

**CITY MANAGER EMPLOYMENT CONTRACT
BETWEEN THE CITY OF ROLLING MEADOWS AND BARRY KRUMSTOK**

This Agreement, made this 22nd day of March, 2016 by and between the City of Rolling Meadows, a municipal corporation organized and existing under the laws of the State of Illinois (“City”), and Barry Krumstok (“Manager” or “City Manager”).

WITNESSETH:

WHEREAS, the City is a Home Rule unit of government as provided by the Illinois Constitution, (Ill. Const. 1970, Art. VII, Sec. 6), and as such may exercise powers and perform functions pertaining to its government and affairs; and

WHEREAS, the City is a managerial form of government pursuant to referendum and Article 5 of the Illinois Municipal Code; and

WHEREAS, the City desires to employ the services of Barry Krumstok as City Manager of the City of Rolling Meadows under the terms and conditions provided for in Division 3, City Manager, of Article III, Chapter 2 of the City Code of Ordinances; and

WHEREAS, the City Council desires to provide certain benefits, establish certain conditions of employment and to set working conditions of employment for the Manager; and

WHEREAS, the City Council desires to: (1) secure and retain the services of the Manager and to provide inducement for him to remain in such employment; (2) make full work productivity possible by assuring the Manager’s morale and peace of mind with respect to his future job security; and

WHEREAS, the Manager desires to accept employment as the City Manager of the City of Rolling Meadows, Illinois; and

WHEREAS, the parties acknowledge that the Manager is a member of the International

City/County Management Association, ("ICMA"), and that the Manager is subject to the ICMA Code of Ethics; and

WHEREAS, the parties hereto wish to reduce the employment relationship existing between them into written form.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows.

1. **EMPLOYMENT** – The City of Rolling Meadows hereby employs Barry Krumstok and he hereby accepts employment under the terms and conditions hereinafter set forth.
2. **DUTIES** – The Manager is hereby retained as the City Manager for the City of Rolling Meadows. The Manager is not a political appointee. The employee's primary function shall be to serve as the City Manager in a statutory manager form of government, and to perform the functions and duties specified in Division 3, City Manager, of Article III of Chapter 2 of the City Code of Ordinances, and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign. The parties recognize that the Manager must devote a great deal of time outside the normal office hours to attend meetings of the City's various boards and commissions. The Manager will be considered an exempt employee for purposes of the Fair Labor Standards Act, and shall not be paid compensatory time.
3. **TERM** – Subject to the provisions for termination or resignation as hereinafter provided in Paragraph 12, the term of the Contract shall be for the period from the 1st day of April, 2016 to March 31, 2019. Nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of the City Council to terminate the services of the Manager at any time, or the rights of the Manager to resign, both subject to the applicable provisions of this Agreement
4. **COMPENSATION** – The City shall pay the Manager a salary of \$ 154,000.00 annually, which falls within the range established for the position by the City Council. This salary shall be payable in accordance with the City's usual payroll practices. Subject to the provisions of Section 11 as

hereinafter provided, additional increases, if any, in the Manager's salary for merit shall be determined by the City Council based on the Manager's performance and shall be effective on January 1st of each year. The Manager, now tenured at the City, is also entitled per current rules and regulation, longevity pay on top of the base pay. The Manager shall not be entitled to annual Cost Of Living Allowance increases. The City shall bear the full cost of any fidelity or other bonds required of the Manager under any law or ordinance

5. EMPLOYEE BENEFITS – Until such time as the contract is terminated by either party, in accordance with provisions for termination or resignation hereinafter provided, the City shall:

- A. Insurance: Maintain for the benefit of the Manager and his dependents, health, disability, dental, vision, life, and comprehensive medical insurance equal to that which is provided by the City to other non-union City employees.
- B. Tax and retirement contributions: Make FICA, Medicare, and Illinois Municipal Retirement Fund (IMRF) contributions, as required by law, for the benefit of the Employee.
- C. Vacation, Sick Days and Holidays: Provide the Manager with paid time off benefits for vacation days, sick days and holidays as established in the personnel manual for non-union City employees. The City Council recognizes that the manager position requires long hours and stress. As a result, the Manager shall take two (2) consecutive weeks of vacation during each calendar year.
- D. Personal Days: In lieu of compensatory time, the City agrees to provide the Manager with 15 personal days per year. Personal days must be used in the calendar year in which they are accrued.
- E. Retirement: The Illinois Municipal Retirement Fund ("IMRF") shall constitute the sole City-provided retirement plan for the Manager. The City agrees to contribute to the plan each year on behalf of the Manager the amount required by the IMRF for employer

contributions, on a percentage basis commensurate with that of other general employees of the City participating in the IMRF. The City further agrees to transfer ownership of the IMRF plan for the Manager to succeeding employer upon the Manager's cessation of employment with the City for any reason.

F. Social Responsibility Matching: Annually, the City Manager will provide documentation to the Finance Department of personal donations to the WING's organization and the City shall match that amount to the group to a maximum of \$300.00.

6. **PROFESSIONAL DEVELOPMENT** – The City encourages the Manager to participate in the activities of professional organizations to the extent such involvement will be beneficial to his performance as a City Manager. The Manager may attend professional organization conferences, meetings, seminars and workshops which will be beneficial to the City and to the Employee's performance of his responsibilities. Therefore, the City shall pay the annual membership dues for the Manager for such organizations as the budget allows for such activity. The City hereby agrees to budget for and to pay the travel and subsistence expenses of the Manager for professional and office travel, meetings and occasions adequate to continue the Manager's professional development, and to adequately pursue necessary official and other functions for the City, including, but not limited to, the Annual Conference of the International City/County Management Association; the annual meetings of the Illinois City Management Association; Chicago Metro Manager's meetings; and such other national, regional, state and local governmental groups and committees thereof of which the Manager or the City is a member, subject to the approval of the Mayor. The Mayor shall not unreasonably withhold his or her approval. Extended out-of-state sessions shall be subject to the approval of the City Council.

The City shall reimburse the Manager for all reasonable expenses incurred in attending such activities. The City shall pay all reasonable costs and expenses necessary for the Manager to attend such a conference, in accordance with applicable City policies and procedures in effect at the time. The City also agrees to budget and to pay for the travel and subsistence expenses of the Manager for short courses, institutes and seminars that are necessary for his professional development and for the good of the City.

7. **DUES AND SUBSCRIPTIONS** – The City agrees to budget and to pay for the professional dues and subscriptions of the Manager necessary for his continuation and full participation in the International City/County Management Association (ICMA), Illinois City Management Association (ILCMA), the Metro Manager’s Association, Illinois Public Employer Labor Relations Association (IPELRA), the National Public Employer Labor Relations Association (NPELRA), and any other organization which will contribute to the continued professional participation, growth and advancement of the Manager, and for the good of the City.

8. **EXPENSE REIMBURSEMENT** – The City shall reimburse the Manager for all reasonable necessary employment related expenses. The City recognizes that certain expenses of a non-personal and generally job-affiliated nature are incurred by the Manager, and hereby agrees to reimburse or to pay said verified general expenses ordinarily and necessarily incurred in the performance of his duties as Manager. The City agrees to pay the Manager the mileage rate established by the Internal Revenue Service for the Manager’s use of his personal automobile for City business. The Finance Director is hereby authorized to disburse such monies upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits, provided, however, that adequate funds for such reimbursement must have been previously budgeted.

9. **WORKING FACILITIES AND EQUIPMENT** – The Manager shall be furnished with working facilities and services suitable to his position and adequate for the performance of his duties. The City recognizes the need for the Manager to be reachable by phone and/or e-mail during such times when the Manager is not in the City Hall. Accordingly, the Manager shall be permitted to have a cellular telephone, a suitable personal digital assistant, and a laptop computer. The City shall pay for the purchase of such devices and their monthly usage fees, which may include the nominal use of those devices for personal matters.

10. **OUTSIDE ACTIVITIES** – During employment with the City, the Manager shall not spend non-City work hours teaching, consulting or in any other non-City connected for-profit business without the prior approval of the City Council.

11. PERFORMANCE EVALUATION/INTENT TO RENEW

- A. The City Council shall review and evaluate the performance of the Manager on or before the last City Council meeting in December of each year. This review and evaluation shall be in accordance with specific criteria developed jointly by the Manager and the City Council. The criteria may be added to or deleted from as the City Council may from time to time determine, in consultation with the Manager. Further, the Mayor shall provide the Manager with a written statement summary of the findings of the City Council, and provide an adequate opportunity for the Manager to discuss his evaluation with the City Council. The Manager shall not be penalized for any area of job performance that was not addressed by the City in writing prior to the evaluation and for which the Manager was not given instruction and opportunity for improvement or correction.
- B. The City Council and the Manager, on or before June 1st of each year during the term of this agreement, mutually define such goals and performance objectives which they determine necessary for the proper operation of the City and in the attainment of the City Council's policy objectives, and shall further establish a relative priority among those various goals and objectives, such goals and objectives to be reduced to writing. The City Council shall assign an amount of additional compensation for the Manager upon his achieving a particular goal.
- C. In effecting the provisions of this Section, the City Council and the Manager mutually agree to abide by the provisions of applicable law.
- D. On or before the last City Council meeting each year, the City Council will determine what additional salary increase, if any, shall be given to the Manager for merit based on the Manager's performance which shall be effective on January 1st of next year.
- E. On or before the first City Council meeting in December, 2018 the City may provide notice to
the City Manager of the City's intention to renew this Agreement for an additional time period upon such terms and conditions as the City Council and City Manager shall agree.

In the event the City does not provide such notice to the City Manager, or as otherwise agreed by the parties, this Agreement will automatically terminate on March 31, 2019.

12. TERMINATION OF EMPLOYMENT – Notwithstanding anything contained herein to the contrary, the contract may be terminated as follows:

12.1 Voluntary Resignation - The Manager, upon thirty (30) days prior written notice to the City Council, may resign from his position of employment. The Manager, upon resignation, shall be entitled to payment for unused sick, vacation and personal time accrued at the date of his resignation.

12.2 Mutual Agreement of the Parties Hereto – The contract may be terminated by mutual agreement of the parties, in which case the Manager shall receive no severance pay unless otherwise agreed to by the City Council. The Manager shall be entitled to payment for unused sick, vacation and personal time accrued at the date of the agreement of termination.

12.3 Termination by City with Cause – The City may remove the Manager and terminate this Agreement at any time by a majority vote of the members of the City Council for cause, which for purposes of this agreement shall be defined as follows: (1) the conviction of the Manager of a felony or misdemeanor involving moral turpitude; (2) working while under the influence of drugs or alcohol; (3) willful political activity involving the support of candidates for any elected position while working on City time; (4) the abandonment by the Manager of his position without cause; and (5) the Manager's inability to perform his duties because of permanent disability, or a loss of mental capacity as determined by a court of law, for a period of four (4) successive weeks beyond any accrued sick leave and benefit time, or for twenty (20) working days over a thirty (30) working day period.

If the City Council seeks to terminate the Manager for cause as defined above in this paragraph, the City will provide the Manager with seven (7) days advance written notice to the Manager setting forth the precise nature of the wrongful or illegal acts or

omissions forming the basis for the proposed termination. At any time after such vote authorizing a termination for cause, the City Council may suspend the Manager from duty, but shall continue only his salary and full benefits until the City Council has completed and acted on the hearing required below. Within five (5) business days of the date the Manager receives written notice that the City Council has voted to terminate him with cause, the Manager may request a hearing before the City Council. Within seven (7) calendar days of receipt by the City Clerk of the City Manager's written request for a hearing, the City Council shall conduct a hearing. Said hearing shall be completed within thirty (30) days from the City's first notice to terminate the Agreement. Following the hearing, the City Council may affirm the termination or reinstate the Manager.

In the event that the Contract is terminated by the City at any time for one or more of the causes described in this paragraph, the Manager shall be entitled only to payment of unused sick, personal and vacation time, and compensation, which has accrued at the date of termination.

12.4 Termination by City without Cause - If the Manager is terminated for a reason besides the causes defined in subparagraph 12.3, the City will provide the Manager with written notice. Within five (5) days of the date the Manager receives written notice that the City Council has voted to terminate him without cause, the Manager may request a hearing before the City Council. Within fifteen (15) days of receipt by the City Clerk of the City Manager's written request for a hearing, the City Council shall conduct a hearing. Said hearing shall be completed within thirty (30) days from the City's first notice to terminate the Agreement. Following the hearing, the City Council may affirm the termination or reinstate the Manager.

In the event of a termination without cause, the Manager shall receive payment for unused vacation, personal and sick time at his Manager's rate of pay. In addition, the City will pay him severance pay in an amount equal to one-half of the Employee's annual compensation at the then rate in effect, payable every two weeks following the date of termination, for a period of time equal to six (6) months following the date of termination.. The Manager shall continue to receive full health and life insurance benefits

and retirement benefits during the severance pay term.

13. **INDEMNIFICATION** – The City shall 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 as City Manager. The City, in its sole discretion, may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. The provisions of this Section shall survive the termination of this Agreement. .
14. **FORM OF GOVERNMENT** – In the event the City of Rolling Meadows changes its form of government during the term of this Agreement, this contract shall remain in full force and effect.
15. **WAIVER OF BREACH** – The waiver by either party of a breach of any provision of this contract shall not operate or be construed as a waiver of any subsequent breach by the parties.
16. **ENTIRE AGREEMENT** – This instrument contains the entire agreement between the parties. It may not be changed orally, but only by an agreement in writing signed by the party against whom any enforcement of any waiver, change, modification, extension or discharge is sought.
17. **OTHER TERMS AND CONDITIONS OF EMPLOYMENT–**
 - A. The City Council, in consultation with the Manager, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the charter or any other statute, law, rule or regulation. .
 - B. All provisions of the City Charter and Code, and regulations and rules of the City relating to vacation and sick leave, retirement and pension system contributions, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended, also shall apply to the Manager as they would to other employees of the City.

18. GENERAL PROVISIONS-

- A. The text herein shall constitute the entire agreement between the parties.
- B. This Agreement shall be binding upon and inure to the benefit of the personal representative, heirs at law and executors of the Manager and upon a successor to the City.
- C. This Agreement shall become effective on the date first above written.
- D. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

19. NOTICES -- All notices required under this contract shall be in writing and delivered either sent by Certified Mail, Return Receipt Requested, or personally served in the same manner as is applicable to civil judicial practice. Notice shall be given to the following addresses until written notice to the contrary is given:

To the City:

Office of the Mayor
City of Rolling Meadows
3600 Kirchoff Road
Rolling Meadows, IL 60008

To the Manager:

Mr. Barry Krumstok

IN WITNESS WHEREOF, the City of Rolling Meadows has caused this Agreement to be signed and executed in its behalf by its Mayor and duly attested by its City Clerk, and the Manager has signed and executed this Agreement, both in duplicate, the day and year first above written.



City Manager



Mayor

Genny Colugno
Deputy City Clerk