Agenda
Special Business Meeting

City of Kalamazoo

Thursday, October 30, 2025 5:00 PM

City Commission Chambers – 241 West South Street

A. CALL TO ORDER/ROLL CALL

B. COMMUNICATIONS

C. PUBLIC COMMENTS

D. DISCUSSION TOPICS/ACTION ITEMS

1. Approval of an employment agreement with Malcolm Hankins for the position of City Manager. **(Action: Motion to approve)**

E. COMMISSIONER COMMENTS

F. ADJOURNMENT

City Commission Agenda Report

City of Kalamazoo

Date: **10/30/2025**
Item: **D.1.**

TO: Mayor Anderson, Vice Mayor Hess, and City Commissioners

FROM: Approval of an Employment Agreement with Malcolm Hankins for the position of City Manager

DATE: October 30, 2025

SUBJECT: City Manager Employment Agreement

RECOMMENDATION:

It is recommended that the City Commission approve an employment agreement with Malcolm Hankins for the position of City Manager.

BACKGROUND:

At the October 20, 2025, City Commission meeting, the Commission unanimously voted to enter into negotiations with Malcolm Hankins for the position of City Manager. The City Commission subcommittee has since negotiated the attached employment agreement and recommends its approval. Also, Mr. Hankins background check was successful.

For your convenience, below is a summary of the key terms of the agreement:

- Employment start date: Monday, January 5, 2026
- Annual Salary: $258,900.60
- Pension Benefit: Same as other General Administrator unit employees
- Deferred Compensation: $23,500.00 maximum allowable into 457(b), plus $7,500.00 “over 50 catch up contribution”
- Car Allowance: $750.00 per month
- Cell phone Allowance: $35.99 per month or can elect to have a city issued phone

● Vacation:	Credited with 200 hours (5 weeks) of vacation. Thereafter, vacation earned according to City policy. Max. vacation that can be accrued is 280 hours (7 weeks)
● Sick Leave:	Credited with 40 hours of sick leave. Thereafter, sick leave hours earned every biweekly pay period with unlimited accrual per City policy
● Moving Expenses:	$30,000.00 lump sum payment, plus $5,000.00 advance for travel & lodging expenses to secure transitional housing and selecting schools for dependents. Both payments will be paid on or before November 19, 2025.
● Temporary Housing Allowance	$3,500.00 per month for 6 months with option to renew for 6 months City Manager required to notify City when he purchases and closes on new home City absorbs tax liability for moving expenses and temporary housing allowance
● Severance:	12 months salary, plus accrued vacation and 50% accrued sick leave, plus an additional sum equal to 6 months of federal COBRA payments

STRATEGIC VISION ALIGNMENT:

Good Governance- Ensuring the City organization has the capacity and resources to effectively implement the community's Strategic Vision in a way that is sustainable over the long term.

COMMUNITY ENGAGEMENT:

Community input was sought throughout the City Manager search process.

FISCAL IMPACT:

See the attached contract for fiscal terms which will be incorporated into the City Manager's Office's budget.

CITY MANAGER EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made and entered into between the City of Kalamazoo ("City"), a home rule city in Michigan, and Malcolm A. Hankins ("Hankins").

Recitals

The Kalamazoo City Commission (City Commission) voted on October 20, 2025, to appoint Hankins as City Manager for the City, subject to negotiation of mutually acceptable terms and conditions of employment; and

Hankins desires to be employed by the City Commission as its City Manager, and the City Commission desires to provide certain benefits and establish certain terms and conditions of Hankins' employment as City Manager; and

THEREFORE, in consideration of the mutual covenants contained in this Agreement, the City and Hankins agree to the following:

Section 1. Terms and Conditions of Employment

A. The City Commission agrees to employ Hankins, and he agrees to be employed as City Manager and perform all the duties, responsibilities and functions of City Manager as set forth in the City Charter, the City Code of Ordinances, and as otherwise directed by the City Commission and applicable law.

B. As a full-time City employee Hankins will be expected to comply with all Human Resources policies applicable to full-time, non-bargaining unit (NBU) City employees, and shall comply with all Human Resources policies applicable to full-time non-bargaining unit Employees, as well as any policies implemented by the City Commission, except as otherwise provided in this Agreement.

Section 2. Term of Employment; Termination

This Agreement shall be effective as of Hankins' first day of active employment, which shall be on or before January 5, 2026, and shall continue in effect, except as modified or amended pursuant to Section 18, unless and/or until terminated pursuant to Paragraphs B, C, D, or E below.

A. The parties agree that Hankins shall at all times hold the office of City Manager at the will and pleasure of the City Commission and that he is deemed to be an at-will employee of the City Commission and this Agreement shall not be interpreted as creating an agreement or contract of employment for any specific term of days, months, or years. This

Agreement shall not be interpreted as creating a contract for any defined term. It is recognized that Hankins must devote a great deal of time outside the normal office hours on business for the City, and to that end Hankins shall be allowed to establish an appropriate work schedule satisfactory to the City Commission.

B. Hankins shall have the right to voluntarily terminate this Agreement and voluntarily resign or retire from the position of City Manager by giving forty-five (45) calendar days advance written notice to the City Commission.

C. The City Commission shall, upon giving written notice to Hankins, have the right to immediately terminate this Agreement, the parties' employment relationship, and the services of Hankins, without cause or reason ("at-will"). Nothing in this Agreement shall be construed as interfering with or altering this right. The City Commission may terminate this Agreement and employment immediately, without cause ("at-will"), by giving written notice to Hankins. If terminated without cause, the City Manager shall receive a severance payment equal to 12 months of Hankins then-current base pay, plus an additional amount equal to six times the monthly premium for continued coverage under the City's group healthcare program available through COBRA for Hankins (including any eligible dependents covered at the time of separation). In addition, Hankins shall be paid for any unused vacation days accumulated (as set forth in Section 7) and 50% of accumulated sick leave as of the effective termination date.

   Termination without cause also includes: (1) amendment of the City Charter or enabling legislation that substantially changes the manager-council form of government; (2) a majority City Commission vote to terminate Hankins for any reason at a duly authorized public meeting (excluding Section 2.D circumstances).

D. The City Commission shall, upon giving written notice to Hankins, have the right to immediately terminate this Agreement, the employment relationship, and Hankins' services for cause or reason. If the City Commission terminates this agreement for cause, Hankins will not receive any severance payment except payout of unused accumulated vacation leave and 50% of accumulated sick leave (as set forth in Section 7) as of the Agreement's effective termination date.

   For purposes of this Agreement, "cause" includes: illegal act in connection with employment; material breach of this Agreement; insubordination (defined as intentionally refusing a directive of majority of City Commission by vote at legal meeting within its authority); any act of moral turpitude; felony charge; misdemeanor conviction which City Commission determines reflects negatively on City; misuse of position for personal gain; and falsification of City records.

E. Except as otherwise provided, this Agreement will automatically terminate upon Hankins' death, or immediately upon the passage of a six-month period (to run concurrently with paid sick leave use) during which Hankins is unable to perform the essential job functions of City Manager with or without reasonable accommodation by the City. Upon exhausting paid sick leave, any remaining portion of the six-month period will be unpaid unless Hankins is eligible for benefit payments under City plans referenced in Section 6.

F. Regardless of which party exercises its right to terminate the Agreement and the parties' employment relationship pursuant to either (B), (C), (D) or (E) above, Hankins understands and acknowledges that all benefits described herein (or any other benefits he may be receiving from the City), shall cease effective on the last day of the month in which termination occurs (unless otherwise required by law or this Section).

Section 3. Other Employment Prohibited

Except as otherwise provided, Hankins agrees not to be an employee, consultant, director, or agent (paid or unpaid) of any other entity during employment with the City without prior approval of the City Commission. Hankins shall serve on the Board of Directors of the Kalamazoo Foundation for Excellence during his term of employment as City Manager. He may engage in civic or charitable activities and receive speaker honoraria or travel/lodging/meal reimbursements when so engaged, provided such activities do not conflict with the City's interests. He may also engage in a paid or unpaid teaching assignment at a college, university or institution of higher education located in the Lower Peninsula of Michigan, provided prior written notice to the City Commission and such assignment does not materially interfere with employment.

Section 4. Salary

The City Commission agrees to pay Hankins, and Hankins shall accept as full compensation for services under this Agreement, a base salary at the annual rate of $258,900.60 (subject to legally required withholdings), paid in accordance with the City's normal payroll practice. The base salary shall be reviewed annually and may be adjusted at the discretion of the City Commission. This does not preclude additional compensation based on merit. The performance evaluation described in Section 5 and City budgetary constraints will inform salary/compensation adjustments.

Section 5. Job Performance Evaluation

The City Commission shall complete an evaluation of Hankins' job performance annually. The review process will include: (1) opportunity for both parties to prepare a written evaluation; and (2) preparation and submission of a written summary of results. The Commission shall determine, with input from Hankins, the timing, content, criteria, and manner of reporting any such performance review process. Evaluation results may be considered by the City Commission in determining salary or compensation adjustments.

Section 6. City Benefits

A. Benefit Plans

Except as otherwise specified herein, Hankins shall participate in the same health and group insurance and other benefit plans or programs generally available to NBU City employees, or as mandated by City Code or determined by the City Commission including for example group healthcare insurance, group dental insurance, short-term disability, healthcare and dependent care spending accounts and worker's assistance programs. All compensation is subject to legally required withholdings. Hankins is responsible for any income tax liability arising from benefits provided under this Agreement, unless otherwise provided herein.

B. Deferred Compensation

With respect to the City's IRS-code deferred compensation plan provided by Nationwide Retirement Solutions or any subsequent administrator, the City shall contribute the maximum standard elective deferral amount, plus the maximum allowable "over 50 catch up contribution" as determined by the IRS ($23,500.00 plus $7,500.00 respectively in 2025), contributed equally over the biweekly pay cycle each year. Hankins shall be 100% vested immediately upon the City's contribution and any investment earnings thereupon.

C. Pension/Retirement Benefit

Hankins shall participate in the Employee Retirement System as of commencement of employment with the City, on the same terms and conditions as other General Member Administrator unit employees of the City and as set forth in the City of Kalamazoo Employee Retirement System Ordinance. However, Hankins shall not be eligible for any Early Retirement program that may be offered in the future to City employees. This provision survives termination of the Agreement.

Section 7. Paid Vacation and Sick Leave

A. Paid Vacation

Upon commencing employment, Hankins will be credited with five weeks (200 hours) of paid vacation. Beginning with the first pay period, Hankins will accrue 7.69 vacation hours each pay period under Human Resources policy. Beginning January 1, 2026, maximum accumulation shall be 280 hours of vacation time. Hankins may elect to exchange up to 80 hours of vacation time for cash each calendar year. Vacation hours accumulated or not cashed out in excess of the 280-hour limit by January 1 of each year will be forfeited at no cost to the City. At no time will Hankins be permitted to take more than two consecutive weeks (10 working days) of vacation without prior approval of the City Commission.

B. Sick Leave

Sick leave shall accrue at a rate of 3.7 hours per biweekly pay period with unlimited accrual, or in the event the accrual rate is increased in the future for NBU City employees, then sick leave shall accrue at the increased rate. An additional 40 hours of sick leave will be credited at the start of employment and available for immediate use. Unused sick leave is paid at 50% upon separation from employment with the City.

Section 8. Car Allowance

Hankins shall be provided a car allowance of $750.00 per month while this Agreement is in effect. Hankins may request an increase in the car allowance in the future. Any increase requires approval of the City Commission.

Section 9. Professional Development

The City will pay for Hankins' reasonable travel and subsistence expenses associated with professional development (seminars, conferences, meetings, courses, functions, institutes) including but not limited to the ICMA Annual Conference and Michigan Municipal League events. Subject to budgetary restraints, the City agrees to support short courses, institutes, or seminars necessary for Hankins' professional development or the good of the City. All travel/subsistence expenses must conform with City policy. Specifically, Hankins commits to securing ICMA Credentialed Manager certification as soon as practicable; and the City Commission encourages Hankins, at City expense, to undertake an Executive Leadership interview through HUMANeX Ventures by July 31, 2026, as a tool for professional growth. Subject to budgetary constraints, the City will pay professional dues and subscriptions for national, regional, state, and local associations, civic clubs, and organizations necessary for Hankins's continued professional development or the City's benefit.

Section 10. Expenses

A. Office Expenses

The City will pay for Hankins' reasonable travel, entertainment and other expenses incurred by him in the performance of his duties under this Agreement, upon presentation of expenses or other supporting documentation as the City may from time-to-time request; provided, however, that he will comply with all applicable policies of the City related to reimbursement for expenses.

B. Cell Phone Allowance

Hankins shall be allowed and provided a $35.99 per month cell phone allowance effective on Hankins' first day of employment, or Hankins can instead elect to be provided a cell phone with plan by the City at no cost to Hankins.

C. Moving Expenses

The City shall pay a lump sum payment of $30,000.00 to Hankins on or before November 19, 2025, to cover the costs of moving, storage or other relocation expenses, including necessary travel for relocation purposes. In addition, the City will provide Hankins with a non-reimbursable advance in the amount of $5,000.00 on or before November 19, 2025, to assist Hankins in covering his and his family's travel and lodging expenses to Kalamazoo related to securing transitional housing and selecting elementary schools and preschools for dependents.

D. Temporary Housing Allowance

The City shall pay Hankins an interim housing allowance of $3,500.00 per month beginning on the first pay period Hankins is eligible to receive his biweekly salary and shall continue for a period of six months, or until Hankins purchases and closes on a home, whichever comes first. The City at its discretion may extend this housing allowance up to an additional six months in the event Hankins has not been able to purchase and close on a home within the first six months of employment. These additional payments shall continue for a period of six months, or until Hankins purchases and closes on a home, whichever comes first. It is Hankins' obligation to notify the City when he has entered into an agreement for the purchase of a home and additionally notify the City when Hankins has closed on the home.

E. Tax Liability

The City shall pay Hankins' tax liability, at the IRS rate of 22%, plus FICA and Medicare, on Hankins' moving expenses and temporary housing allowance set forth in (c) and (D) above.

Section 11. Bonding

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

Section 12. Limitations and Remedies

Hankins agrees that, owing to the high-level nature of the position, reinstatement as City Manager shall not be available as a remedy for any claimed breach of this Agreement or other dispute arising from termination of the employment relationship. In addition, both parties agree they are precluded from commencing any action or suit in any judicial or quasi-judicial forum more than six months after the date of termination of this Agreement and/or employment, and both parties specifically waive any longer statute of limitations periods to the contrary.

Section 13. Indemnification

Except as otherwise provided in this Section, the City agrees to defend, save harmless and indemnify Hankins against any tort, professional liability claim, demand, or other legal action (whether groundless or otherwise) arising out of an alleged act or omission in the performance of Hankins' duties as City Manager or resulting from exercise of judgment or discretion in program responsibilities. The City shall provide legal representation at its expense until final determination of the legal action including appeals. The City shall indemnify Hankins for all losses, damages (except punitive damages), judgments, interest, settlements, fines, court costs and other reasonable legal fees or liabilities incurred by Hankins in connection with any claim, action, suit or proceeding arising out of or in connection with performance of duties. Any settlement of a claim must be approved in advance by the City for indemnification to apply. Hankins acknowledges that the City's obligations under this Section do not exist if an act or omission by Hankins gives rise to a claim for criminal action, intentional tort, willful misconduct, or gross negligence.

Section 14. Choice of Law

This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan.

Section 15. Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then the unenforceable provision shall be severed from the agreement, and the remaining provisions enforced as though the unenforceable portion were not part of the Agreement.

Section 16. Assignment

This Agreement shall benefit the City and its successors and assigns. However, it is personal to Hankins, based on Hankins' reputation and skill, and may not be assigned by Hankins.

Section 17. No Implied Waivers

The failure of either party to insist upon strict performance of any portion of this Agreement shall not be considered a waiver of that party's right to such performance, nor shall it prevent either party from subsequently insisting upon strict performance of any provision.

Section 18. Entire Agreement

This Agreement constitutes the entire agreement between the parties relating to the employment of Hankins as City Manager. Any and all prior or contemporaneous understandings, promises, representations or agreements, written or oral, are void and unenforceable. No modification or amendment shall be effective unless formal action is taken by the City Commission to modify or amend this Agreement and such modification is reduced to writing and signed by the Mayor and Hankins. In particular, Hankins acknowledges that no oral representations about the length or other terms of employment were made prior to execution, that no conflicting handbook or policy has been furnished, and that Hankins shall **not** rely on any assurance or promise about employment terms made hereafter unless it is the formal action described above and reduced to writing, signed by the Mayor and Hankins.

IN WITNESS WHEREOF, the parties have executed the Agreement on the dates of their signatures below.

CITY OF KALAMAZOO

Dated: 10-29-2025

Malcolm Hankins, City Manager

Dated: ________________

David Anderson, Mayor