

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made this ____ day of _____, 2017, by and between the **CITY OF PARK RIDGE (“City”)**, an Illinois municipal corporation, and **JOSEPH GILMORE**, as City Manager (“*Manager*”).

WITNESSETH:

WHEREAS, the parties desire to enter into an Employment Agreement to govern the terms and conditions of the Manager’s employment with the City, as set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants stated herein, including the foregoing recitals set forth above, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Compensation and Benefits.

A. Salary.

1. **Initial Salary.** The City agrees to pay the Manager an annual salary of \$171,000.00 payable in installments consistent with the standard City payroll procedure.
2. **Annual Increases.** The Manager will receive a salary increase annually on May 1, in the amount of the lesser of 3% or the percentage change to the Consumer Price Index for All Urban Consumers (CPI-U) in the Chicago-Gary-Kenosha area, provided the Manager’s salary shall not decrease based on a negative CPI.. The City has the option, but not the obligation, to decide, in its sole discretion, to augment the rate of increase of Manager’s salary during any year of the term or part thereof. Any individual rate augmentation shall not result in any precedent nor any expectation of future augmentations to the rate of increase.
3. **Merit Bonuses.** The City has the option, but not the obligation, to award the Manager with supplemental, one-time payments in recognition of extraordinary service to the City. The level of service required to qualify for such payments may be established in the City Council’s sole discretion. Any individual supplemental payment shall not result in any precedent nor any expectation of future supplemental payments.

- B. Vacation, Holidays, Sick Leave, and Leaves of Absences.** The Manager shall receive all of the City’s paid designated holidays. Accrual and use of vacation days and all other leaves of absences will be in accordance with the City’s Employee Manual. In addition, the Manager shall be granted five (5) compensated personal days which can be used each year, but which cannot be accumulated or rolled over each year. The parties agree that such personal days shall not be characterized as “vacation” for the purposes of the Wage Payment and Collection Act and Manager shall not be compensated for any unused personal days.

- C. **Insurance.** The City will provide the Manager with group health and dental insurance benefits at a premium equivalent to the portion of the insurance costs paid by other management employees. The Manager will be allowed to cover dependents under the plan under the terms set forth in the annual premium.
 - D. **IMRF.** The Manager shall be eligible to enroll in the Illinois Municipal Retirement Fund pursuant to its terms and provisions. The City will make the appropriate contribution on the Manager's behalf.
 - E. **Reimbursement of Expenses.** Upon receipt of an itemized accounting of such expenses with acceptable documentation, the City shall reimburse the Manager for all reasonable and necessary out-of-pocket expenses incurred by him in connection with the business of the City and in performance of the Manager's duties under this Agreement.
 - F. **Professional Development.** As approved in the annual budget, the City will pay for all dues and subscriptions to adequately continue the professional development of the Manager and to enhance necessary functions for the City. The City will pay for all reasonable travel, meeting expenses, and conferences attended by the Manager that are approved in the annual budget. The City will reimburse reasonable expenses incurred by the Manager in representing the City in civic clubs and organizations.
 - G. **Vehicle.** The City shall cause to be available a City-owned vehicle for use by the Manager in the course of performing his duties as City Manager, provided that Manager shall be responsible for routine commuting between his home and City Hall.
2. **Term of Employment.** This Agreement will terminate on May 3, 2021 ("**Termination Date**"). The parties agree there is no automatic or vested right to extend this Agreement beyond the Termination Date.
 3. **Duties.** The duties of the Manager shall be determined by the City Council as set forth in the City Employee Manual, the City Municipal Code, and the City Manager job description, and shall be subject to revision with reasonable notice.
 4. **Performance Evaluation.** Performance evaluations will be completed by the City Council annually. At a minimum, the performance evaluation process will include a written evaluation of the work performance during the previous rating period, a review of the Manager's goals and objectives for the next rating period, and a written summary of the evaluation results.
 5. **Resignation.** If the Manager voluntarily resigns from his position with the City, the Manager shall provide a minimum of 45 days notice to the City unless otherwise agreed upon by the City Council. In the event of resignation, the Manager will be compensated for all of his earned accrued benefit time up to the date of resignation per policies for management personnel as described in the Employee Manual.
 6. **Termination and Severance.** The Manager may be terminated by a majority vote of the City Council, subject to the provisions of this Section 6.

A. Termination.

1. **Termination with Cause.** The City may terminate this Agreement and remove the Manager, with cause, for the conviction of a felony or the misdemeanor offense of theft, any official misconduct as defined by Illinois Statutes, or nonfeasance in his official duties. If the Manager is terminated with cause, he will not be entitled to payment of severance.
2. **Termination without Cause.** The City may terminate this Agreement and remove the Manager, without cause, subject to payment of severance as provided in this paragraph. Termination without cause is defined as termination by the City of the Manager's employment for any reason other than as defined in Paragraph 6.A.1 above. The Manager may claim a constructive termination under this paragraph if his salary is ever reduced below the initial salary described in Section 1.A.1, unless such reduction results from a uniform, executive level salary reduction program approved by the City Council; provided, the Manager must make such claim within thirty (30) days of receiving notice of such salary reduction.
3. **Severance.** If the Manager is terminated by the City without cause, as defined above, or if the Manager's contract is not renewed or extended, the Manager will be entitled to four months' salary as severance pay. ("**Severance Term**"). The Severance Term shall accrue two additional weeks upon the expiration of each year of the term of this agreement (e.g. On the first anniversary, the Severance Term shall grow to four months plus two weeks). The rate of severance pay will be based on the salary of the Manager's pay at the time of termination. The Manager and any dependents covered at the time of termination will be entitled to the City's health and dental insurance benefits as provided in Section 1.C for the duration of the Severance Term described above.
4. **No Other Claim.** Except as provided herein, the City shall have no duty (and the Manager shall have no right to claim) compensation or benefits beyond the terms set forth in Paragraph 6.A.3, and the Manager will release and hold harmless the City from any further liability. If termination is without cause, the City agrees to not object to the Manager's application for national or state unemployment benefits that may be available to him as a result of an involuntary termination of employment.

B. Survival. The covenants set forth in this Section 6 shall operate independently of any other provisions of this Agreement, and shall survive the expiration or other termination, amendment, or extension of this Agreement.

7. **Return of City Property.** Upon termination or resignation of his employment, the Manager agrees to promptly deliver to the City all letters, notes, memos, copies of computer transmissions and any other materials, information, or property relating to the business of the City which may be in his possession or under his control
8. **Non-Disclosure of Information.** The parties acknowledge that the City maintains personal and confidential information regarding its own business and/or that of its residents, which may become known to the Manager. The Manager agrees he will not

disclose to anyone or use for his own benefit any such personal and/or confidential information.

9. **Breach by Manager.** If Manager breaches any provision of this Agreement, he shall be subject to discipline, up to and including immediate discharge.
10. **Intellectual Property Rights/Ownership.** The Manager acknowledges and expressly agrees that any and all intellectual property rights (including but not limited to: copyright, patent, and trademark) that may be had in any work created by the Manager during the employment period stemming from or having a substantial nexus to his duties as a Manager shall be the sole property of the City. The City shall be the sole owner of any such works and may use them for any lawful purpose. The City acknowledges that it holds no right to any work created by Manager outside the scope of his employment.
11. **Agreements with Prior Employers.** The Manager represents he has no agreement or legal obligation with any prior employer, or any other person, that restricts the Manager's ability to accept full-time employment with, or perform any function for, the City.
12. **Attorney Review.** The Manager certifies that he has been informed by the City, through the terms of this Agreement, that he was advised to review and discuss the terms of this Agreement with an attorney of his choice prior to signing this Agreement.
13. **Entire Agreement.** This Agreement contains the entire agreement between the parties and supersedes any prior agreement between the parties with respect to the subject matter, and no amendment or other modification of this Agreement shall be binding on any party unless in writing and signed by the party against whom enforcement is sought.
14. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, and the rights and obligations of the parties under this Agreement shall be binding upon and inure to the benefit of their respective heirs, successors, assigns, and legal representatives. Any controversy or claim relating to this Agreement may be brought in the Cook County Judicial Circuit of the State of Illinois or in a federal court in the State of Illinois.
15. **Indemnification.** The Manager will be considered an employee of the City for the purposes of the Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10) and other applicable federal, state, and local laws. In the manner required by state law, the City agrees to defend, save harmless and indemnify the Manager against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of the Manager's duties or resulting from the exercise of judgment or discretion in connection with the performance of his duties or responsibilities, unless the act or omission involves willful or wanton conduct. The City agrees to pay the full cost of any fidelity or other bond required of the Manager, and/or the full cost of legal defense against claims, charges, or lawsuits arising from the Manager's actions as an agent of the City.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written above.

CITY OF PARK RIDGE

JOSEPH GILMORE

By: _____
MAYOR

Date: _____

Date: _____