termination, the Manager shall be entitled to payment for one-half (1/2) accrued but unused sick leave not to exceed the value of seventy-five days (75) days.

B. Any personal leave of absence requested by the Manager must be approved in advance by the City Council.

C. The Manager is not entitled to any educational leave of absence.

**Section 13. Hours of Work.**

Both parties recognize that the job requires many hours outside the normal working hours of City Hall. It is understood that the Manager must dedicate many hours beyond the normal work week in order to provide excellent leadership in performing the job. It is further understood that in some ways the job requirement represents a twenty-four (24) hour commitment, day in and day out. Hence, the City recognizes that the Manager must devote a great deal of time outside normal office hours on business for the City, and to that end the Manager shall be allowed to establish an appropriate work schedule.

**Section 14. Performance Evaluation.**

A. The City Council shall review and evaluate the work performance of the Manager after the first six (6) months and at the first anniversary and annually thereafter. These reviews and evaluations shall be conducted in accordance with specific criteria developed by the City Council. These criteria may be added to or deleted from as the City Council may from time to time determine. At the completion of the review and evaluation, the City Council shall provide the Manager with a summary written statement of the findings of the City Council and shall provide the Manager with a reasonably adequate opportunity to discuss the review and evaluation, and the summary written statement of findings, with the City Council. The City Council may form a subcommittee to assist with the routine aspects of the Manager's annual performance evaluation.

B. Following the annual review of the Manager, the City Council and the Manager shall define such performance objectives as they may determine necessary for the proper operation of the City and attainment of the City Council's policy objectives, and shall further establish a relative priority among those various objectives, these prioritized objectives to be reduced to writing by the parties. The prioritized objectives shall be reasonably attainable within the time limitations specified and the annual operating and capital budgets and appropriations provided.

C. In effecting and implementing the provisions of this section, the City Council and the Manager mutually agree to abide by the provisions of applicable law.

**Section 15. Indemnification**

The City shall defend, save harmless, and indemnify Scott T. Morelli against any tort, professional liability claim or demand or other legal action, whether or not it appears to have

merit, arising out of an alleged act or omission occurring in the performance of Scott T. Morelli's duties as manager, except as prohibited by law. The City will either litigate or compromise and settle any such claim or suit and pay the amount of any judgment or settlement rendered thereon, whether levied against the City or Scott T. Morelli personally. Said indemnification shall extend beyond termination of employment, and the otherwise expiration of this Agreement, to provide full and complete protection to Scott T. Morelli, by the City, as described herein, for any acts undertaken or committed in Scott T. Morelli's capacity as manager, regardless of whether the notice or filing of such a claim or lawsuit occurs during or after Scott T. Morelli's employment with the City.

**Section 16. Outside Work.**

The Manager shall not spend more than an average of five (5) hours per week in teaching, consulting, or other non-City connected business, without the prior approval of the City Council.

**Section 17. Bonding.**

The City shall bear the full cost of any fidelity or other bonds required of the Manager under any law or ordinance.

**Section 18. Residency.**

A. The Manager may maintain his residency outside of the City of South Portland during the term of this Agreement.

**Section 19. Personnel Policy.**

Whenever any provision of this Agreement conflicts with or is inconsistent with those provisions of the City's Personnel Policy applicable to the Manager, the provisions of this Agreement shall control.

**Section 20. Other Terms and Conditions.**

The City Council may fix such other reasonable terms and conditions of employment, as it may determine from time to time, relating to the Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of the Agreement, the City Charter, or any other federal or state law.

**Section 21. General Provisions.**

A. The text of this written Agreement and any amendments approved by the City Council and executed by the Mayor and the Manager constitute the entire understanding between the parties with respect to the employment of Scott T. Morelli as the City Manager of the City of South Portland.

B. This Agreement shall be binding upon the City and the Manager, and their heirs, successors, and assigns.

C. This Agreement may be amended at any time during its term by written agreement by both parties.

D. This Agreement shall become effective upon execution.

**Section 22. Severability.**

If any provision of this Agreement is found to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable.

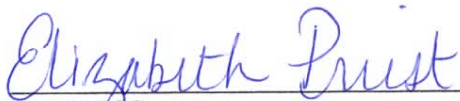
**Section 23. Notices.** Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, first class, certified or registered mail, postage prepaid, addressed as follows:

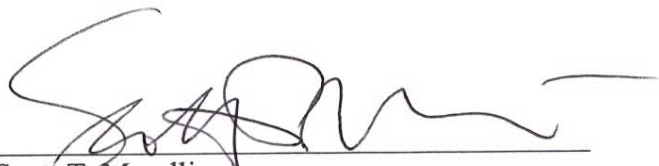
- 1) City: Mayor  
25 Cottage Road  
South Portland, Maine 04106

2) **Manager:** City Manager  
25 Cottage Road  
South Portland, Maine 04106

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice or may be hand-delivered to the recipient. Notice shall be deemed given as of the date of personal service or three (3) days after the date of deposit of such written notice in the course of transmission in the United States Postal Service.

**IN WITNESS WHEREOF**, the City of South Portland has caused this Agreement to be signed and executed on its behalf by its Mayor, and the Manager has signed and executed this Agreement on the date first above written.

  
\_\_\_\_\_  
WITNESS

  
\_\_\_\_\_  
Scott T. Morelli  
14 Briarwood Drive  
New Gloucester, Maine 04260

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
Patti Smith, MAYOR  
CITY OF SOUTH PORTLAND, MAINE  
Pursuant to vote of the City Council on \_\_\_\_\_,  
2017