

VILLAGE MANAGER EMPLOYMENT AGREEMENT

Introduction

This Village Manager Employment Agreement ("Agreement"), made and entered into this January 7, 2013, by and between the Village of Oak Park, Illinois, a municipal corporation, (hereinafter called "Employer") and Cara L. Pavlicek, (hereinafter called "Employee"), both of whom agree as follows:

Section 1: Term

This Agreement shall remain in full force and effect from January 7, 2013 until terminated by the Employer or Employee as provided in Section 8, 9 and 10 of this Agreement.

Section 2: Duties and Authority

Employer agrees to employ Cara Pavlicek as Village Manager to perform the functions and duties specified in Chapter 2, Article 4 (Village Manager) of the Oak Park Village Code and to perform other legally permissible and proper duties and functions.

Section 3: Compensation

- A. **Base Salary Compensation:** For the time period covering January 7, 2013 to December 31, 2013, the Employer agrees to pay Employee an annual base salary of One Hundred and Fifty Thousand (\$150,000), payable in bi-weekly installments at the same time other management employees of the Employer are paid. Consideration shall be given on an annual basis to increase compensation in conjunction with performance evaluation practices as provided in Section 11 of this Agreement.
- B. **Performance-Based Pay:** The Employer agrees to provide additional compensation in the form of an annual Performance-Based Pay payment up to ten percent (10%) of the Employee's Base Salary dependent upon the results of the performance evaluation conducted under the provisions of Section 11 of this Agreement. Such payment shall be provided in an annual one-time payment on the pay day following the conclusion of the Employee's annual review.

Section 4: Health and Life Insurance Benefits

- A. The Employer agrees to make available to the Employee the same health, hospitalization, surgical, vision, prescription drug, dental and comprehensive medical insurance choices available to the Employers' other non-union employees. The Employee shall be responsible to pay the premiums equal to those paid by other non-union employees for the health, hospitalization, surgical, vision, prescription drug, dental and comprehensive medical insurance plan selected by the Employee.
- B. The Employer shall pay the amount of premium due for term life insurance in the amount of two (2) times the Employee's annual base salary, including all increases in the base salary during the life of this Agreement. The Employee shall name the beneficiary of the life insurance policy.

Section 5: Paid Vacation, Sick Leave and Administrative Leave

- A. **Vacation:** Employee shall retain all accrued but unused vacation to which she was entitled in her former position in accordance with the terms of the Village Personnel Manual. Upon commencing the position of Village Manager the Employee shall accrue four (4) weeks of vacation leave (equal to 20 days) to be allocated equally over each of the annual twenty-six (26) pay periods.

The Employee is permitted to carry over no more than four (4) weeks of vacation from one year to the next. For purposes of this provision, a year shall be defined as twelve months from the date upon which the Employee commences employment as Village Manager. Unused vacation in excess of four (4) weeks will be forfeited at the end of each year of employment.

In the event that the Village Personnel Manual is amended to provide for paid time off in lieu of separate vacation and sick leave, Employee shall be entitled to accrue paid time off as provided in the Personnel Manual as revised, but in no event shall Employee receive less than (4) weeks of paid time off per year.

In the event the Employee's employment is terminated, either voluntarily or involuntarily, the Employee shall be compensated for all accrued vacation as of the date of termination.

- B. **Sick Leave:** Upon commencing employment as Village Manager Employee shall retain all accrued but unused sick leave to which she was entitled in her former position in accordance with the terms of the Village Personnel Manual. Thereafter Employee shall continue to accrue sick leave in accordance with the terms of the Personnel Manual, including any future amendments or alterations thereto which may include

a reduction in the number of sick days that may be accrued or retained and/or the adoption of a paid time off policy in lieu of maintaining separate vacation and sick leave policies

In the event the Employee's employment is terminated, either voluntarily or involuntarily, the Employee shall not be compensated for any accrued sick leave.

- C. Administrative Leave: Upon commencing employment and on each January 1 thereafter, the Employee shall have access to a bank of five (5) days of paid leave in recognition of work demands that extend outside the normal office hours. This leave cannot be accrued or carried over into the next calendar year.

Section 6: Retirement

Upon commencing employment, the Employee shall be required to continue as a member of the Illinois Municipal Retirement Fund (IMRF). As a member of IMRF, the Employee shall be responsible for making the IMRF-required employee contribution of four and one-half percent (4.5%) of total cash compensation (Base Salary and Performance-Based Pay as described above in Section 3 of this Agreement). The Employer shall make the IMRF-required employer contribution applicable to the Employee's total cash compensation (Base Salary and Performance-Based Pay as described above in Section 3 of this Agreement) at the applicable annual rate set by the IMRF.

Section 7: General Business Expenses

Employer agrees to pay for reasonable business expenses incurred by Employee as follows:

- A. Employer agrees to budget for and to pay for reasonable professional dues and subscriptions of the Employee as necessary for continuation and participation in national, regional, state, and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer, provided that Employee provides written report to the Board of Trustees at least annually that identifies and describes the associations and organizations that the Employee has participated in or joined, the cost of such participation to Employer, and a description of the nature of the Employee's participation.
- B. Employer agrees to budget for and to pay for reasonable travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference, the state league of municipalities, and such other national, regional, state, and local governmental groups and committees in which Employee serves as a member.
- C. Employer also agrees to budget for and to pay for reasonable travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and for the good of the Employer.
- D. Employer recognizes that certain expenses of a non-personal but job-related nature are incurred by Employee, and agrees to reimburse or to pay said general expenses as are reasonable. The finance director is authorized to disburse such moneys upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.
- E. The Employer shall provide Employee with a computer, software, cell phone, and pager required for the Employee to perform the job and to maintain communication.
- F. The Employer shall provide Employee with a stipend of One Hundred Dollars (\$100) per month to reimburse Employee for the cost of using her personal automobile for job related transportation.

Section 8: Termination

For the purpose of this agreement, termination shall occur:

- A. If the Village Board terminates the Employee by a majority vote of the Village Board at a duly authorized public meeting or by method otherwise authorized by Illinois law.
- B. If the Employer, citizens or legislature act to amend any provisions of the Village Code pertaining to the role, powers, duties, authority, or responsibilities of the Employee's position in such a way as to substantially change the form of government from that of a Council-Manager form.

- C. If the Employer reduces the base salary of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this agreement and will be regarded as a termination.
- D. If the Employee voluntarily resigns her employment by providing written notice to the Employer.
- E. If a breach of contract is declared by either party with a thirty (30)-day cure period for either the Employee or Employer, and such breach remains at the conclusion of the thirty (30)-day period. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 20 (Notices).
- F. Unless otherwise agreed by Employee and Employer, the Effective Date of any such termination shall be the last day that the Employee performs productive work for the Employer and is eligible to receive the base salary specified in this Agreement.

Section 9: Severance

Severance shall be paid to the Employee when employment is terminated as provided in this Section:

- A. If the Employee is terminated, the Employer shall provide a severance payment equal to six (6) months of base salary at the Employee's current base rate of pay. As a condition of receipt of such severance amount, the Employer, in its sole discretion may require Employee to first execute a release in the form established by the Employer, releasing the Employer and its Board of Trustees, officers, directors, employees, and agents, from any and all claims and from any and all causes of action of any kind and character, including, but not limited to, all claims and causes of action arising out of the Employee's employment with the Employer.
- B. Severance shall be paid in a lump sum no earlier than thirty (30) and no later than sixty (60) days after the Employee returns a signed release to Employer, if required. If no release is required, severance shall be paid in a lump sum no earlier than thirty (30) and no later than sixty (60) days after the Effective Date of termination. Employer and Employee mutually agree that the severance payment is not intended to be pensionable or result in the accrual of additional service credit for purposes of any IMRF retirement benefits.
- C. The Employee shall also be compensated for all accrued and unused vacation time at the time of termination as provided by Illinois law.
- D. For the six (6) month severance period, the Employer shall continue to make available to the Employee the same health, hospitalization, surgical, vision, prescription drug, dental and comprehensive medical insurance choices available to the Employer's other non-union employees. The Employee shall be responsible for paying her share of premiums for this period equal to those paid by other non-union employees, and the Employer will continue to pay a share of premiums equal to that paid by Employer on behalf of other non-union employees.
- E. The Employee shall receive no severance if she voluntarily resigns, if Employee breaches this Agreement and such breach is not cured as provided in Section 8 E., or if the Employee is terminated for "just cause." "Just cause" shall be defined as (i) conviction of a felony or accepting a guilty plea or nolo contendere; (ii) fraud or misappropriation of Village funds or property; (iii) commission of an illegal act involving personal gain to the Employee at the expense of the Employer; (iv) any act of official misconduct as defined by Illinois law; or (v) a willful and habitual neglect of duty.

Section 10: Resignation

In the event that the Employee voluntarily resigns her position with the Employer, the Employee is required to provide the Village President and Board of Trustees with a sixty-day prior written notice of resignation, and shall continue to perform all services required under this Agreement during this period unless the Employer agrees to an earlier termination date.

Section 11: Performance Evaluation

The Employer shall annually review the performance of the Employee in the anniversary month in which the Employee commenced employment subject to a process, form, criteria, and format for the evaluation which shall be communicated by the Employer to the Employee. The process at a minimum shall include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and (3) present a written summary of the evaluation results. The final written evaluation should be completed and delivered to the Employee within 30 days of the evaluation meeting unless the parties agree otherwise. Any resulting adjustment in Base Salary shall coincide with the Village's fiscal year of January 1 to December 31.

Section 12: Hours of Work

Employee agrees and understands that except during periods of vacation and/or leave provided under this Agreement, the general duties of the position generally require that the Employee be present and available during regular business hours and also require the Employee to devote a great deal of time outside the normal office hours on business for the Employer. The Employer understands and agrees that the time spent outside the normal office hours may on limited occasions justify a temporary and reasonable alteration in Employee's regular work schedule subject to periodic review by the Village Board.

Section 13: Outside Activities

The employment provided for by this Agreement shall constitute the Employee's sole employment. The Employee shall not engage in speaking, teaching, writing, or consulting activities for a fee or in return for other compensation. The Employee may, however, speak, teach, and write (but may not engage in consulting activities), in non-compensated circumstances insofar as such arrangements do not constitute interference nor a conflict of interest with the Employee's responsibilities under this Agreement, and ongoing engagement in these activities is reviewed and approved in writing periodically, and at least annually, by the Village Board. Such approval shall not be unreasonably withheld.

Section 14: Residency and Moving and Relocation Expenses

Employee agrees to establish her residence within the corporate boundaries of the Village by no later than July 1, 2014, and thereafter agrees to maintain residence within the corporate boundaries of the Village for the remainder of her employment. To assist with Employee's relocation, Employer agrees to reimburse Employee for expenses incurred as a result of the relocation as follows:

- A. Employer shall pay directly for reasonable expenses of moving Employee, family and personal property from the Village of Downers Grove to the Village of Oak Park. Said moving expenses include packing, moving, storage costs, unpacking, and insurance charges. The Employee shall provide the Employer with at least two bids from nationally and/or regionally recognized moving companies with the Employer reserving the right to select the best bid.
- B. The Employee shall be reimbursed for the direct costs associated with the sale of Employee's existing personal residence with said reimbursement being limited to real estate agents' fees, and other closing costs that are directly associated with the sale of the house. Said reimbursement may not exceed ten thousand dollars (\$10,000).
- C. The Employee shall be reimbursed for the costs incidental to buying or building a primary residence within the Village of Oak Park, including real estate agent fees, title insurance, and other costs directly associated with the purchase or construction of the house. Said reimbursement may not exceed five thousand dollars (\$5,000).

Section 15: Indemnification

Beyond that required and to the extent permitted under Federal, State or Local Law, Employer shall defend, save harmless and indemnify Employee 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 Employee's duties as Village Manager or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act or omission involved willful or wanton conduct. Employee may request and the Employer shall not unreasonably refuse to provide legal representation at Employer's expense, and such legal representation shall include the right to independent legal counsel paid by the Employer in the event that legal counsel for the Employer determines that a potential conflict of interest precludes the joint representation of both Employer and Employee. Legal representation, provided by Employer for Employee, shall extend until a final determination of the legal action including any appeals brought by either party. The Employer shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorneys fees, and any other liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of her duties. Any settlement of any claim must be made with prior approval of the Employer in order for indemnification, as provided in this Section, to be available.

Employee recognizes that Employer shall have the right to compromise and the Employee shall have no veto authority over any settlement, or an ability to settle any claim or suit without the specific approval of the Village Board. Further, except for any action in which the Employee is asserting or threatening claims against the Employer, Employer agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any

litigation arising from the Employee's service with the Village of Oak Park to which the Employee is a party. Such expense payments shall continue beyond Employee's service to the Employer as long as litigation is pending. Further, on and after the Employee's termination, Employer agrees to pay Employee reasonable consulting fees at an hourly rate of pay not to exceed the Employee's hourly base rate of pay at the time of her separation from the Village, and reasonable travel expenses when Employee serves as a witness, advisor or consultant to Employer regarding pending litigation.

Section 16: Bonding

The Employee must meet all bonding requirements and standards applicable to the position as required under law or ordinance and Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 17: Other Terms and Conditions of Employment

The Employer, only upon agreement with Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Oak Park Village Code or any other law. Except as otherwise provided in this Agreement, the Employee shall be entitled to the same benefits provided to other department heads or equivalent-level employees of the Employer as provided in the Oak Park Village Code, Personnel Rules and Regulations or by practice.

Section 18: Notices

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

- (1) EMPLOYER: Village President, Village of Oak Park, Village Hall, 123 Madison. Oak Park, Illinois, 60302
- (2) EMPLOYEE: [REDACTED], or such alternate address provided in writing by the Employee to the Board of Trustees.

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall 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 19: General Provisions

- A. Integration. This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the Employer and the Employee not specifically stated in this Agreement are rendered null and void by this Agreement. The Employer and the Employee, by mutual written agreement, may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.
- B. Binding Effect. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.
- C. Effective Date. This Agreement shall become effective on January 9TH, 2013. *DP up*
- D. Severability. The invalidity or partial invalidity of any portion of this Agreement does not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

VILLAGE MANAGER

By: Cara L. Pavlicek

Cara L. Pavlicek

NOTARY

OFFICIAL SEAL
MARYANN SCHOENEMAN
Notary Public - State of Illinois
My Commission Expires May 15, 2016

VILLAGE OF OAK PARK

by: David G. Pope

David G. Pope
Village President

ATTEST:

Teresa Powell
Teresa Powell, Village Clerk

