

## AGREEMENT

THIS AGREEMENT, (“Agreement”) for conditions of employment APPROVED BY THE CITY COUNCIL on December 18, 2018 by and between the City of Rolling Meadows, State of Illinois, a municipal corporation, hereinafter sometimes called “City”, and Barry J. Krumstok, hereinafter sometimes called “Employee”, both of whom understand as follows:

### WITNESSETH

WHEREAS, the City is a Home Rule unit of government as provided by the Illinois Constitution (Ill. Const. 1970, Art. VII, Section 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 continue to employ the services of said Barry J. Krumstok as City Manager of the City of Rolling Meadows, pursuant to the laws of the State of Illinois and the ordinances/codes of said City; and

WHEREAS, the parties desire to make provisions for the Employee’s duties, compensation, benefits and other conditions of employment; and

WHEREAS, it is the desire of the Mayor and City Council to continue the services of Employee and provide inducement for him to remain in such employment, to make possible full work productivity by assuring Employee’s morale and peace of mind with respect to future security, the provide for an equitable means for terminating Employee’s services at such time as he may be unable to discharge his duties due to age or disability or when City may desire to otherwise terminate his employ; and

WHEREAS, Employee desires to continue employment as City Manager of the City of Rolling Meadows and the City agrees to a severance package as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein; the parties hereto agree as follows:

1. Duties – Barry J. Krumstok, as City Manager of the City of Rolling Meadows (is considered an exempt employee for purposes of the Fair Labor Standards Act) shall continue to perform all duties required by law including, but not limited to, Chapter 2, Article 3, Division 3 of the Rolling Meadows Municipal Code and the existing and future ordinances of the City of Rolling Meadows, Illinois.
2. Compensation – The Employee shall be compensated at a rate to be paid in the same manner as other employees of the City. Beginning January 1, 2019

("Effective Date"), the annual base salary for the Employee will be set at \$ 175,100.00. The Employee is entitled to all other benefits, including longevity pay, as set forth in the City's Employee Rules & Regulations, as amended from time to time. The Mayor and City Council shall collectively schedule a review of the Employee's performance in September, annually. A written summary statement of the review and findings will be shared with the Employee within thirty (30) days of completion. As a result of an annual review, if warranted, an increase may be given to the Employee. (The Salary review shall occur in conjunction with the September performance review and the Mayor and City Council may adjust the Employee's annual compensation as the Mayor and City Council shall deem appropriate). The employee 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 Employee was not given instructions or an opportunity for improvements or correction. The City Council and the Employee, annually by the last meeting in January of each year, will each mutually define three goals and/or performance objectives (one by the Employee and two by the City Council) which they determine is good for the operation of the City and are attainable during the year. Commencing in July, 2019, the City Council shall review the Employees performance and accomplishment of the goals in July and January of each year. The City Council's evaluation shall be in writing and provided to Employee in August and February of each year.

3. The Employee shall be appointed for an indefinite term and shall be considered an at will employee. This Agreement will expire on March 31, 2022 at 11:59 pm unless amended or superseded by another Agreement.

On or before the first City Council meeting in December, 2021 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, 2022. In the event that the Agreement shall terminate as provided in this paragraph, the City Council shall not be required to establish goals for the City Manager in January, 2022 and the City Manager will not receive an increase in his annual base salary commencing January 1, 2022.

4. Termination Condition and Pay –

- A. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Mayor and City Council to terminate the services of

Employee at any time subject to only the provisions set forth in this Section 4, paragraph C of this Agreement.

- B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with the City, subject only to the provision set forth in Section 4, paragraph G, of this Agreement.
- C. In the event that the Employee is terminated during the term of this Agreement by the Mayor and City Council, by receipt and acknowledgment of written notice and concurrently while Employee is willing and able to perform the duties of City Manager, in such event, the City agrees to pay Employee:

an amount equal to twenty (20) weeks of health insurance to be paid/maintained by the City in the same manner as other employees of the City or until full time professional employment is gained by the Employee, whichever occurs first. After twenty (20) weeks, if the Employee is not employed, then the City will provide COBRA rights.

The Employee shall also receive twenty (20) weeks aggregate salary as severance and liquidated damages to be paid in the same manner as other employees of the City or until full time professional employment is gained by the Employee, whichever arises first. Aggregate salary for the term of this Agreement shall mean salary and benefits including insurance benefits and retirement contributions or an amount sufficient to obtain equal coverage.

- D. In the event the City at any time during the term of this Agreement reduces the salary or other financial benefits of Employee in a greater percentage than an applicable across-the-board reduction for all employees of the City, or in the event City refuses, following written notice to comply with any other provisions benefiting Employee herein, or the Employee receives a formal suggestion by the Mayor and City Council that he resign, then in that event, Employee may, at his option, within fourteen (14) days of the suggestion of resignation or after delivery of the written notice, elect to be "terminated" as a result of such reduction, suggestions of resignation or such refusal to comply with this Agreement. If the Employee elects to be terminated, the provisions of this Section 4, paragraph C shall apply.

- E. If Employee shall die during any period in which payments are being made in accordance with Section 4, Paragraph C , the balance of the payments less health insurance and retirement benefits shall be made to Employee's estate. If Employee should die during his regular employment, the City shall pay the Employees' estate the compensation as provided in Section 4 paragraph G.
- F. In the event Employee voluntarily resigns his position with the City, the Employee shall give City thirty (30) days written notice, unless parties otherwise agree. If Employee voluntarily resigns his position, the termination/severance health insurance and benefit provisions of paragraph 4 C of this Agreement shall not apply.
- G. Upon termination, City shall compensate Employee for all accrued sick, comp-time accrued prior to the Effective Date, holiday and vacation leave. Said compensation shall be based upon Employee's salary as of the date of employment termination.
- H. In the event that the Employee is terminated because of misconduct then, in that event, City shall have no obligation to pay compensation except as provided by Section 4 paragraph G of this Agreement.

“Misconduct” includes but is not limited to, the following:

"Misconduct" includes, but is not limited to, the following:

- (1) Conduct demonstrating conscious disregard of an employer's interests and found to be a deliberate violation or disregard of the reasonable standards of behavior which the employer expects of his or her employee. Such conduct may include, but is not limited to, willful damage to an employer's property that results in damage of more than \$50, or theft of employer property or property of a customer or invitee of the employer.

(2) Carelessness or negligence to a degree or recurrence that manifests culpability or wrongful intent, or shows an intentional and substantial disregard of the employer's interests or of the employee's duties and obligations to his or her employer.

(3) Chronic absenteeism or tardiness in deliberate violation of a known policy of the employer or one or more unapproved absences following a written reprimand or warning relating to more than one unapproved absence.

(4) A willful and deliberate violation of a standard or regulation of this State by an employee of an employer licensed or certified by this State, which violation would cause the employer to be sanctioned or have its license or certification suspended by this State.

(5) A violation of an employer's rule, unless the claimant can demonstrate that:

(A) he or she did not know, and could not reasonably know, of the rule's requirements;

(B) the rule is not lawful or not reasonably related to the job environment and performance; or

(C) the rule is not fairly or consistently enforced.

(6) Other conduct, including, but not limited to, committing criminal assault or battery on another employee, or on a customer or invitee of the employer, or

committing abuse or neglect of a patient, resident,  
disabled person, elderly person, or child in her or his  
professional care.

(7) conviction of any felony or any illegal act involving malfeasance or dishonesty for personal gain

5. Automobile Use - City shall provide Employee with the use of a municipal vehicle for all work related purposes. The City agrees to pay the Employee the mileage rate established by the Internal Revenue Service for the Employee'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.

6. Insurance Coverage -

A. City shall maintain for the benefit of the Employee 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. City shall provide Employee with life insurance in the amount of \$200,000.

C. Tax and retirement contributions: Make FICA, Medicare, and Illinois Municipal Retirement Fund (IMRF) contributions, as required by law, for the benefit of the Employee. (IMRF shall constitute the sole City provided retirement plan for the Employee).

7. Vacation, Sick Leave, Holiday, and Personal Days -

Employee shall be provided 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 Employee shall take two (2) consecutive weeks of vacation during the calendar year.

8. Hours of Work - The City recognizes that the Employee must devote a great deal of his time outside normal office hours to business of the City


and, to that end, the Employee will be allowed to take personal compensatory time off during regular business hours. The City shall have no cash obligation for any compensatory time not used. It is understood that the City shall not be liable for hour-for-hour compensatory time. In addition, the Employee may engage in occasional teaching, writing, consulting, or military reserve service performed on Employee's time off. This shall not exceed more than 25 hours per year without the prior approval of the Mayor and City Council.

9. Memberships, Conferences, Training and Education - City shall budget and pay for the cost of memberships to the International City/County Management Association (ICMA), Illinois City Management Association (ILCMA), and local metropolitan association as well as other Human Resource associations (e.g. Illinois Public Employer Labor Relations Association – IPELRA and the National Labor Relations Association – NPELRA) and the Rolling Meadows Chamber of Commerce. The City shall also budget for the cost of registration, travel and expenses for the ICMA and ILCMA annual conferences as well as other training programs, classes, institutes, and seminars which serve to continue the professional education and development of the Employee and for the good of the City.
10. Business Expenses - The City shall reimburse Employee for all employment related expenses, including business meals, as may be annually budgeted in accordance with City policies.
11. Working Facilities and Equipment- The Employee 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 Employee to be reachable by phone and/or e-mail during such times when the Employee is not in the City Hall. Accordingly, the Employee 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.
12. Social Responsibility Matching – Annually, the Employee 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.

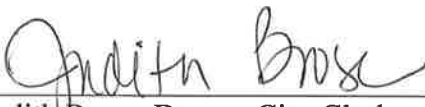
13. General Conditions of Employment - In addition to the benefits cited herein, City shall provide Employee with any and all benefits that apply to other full-time non-union City employees.
14. Binding Effect - This Agreement shall be binding of the City and Employee and the successors, assigns and heirs of each respectively.
15. Severability - If any clause or provisions herein shall be adjudged invalid or unenforceable by a Court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision which shall remain in full force and effect.
16. Indemnification – In addition to that required under state and local law, the City shall defend, save harmless, and indemnify Employee against any tort, professional liability or demand or other legal action, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Manager, other than those arising from Employee's own negligence or knowing or willful misconduct. The City will have the right to compromise and settle any such claim or suit and pay the amount of any settlement or judgement rendered thereon. The provisions of this Section shall survive the termination of this Agreement.
17. 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.
18. Waiver of Breach - The waiver by either party of a breach of any provisions of this Agreement shall not operate or be construed as a waiver of any subsequent breach by the parties.
19. 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. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of the Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.



IN WITNESS WHEREOF, the City of Rolling Meadows and Employee have caused this Agreement to be signed and executed this 18th day of December, 2018.

  
\_\_\_\_\_  
Len Prejna, Mayor

ATTEST:

  
\_\_\_\_\_  
Judith Brose, Deputy City Clerk

  
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Barry J. Krumstok