

CITY OF HIGHLAND PARK

**CITY MANAGER EMPLOYMENT AGREEMENT
WITH GHIDA S. NEUKIRCH**

This City Manager Employment Agreement (the “*Agreement*”) is made and entered into as of July 14, 2014, (the “*Effective Date*”) by and between the City of Highland Park, an Illinois home rule municipal corporation (the “*City*”), and Ghida S. Neukirch (the “*Employee*”).

IN CONSIDERATION of the mutual covenants and conditions set forth below, and pursuant to the City’s home rule powers, the City and the Employee agree as follows:

Section 1. Recitals

A. The City operates under the managerial form of municipal government pursuant to Article 5 of the Illinois Municipal Code, 65 ILCS 5/5-1-1 et seq.

B. The Mayor and City Council of the City (collectively, the “*City Council*”) desire to employ the Employee as City Manager, and the Employee desires to be employed as City Manager, pursuant to and in accordance with Chapter 31 of “The Highland Park Code of 1968,” as amended (the “*City Code*”).

C. The Employee and the City have agreed that it is appropriate to document the terms and conditions of the Employee’s employment by the City.

Section 2. Employment as City Manager

A. Employment. The City hereby agrees to employ the Employee as the City Manager beginning on the Commencement Date, as defined in Section 3 of this Agreement, and the Employee accepts such employment and agrees to perform the functions and duties set forth in this Agreement and provided in the City Code, including without limitation those general duties provided in Section 31.005 of the City Code, and to perform such other legally permissible and proper duties and functions as the City Council may assign from time to time.

B. Employment is At-Will. Subject to the notice requirement in Section 12 of this Agreement, the Employee is employed at the will of the City Council, and nothing in this Agreement shall create any property right in her or any other right to the continuation of her employment with the City. No act of the City Council, any City Council member, any City employee, or any legal representative or other agent of the City shall create any such property right or any such other right unless specifically ratified in writing by the City Council.

Section 3. Term

The Employee's term of employment ("*Term*") shall be for a period of five (5) years, commencing on November 4, 2014 ("*Commencement Date*") and terminating on November 4, 2019, unless the employment is terminated earlier pursuant to Section 12 of this Agreement. The City and the Employee may, but shall have no obligation to, renew the Term for additional one (1) year periods, or for such other period of time as both parties may mutually agree.

Section 4. Sole Employment as Manager

The Employee must work diligently, utilizing her best efforts in the performance of her duties. She must devote her entire business time, attention, and energies to the performance of her duties. She may not actively engage (in contrast to passive engagement) in any income- or profit-generating activities without the prior written consent of the City Council.

Section 5. Compensation; Benefits

A. Base Salary. The City will pay the Employee an annual base salary in the amount of One Hundred Eighty-Five Thousand Dollars (\$185,000.00), payable in installments in accordance with the City's normal payroll practices.

B. Annual Review of Salary. Without being obligated to make any adjustment in base salary, the City Council agrees to review the Employee's base salary each year based on the Employee's performance and on any general wage adjustment granted to other City senior department heads. That review may be undertaken in conjunction with a performance evaluation as provided in Section 6 of this Agreement. The City Council may adjust the Employee's compensation if the City Council, in its sole discretion, determines that an adjustment of compensation is appropriate.

C. Employee Benefit Programs. The Employee is entitled to participate in the employee benefit plans and programs provided by the City to other City department heads in accordance with applicable City personnel rules and policies, including life insurance benefit programs, as those benefits may be changed by the City Council from time to time, and subject to the rules and policies applicable to those plans and programs. No provision of this Agreement is intended to limit, and no provision shall be construed or applied to limit, the right or ability of the City Council to change or eliminate any employee benefit plan or program, so long as any changes to such benefit plans or programs apply to both the Employee and the City department heads.

D. Vacation and Sick Days. The Employee is entitled to paid vacation days and sick days in accordance with applicable City personnel rules and policies; provided that the number of paid vacation days to which the Employee is entitled is equivalent to four weeks.

E. Taxes. All payments made, or benefits provided, to the Employee pursuant to this Section 5 are subject to the usual and appropriate payroll, personnel, and benefits policies of the City as well as the requirements of any applicable federal, state, or local laws, including appropriate tax withholdings. Nothing in this Agreement may be deemed or interpreted as requiring the City to pay, directly or by way of reimbursement to the Employee, any federal or state income tax liability that the Employee may incur as a result of this Agreement or any of the transactions, benefits, or payments contemplated in this Agreement. The Employee shall comply with all applicable Internal Revenue Service and Illinois Department of Revenue requirements and regulations concerning the transactions, benefits, or payments contemplated in this Agreement.

F. Retirement Plan. The Employee is entitled to participate in the Illinois Municipal Retirement Fund ("IMRF") retirement program.

Section 6. Annual Performance Evaluation

The City Council shall review the performance of the Employee annually, subject to a process and format for the evaluation agreeable to the City Council and the Employee. The evaluation process will include the opportunity for the City Council to prepare a written evaluation, meet and discuss the evaluation, and present a written summary of the evaluation results.

Section 7. General Business Expenses; Electronic Equipment

A. Professional Associations. The City agrees to budget for and to pay for professional dues and subscriptions of the Employee in the International City/County Management Association (ICMA), the Illinois City/County Management Association (ILCMA), and such other professional dues and subscriptions as the City Council may deem reasonably necessary for participation in national, regional, State, and local professional associations and organizations desirable for the advancement of the best interests of the City.

B. Professional and Official Travel. The City agrees to budget and pay for travel and subsistence expenses reasonably incurred by the Employee for professional and official travel, meetings, conferences, and occasions in pursuit of official functions or the best interests of the City, including without limitation annual attendance by the Employee at two ILCMA or other in-state conferences and one ICMA or other national conference. The Employee shall timely submit all

receipts and other supporting documentation requested by the City in accordance with City practices and procedures.

C. General Expenses. The City will reimburse the Employee for reasonable miscellaneous expenses properly incurred in the course of performing the duties of her position. The Employee shall timely submit all receipts and other supporting documentation requested by the City.

D. Communications Equipment. The City has provided the Employee with a combined cellular telephone and e-mail device, and a laptop computer for the Employee's continued use in the performance of the duties of her position. The City shall pay all business expenses and fees associated with such equipment.

Section 8. Automobile

The City agrees to pay to the Employee the sum of Four Thousand One Hundred Dollars (\$4,100) per year, payable monthly, as a vehicle allowance to be used to purchase or lease a vehicle or for the use of her existing vehicle. The Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage for such vehicle, and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and regular replacement of such vehicle. The Employee agrees that her vehicle will be maintained in a manner which reflects a suitable appearance, working condition and professional image for the City.

Section 9. Residence

The Employee shall not be obligated to reside within the City during the Term of this Agreement. As allowed in Section 31.070 of the City Code, as amended, the City Council agrees to adopt a resolution waiving the otherwise applicable residency requirement.

Section 10. Confidentiality

The Employee acknowledges that the Employee has had and will have access to confidential information ("*Confidential Information*") of, about, and belonging to, the City. Confidential Information does not include public documents or information that would otherwise constitute Confidential Information but that has become public. The Employee covenants and warrants that, both during and after the Employee's term of employment, the Employee will not directly or indirectly use, divulge, furnish, or make accessible Confidential Information to any person, firm, or corporation other than persons, firms, or corporations employed and/or retained by the City in a fiduciary capacity without the prior express written authorization of the City, but instead the Employee will keep all Confidential

Information strictly and absolutely confidential except as otherwise provided in this Agreement or as required by the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.*

Section 11. Property of the City

All business plans, financial data, reports, memoranda, correspondence, and all other documents pertaining to the current or prospective business of the City are and will at all times remain the property of the City.

Section 12. Termination

A. Basis for Termination. Notwithstanding anything to the contrary contained elsewhere in this Agreement, this Agreement shall terminate upon the occurrence of any of the following events: (a) the Employee's death; (b) the Employee's "Total Disability" (as defined in this Agreement), provided that such termination shall be in accordance with all applicable laws governing Total Disability, (c) the Employee's resignation; or (d) termination of the employment of the Employee by the City Council for any reason, or for no reason, at any time.

B. Notice of Termination. The City shall provide the Employee with not less than thirty (30) days advance written notice of the City's intent to terminate the employment of the Employee pursuant to this Agreement; provided, however, that not less than twenty four (24) hours advance written notice need be provided by the City in the event the City Council determines that the Employee has engaged in "Deleterious Conduct", which, for purposes of this Agreement, means that the Employee has been convicted of fraud, misappropriation, or embezzlement involving property of the City, or of a felony offense or other criminal act, or has engaged in intentional, wrongful conduct that causes, or may cause, substantial harm to the City.

C. Total Disability. For purposes of this Agreement, "Total Disability" means the Employee's inability, because of illness, injury or other physical or mental incapacity, to perform the Employee's duties hereunder (as determined by the City Council) for a continuous period of one hundred twenty (120) consecutive days, or for a total of one hundred twenty (120) days within any three hundred sixty (360) consecutive day period, in which case such Total Disability shall be deemed to have occurred on the last day of such one hundred twenty (120) day or three hundred sixty (360) day period, as applicable.

D. Severance. If the City terminates the employment of the Employee for any reason other than Deleterious Conduct, the Employee shall be entitled to severance pay in an amount equal to twelve (12) months of her annual base salary at the time of such termination ("*Severance Pay Benefits*"). The Employee shall also

be entitled to compensation for all earned sick leave, vacation, and other accrued benefits to date (collectively, “*Accrued Benefits*”), calculated based on the Employee's annual base salary at the time of termination. These Accrued Benefits shall terminate at the time of the Employee's termination. Any payment of Severance Pay Benefits or of Accrued Benefits hereunder is expressly conditioned upon the Employee's execution of a release of any and all claims the Employee may have against the City, its employees and the City Council.

E. Resignation. In the event that the Employee desires to voluntarily resign the position of City Manager, she must provide the City with not less than sixty (60) days advance written notice, unless the Employee and the City Council agree otherwise in writing. The Employee shall not be entitled to any Severance Pay Benefits if she voluntarily resigns her employment. However, the Employee shall still be entitled to all Accrued Benefits as of the date of such voluntary resignation.

Section 13. Indemnification

The City will defend, hold harmless, and indemnify the Employee to the extent, and in the manner required by, Chapter 39 of the City Code.

Section 14. Bonding

The City will pay the full cost of any fidelity or other bonds required of the Employee under any law or ordinance, including without limitation the fidelity bond required pursuant to Section 31.001 of the City Code.

Section 15. Notices

Notice pursuant to this Agreement must be given by depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows:

If to the City: Mayor
City of Highland Park
1707 St. John's Avenue
Highland Park, Illinois 60035

If to the Employee: Ghida S. Neukirch
1963 North Woodland Lane
Arlington Heights, IL 60004

Alternatively, notice required pursuant to this Agreement may be served personally. Notice will be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 16. General Provisions

A. Entire Agreement. This Agreement constitutes the sole and entire agreement between the City and the Employee relating to the employment of the Employee by the City. This Agreement supersedes all prior or contemporaneous agreements, understandings, and representations, oral and written, with respect to the employment of the Employee by the City.

B. Amendments. The parties may amend any provision of this Agreement in writing signed by both parties. Any such amendments will be deemed to be a part of this Agreement.

C. Binding Effect. This Agreement is binding on the City and the Employee as well as their heirs, assigns, executors, personal representatives, and successors in interest.

D. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. If any provision of this Agreement is held to be invalid, then the remaining provisions will be deemed to remain in full force and effect.

E. No Waiver. Any failure in the exercise of either party to enforce any provision of this Agreement shall not prejudice the party's right to demand strict performance or enforcement of any future performance required under this Agreement.

F. COBRA. Nothing in this agreement shall be deemed a waiver of Employee's rights under applicable COBRA regulations, as may be amended from time to time.

G. Assignment. This Agreement with respect to the Employee is personal in nature and the Employee will not assign this Agreement or any of the Employee's rights or obligations under this Agreement without the written consent of the City.

H. Governing Law. The execution, validity, construction, interpretation, performance, and enforcement of this Agreement is governed by the internal laws, but not the conflict of laws rules, of the State of Illinois. Nothing in this Agreement is intended to abrogate the Employee's rights and obligations under Illinois law.

I. Acknowledgements. The parties mutually acknowledge that they have entered into this Agreement voluntarily and have had an opportunity to have this Agreement reviewed by counsel of their choosing.

