

Resolution No. 13-48

**A RESOLUTION APPROVING TERMS OF EMPLOYMENT OF THE VILLAGE  
MANAGER PURSUANT TO EMPLOYMENT AGREEMENT.**

**WHEREAS**, the Village of Villa Park (the "Village") is a non home-rule municipality duly organized and existing pursuant to the Constitution of 1970 and the laws of the State of Illinois; and,

**WHEREAS**, the Village is a strong manager form of government pursuant to Article 5 of the Illinois Municipal Code (65 ILCS 5/1-1-2 *et seq.*) with a manager appointed by the Village President and Board of Trustees (the "*Corporate Authorities*") who serves as the administrative head of the Village; and,

**WHEREAS**, the Corporate Authorities have reviewed the terms of employment of Richard D. Keehner, Jr. of the Village of Villa Park as set forth in the Employment Agreement attached hereto and made a part hereof.

**NOW THEREFORE, BE IT RESOLVED**, by the President and Board of Trustees of the Village of Villa Park, DuPage County, Illinois, that the terms of employment of Richard D. Keehner, Jr. as set forth in the Employment Agreement attached hereto are hereby approved and the Village President and Village Clerk are hereby authorized to execute said Employment Agreement.

This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED this 26th day of August, 2013, pursuant to a roll call vote as follows:


AYES: 7

NAYS: 0

ABSENT: 0

APPROVED this 26 day of August 2013

Attest:

  
Village Clerk

  
Village President





## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into this 26<sup>th</sup> day of August, 2013, by and between the Village of Villa Park, DuPage County, Illinois, a municipal corporation (hereinafter called the "Employer"), and Richard D. Keehner, Jr. (hereinafter called the "Employee") both of whom understand as follows:

**Section 1. Employment and Duties.** The Employee, having been appointed by the Village President and the Board of Trustees (hereinafter called the "Village Board"), has been employed as the Village Manager of the Village of Villa Park in accordance with all of the provisions of local ordinances which relate to the duties of said office, as may be in effect from time to time. The Employee hereby agrees to continue to perform said duties as Village Manager.

**Section 2. Employment Commencement and Term.** The Employee's employment commenced April 18, 2011, pursuant to the terms set forth in an Employment Agreement by and between the Employer and the Employee dated March 14, 2011 (the "Original Agreement"). This Employment Agreement supersedes and voids the Original Agreement and all other prior agreements, written or oral, between the Employer and Employee. As provided by the Illinois Municipal Code, Section 5-3-7 (65 ILCS 5/5-3-7) and the Village Code of Ordinances, the Employee, as Village Manager, shall serve for an indefinite term, subject to removal from his office as Village Manager by a majority vote of all of the members of the Village Board (the "Employer"), subject to Sections 19, 20 and 21 of this Employment Agreement.

**Section 3. Salary.** The Employer shall pay the Employee for full-time services as Village Manager, an annualized salary of One Hundred Forty-Four Thousand Five Hundred Eighty-Five Dollars and no cents (\$144,585) payable in installments at the same time as other

administrative employees of the Employer are paid, said salary to be retroactive from May 1, 2013.

Consideration shall be given on an annual basis to increase compensation. The Employer agrees to increase the compensation of the Employee dependent upon the results of the performance evaluation conducted under the provisions of Section 15 of this Employment Agreement. The Employer agrees to increase the compensation each year by the minimum of the average across the board increase granted to other employees of the Employer.

**Section 4. Automobile.** The Employee's duties require exclusive and unrestricted use of an automobile. This requirement shall be met through a monthly vehicle allowance.

The Employer agrees to pay to the Employee, during the term of this Employment Agreement and in addition to other salary and benefits herein provided, the sum of Four Thousand Eight Hundred Dollars (\$4,800.00) per year, payable monthly, as a vehicle allowance to be used to purchase, lease or own, operate and maintain a vehicle. The Employee shall be responsible for paying for liability, property damage and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair and regular replacement of said vehicle.

**Section 5. Insurance.** The Employer shall provide the Employee and his dependents at Employer's expense, employee group medical as described in *Attachment A*. The Employer shall also provide the Employee life insurance as described in *Attachment A*.

**Section 6. Retirement Benefits.** The Employer shall enroll the Employee in the Illinois Municipal Retirement Fund as required by state statute and the Village retirement plan.

**Section 7. Dues and Subscriptions.** Subject to budget approval by the Village Board, the Employer shall pay for the reasonable professional dues and subscriptions of the Employee necessary for his continued participation in national, regional, state and local associations and organizations desirable for the Employee to gain skills and knowledge to benefit his performance as Village Manager, as budgeted.

The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer shall pay for the reasonable membership fees and/or dues to enable the Employee to become an active member in local civic clubs or organizations, as budgeted.

**Section 8. Technology.** The Employer shall provide Employee with a computer, software, fax/modem, cell phone/blackberry required for the Employee to perform the job and to maintain communication.

**Section 9. Professional Development.** Subject to budget approval by the Village Board, the Employer shall pay for the reasonable travel and subsistence expenses of the Employee for professional and official travel, meetings and occasions designed to continue the professional development of Employee and to adequately pursue necessary official and other functions of the Employer.

**Section 10. Vacation, Sick Leave, Personal Leave.** Sick leave, holiday and personal leave days will be the same as other non-contract employees of the Employer as stated in the Personnel Rules and Regulations Manual of the Employer as described in Attachment B. Employee shall be entitled to five (5) weeks of vacation each fiscal year of the Employee commencing May 1, 2013.

**Section 11. Residency Requirement.** The Employee will be required to always reside and to maintain a residence within the corporate boundaries of Villa Park.

**Section 12. Exclusivity.** During the term of this Employment Agreement, Employee shall not perform any work or services for compensation for any other governmental body, entity or other employer without prior written authorization of the Village Board.

**Section 13. Taxes.** Employee shall be responsible for any required federal, Illinois or local taxes, as applicable, which are to be paid on amounts or benefits received by Employee under this Employment Agreement, whether such taxes are to be paid by legally required payroll withholding or otherwise. Employer shall pay the Employer's portion of Medicare, FICA and IMRF.

**Section 14. Indemnification.** Except for the willful and wanton misconduct of the Employee, Employer shall defend, save and hold harmless and indemnify Employee against any tort, professional liability claim, demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of the Employee's duties as Village Manager. Employer may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

**Section 15. Employee Review.** The Employer shall review and evaluate the performance of the Employee annually in April of each calendar year. The performance evaluation consists of a process, form, criteria, and format which shall be mutually agreed upon by the Employer and 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 thirty (30) days of the evaluation meeting. On each anniversary date of this Employment Agreement, the terms and conditions, including but not limited to salary, benefits, and severance pay, shall be subject to negotiation.

**Section 16. Personnel Rules.** The Personnel Rules of the Employer shall apply to Employee, except as it relates to overtime pay inasmuch as the Employee is employed in a management capacity.

**Section 17. Hours of Work.** It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

**Section 18. Resignation.** Nothing in this Employment Agreement shall prevent, limit or otherwise interfere with the rights of the Employee to resign at any time from the position of Employee, subject to the provisions of this paragraph. The Employee may resign by giving a minimum of thirty (30) days written notice to the Employer, unless the parties agree to some other time period. The Employee shall be entitled to all salary and fringe benefits, health and life insurance, that have accrued to the Employee to the effective date of his resignation, on the condition that the Employee continues in the performance of the full time duties of Village Manager for the Employer.

**Section 19. Termination.** The Employee is an at will employee of the Employer. Nothing in this Employment Agreement shall prevent, limit or otherwise interfere with the rights of the Village Board to terminate the employment of the Employee at any time, with or without cause, subject only to the provisions of Sections 20 and 21 below.

**Section 20. Just Cause; Notice of Termination.**

A. *Cause Termination.* For purposes of this Employment Agreement, Cause shall be defined only as (i) commission by the Employee of any act of fraud or willful misconduct toward the Village; (ii) any material or substantial breach of the Employee's obligations under this Employment Agreement; (iii) the conviction of the Employee of any felony (or a plea of *nolle contendere* thereto); (iv) the Employee's willful refusal to follow any instruction from the Village Board consistent with his position and duties set forth in Section 1.

B. *Notice of Termination.* Any termination by the Village Board for Cause, or without Cause, or by the Employee for Good Reason, shall be communicated by Notice of Termination to the other party hereto. For purposes of this Employment Agreement, a "*Notice of Termination*" means a written notice which (i) indicates whether the termination is for Cause or without Cause; and, (ii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date.

C. *Date of Termination.* "*Date of Termination*" means either the date of receipt of the Notice of Termination or any later date specified therein. If the Employee's employment is terminated by reason of death or otherwise by the Employee, the date of death or other termination by the Employee shall be the Date of Termination.

***Section 21. Obligation of the Village Upon Termination.*** In the event the employment of the Employee is terminated by the Corporate Authorities without cause, the Employer agrees to pay the Employee a severance payment as follows:

A. *Without Cause.* If, during the Employment Period, the Village shall terminate the Employee's employment other than for Cause, death or permanent disability, the Village agrees



to pay the employee a severance payment as follows:

“In the event the Employee is terminated early under this section by the Village during the term of this Employment Agreement, the Village agrees to compensate the Employee twelve (12) months total compensation, including continuation of all benefits during the twelve (12) month termination period (“*Termination Period*”). The compensation shall be paid immediately in consecutive monthly installments, each of which shall be equal to the total monthly salary and benefits due and payable to the Manager for the last full month of employment prior to the notice of termination. These payments shall continue as if the Manager had remained in Village employ for the termination period, or until the Manager secures other full time employment, whichever occurs first. The Village shall provide sixty (60) days prior written notice of its decision to terminate this Employment Agreement. In consideration for, and as a condition precedent to provision of all benefits under this paragraph, Employee shall execute a general release releasing Employer from any and all causes of action, claims and demands which Employee might have against the Employer.”

B. *Without Cause. New Governing Body Members.* In the event the Employee is terminated by the Employer during the six (6) months immediately following the seating and swearing-in of one or more new governing body members, and during such time that Employee is willing and able to perform his duties under this Employment Agreement, such termination shall be deemed to be without cause and the Employer agrees to pay Severance in accordance with Section 21(A).

C. *With Cause.* If the Employee’s employment shall be terminated by the Village for Cause, death or permanent disability, the Village shall have no further payment obligations to the Employee under this Employment Agreement after the Date of Termination.

**Section 22. Reduction of Benefits.** Employer may not, at any time during the term of this Employment Agreement reduce the salary or other benefits of the Employee.

**Section 23. Bonding.** Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

**Section 24. Notice.** Any notice required or otherwise given pursuant to this Employment Agreement shall be in writing and shall be served, unless otherwise provided, on the parties personally or by certified or registered mail, return receipt requested, and shall be deemed given on the date personally served, or on the date of such mailing. Mailed notice to the Employee shall be given to his then current residence address. Mailed notice to the Employer shall be given to the Village President at the address for the Village Hall.

**Section 25. 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 inconsistent with or in conflict with the provisions of this Employment Agreement, the Villa Park Code of Ordinances or any other law. Nothing herein shall restrict the Employer from assignment of duties to the Employee.

Except as otherwise provided in this Employment Agreement, the Employee shall be entitled to the highest level of benefits that are enjoyed by others [appointed officials, appointed employees, department heads] of the Employer as provided in the Code, Personnel Rules and Regulations or by practice.

**Section 26. Entire Agreement.** This Employment Agreement reflects all the negotiations of the parties and supersedes any earlier agreements or promises. This Employment Agreement constitutes the entire understanding and agreement of the parties and shall be binding upon and inure to the benefit of the heirs, representatives, successors and assigns of the parties. This Employment Agreement shall be construed under the laws of the State of Illinois.

***Section 27. General Provisions.***

A. *Integration.* This Employment 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 parties are merged into and rendered null and void by this Employment Agreement. The parties by mutual written agreement may amend any provision of this Employment Agreement during the life of the agreement. Such amendments shall be incorporated and made a part of this Employment Agreement.

B. *Binding Effect.* This Employment Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

C. *Severability.* The invalidity or partial invalidity of any portion of this Employment Agreement will not affect the validity of any other provision. In the event that any provision of this Employment 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.

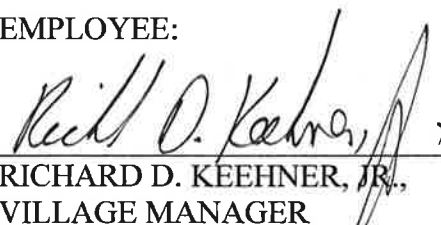
IN WITNESS WHEREOF, the Employer has caused this Employment Agreement to be signed by the Village President, duly attested by its Village Clerk, and the Employee has signed this Employment Agreement by adding his signature hereto duplicate, the day and year first above written.

VILLAGE OF VILLA PARK

By:   
\_\_\_\_\_  
DEBORAH BULLWINKEL,  
VILLAGE PRESIDENT

Date: \_\_\_\_\_

EMPLOYEE:

  
\_\_\_\_\_  
RICHARD D. KEEHNER, JR.,  
VILLAGE MANAGER

Date: 8-26-2013

# Attachment A

To: Eligible Employees and Retirees  
 Subject: July 1, 2013 Insurance Rates

The health and life insurance carrier is Blue Cross/Blue Shield of Illinois. Dental plans are administered through Delta Dental Plans and vision plans through Vision Service Plans. Following are proposed rates in effect July 1, 2013 through June 30, 2014 for employees contributing 15% towards the HMO, PPO and HSA monthly rates. Rates were approved at the April 22, 2013 Village Board Meeting.

| Benefit        | Employee Payroll | Employee Monthly | Village Monthly | Total Monthly | Retired Medicare |
|----------------|------------------|------------------|-----------------|---------------|------------------|
| <b>Health:</b> |                  |                  |                 |               |                  |
| HMO Single     | \$ 36.58         | \$ 79.26         | \$ 449.16       | \$ 528.42     | \$ 396.32        |
| Emp. +1        | \$ 72.21         | \$ 156.46        | \$ 886.64       | \$ 1043.10    | \$ 792.64        |
| Family         | \$ 103.42        | \$ 224.08        | \$ 1269.76      | \$ 1493.84    | \$ 1056.83       |
| PPO Single     | \$ 50.93         | \$ 110.34        | \$ 625.23       | \$ 735.57     | \$ 551.68        |
| Emp. +1        | \$ 100.52        | \$ 217.80        | \$ 1234.23      | \$ 1452.03    | \$ 1103.36       |
| Family         | \$ 143.96        | \$ 311.92        | \$ 1767.56      | \$ 2079.48    | \$ 1471.16       |
| HSA Single     | \$ 45.83         | \$ 99.30         | \$ 562.71       | \$ 662.01     | \$ 496.51        |
| Emp. +1        | \$ 90.47         | \$ 196.02        | \$ 1110.81      | \$ 1306.83    | \$ 993.05        |
| Family         | \$ 129.57        | \$ 280.73        | \$ 1590.80      | \$ 1871.53    | \$ 1324.00       |
| Dental:        |                  |                  |                 |               |                  |
| PPO % 5001     |                  |                  |                 |               |                  |
| Single         |                  |                  | \$ 26.32        | \$ 26.32      | \$ 26.32         |
| Dependent      | \$ 25.39         | \$ 55.02         | \$ 26.32        | \$ 81.34      | \$ 81.34         |
| PPO Fee 0001   |                  |                  |                 |               |                  |
| Single         |                  |                  | \$ 21.39        | \$ 21.39      | \$ 21.39         |
| Dependent      | \$ 20.90         | \$ 45.29         | \$ 21.39        | \$ 66.68      | \$ 66.68         |
| Vision:        |                  |                  |                 |               |                  |
| Single         |                  |                  | \$ 9.99         | \$ 9.99       | \$ 9.99          |
| Dependent      | \$ 3.79          | \$ 8.22          | \$ 9.99         | \$ 18.21      | \$ 18.21         |

Employees are also eligible to participate in the IRS Section 125 Flexible Benefit medical spending and/or dependent care spending accounts and have an option of making premium contributions on a pre- or post-tax basis. The Village pays for life insurance (\$20,000), AD&D and dependent coverage for all eligible employees.

*Representatives from insurance companies will be available for open enrollment:*

*Wednesday, May 8 at 7:30 a.m. and Thursday, May 9 at 2:30 p.m. in the Village Board Room.*

**Anyone making changes to their current health, dental, or vision insurance coverage must complete and return new enrollment forms no later than May 24, 2013.**

**Employees wishing to enroll in the Ceridian Flexible Spending health and/or dependent care plans for the new plan year must also fill in new enrollment forms and return by May 24, 2013.**

**Return all forms to either Janet Gorman or Ce Foley by May 24, 2013.**



# ATTACHMENT B p. 1 of 3

## Benefits for Non-Union Employees

|                                                                                                                                                                        |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Vacation*</p>                                                                                                                                                       | <p>1 year 10 days<br/>(Mgmt.) 15 days</p> <p>8 years 15 days<br/>(Mgmt.) 20 days</p> <p>15 years 20 days<br/>(Mgmt.) 25 days</p> <p>20 years 30 days<br/>(Police and Fire Mgmt.)<br/>20 years 25 days<br/>(Mgmt.) 30 days</p> | <p>Mgmt. Includes Village Manager, Dept. Head or Supervisors.</p> <p>Additional vacation earned may be taken after the employee's anniversary date of hire.</p> <p>Request for carryover of vacation must be made to the Village Manager by April 1.</p> |
| <p>Sick Leave*</p>                                                                                                                                                     | <p>3 days earned at the end of each fiscal quarter pro rata (7/31, 10/31, 1/31, 4/30) which may be carried over each year.</p>                                                                                                | <p>Employees may accrue a max. of 120 days. Upon separation employees may sell back 50% of accrued sick days or per employment agreement.</p> <p>Unused, unpaid sick days may be applied towards IMRF retirement (up to 1 year maximum).</p>             |
| <p>Personal Days*</p>                                                                                                                                                  | <p>Upon employment and each fiscal year thereafter employees shall receive, pro rata, two personal days.</p>                                                                                                                  | <p>Personal days may not be carried over and will be pro-rated upon separation. Past practice will be applied for police personnel.</p>                                                                                                                  |
| <p>Paid Holidays*</p> <p>* Police Department managers that are sworn officers accrue time on a calendar year basis, which is consistent with other sworn officers.</p> | <p>2 Floating Holidays<br/>New Year's Day<br/>Memorial Day<br/>Independence Day<br/>Labor Day<br/>Thanksgiving and Day after<br/>Christmas Eve and Day</p>                                                                    | <p>Floating holidays may not be carried over and will be granted upon separation.</p>                                                                                                                                                                    |
| <p>Health Insurance</p> <p>Medical – BC/BS</p>                                                                                                                         | <p>Monthly Rates 7/1/2013</p> <p>See rate sheets</p>                                                                                                                                                                          | <p>Employees may change coverage annually at open enrollment period.</p> <p>Rates and carriers are subject to change at any time. Includes Rx prescription programs.</p>                                                                                 |





|                                                        |                                                                                                                                                                                                                                                                                                         |                                                                                                              |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Dental – Delta Dental                                  | PPO (%) 5001<br>PPO (Fee) 0001                                                                                                                                                                                                                                                                          | Single coverage paid by Village for dental and vision.                                                       |
| Vision – Vision Service Plan                           |                                                                                                                                                                                                                                                                                                         |                                                                                                              |
| Life Insurance                                         | \$20,000 maximum plus Accidental Death and Dismemberment coverage. \$5,000 for spouse and \$2,000 for child.                                                                                                                                                                                            | Life insurance for employees and dependents paid by Village. (Not COBRA eligible)                            |
| Pension                                                | Illinois Municipal Retirement Fund participation (except Police and Fire personnel qualified for either pension) with 8 years service required before vesting.<br><br>Qualified police and fire management are also eligible for a health benefit stipend.                                              | Retirement plans are employer and employee contributory and also offer disability, death and other benefits. |
| Longevity                                              | 1.5 % of base pay after 7 years service up to a specified maximum:<br><br>Police and Fire Management longevity is based on past practice.<br><br>Additional non-union employees follow AFSCME longevity maximum per collective bargaining agreement.<br><br>FY 2013 Longevity is based on FY 2012 Rate. | Service must be uninterrupted.                                                                               |
| Leave of Absence (written approval of Village Manager) | Family and Medical Leave granted up to 12 weeks per Village policy.                                                                                                                                                                                                                                     | In compliance with Federal law. All other leaves require written approval.                                   |
| Funeral Leave                                          | 3 days for immediate and one day for extended family                                                                                                                                                                                                                                                    | Immediate family includes spouse, child, mother, father, sister or brother.                                  |
| Jury Duty                                              | Individuals will receive their regular rate of pay upon signing any court reimbursement checks over to the Village.                                                                                                                                                                                     | Copy of Jury Summons must be presented to the individual's Supervisor.                                       |
| Military Leave                                         | 10 days per year                                                                                                                                                                                                                                                                                        | Copy of official orders required.                                                                            |
| Tuition Reimbursement                                  | Tuition for classes with prior approval by Village manager may be reimbursed upon attaining a grade of C (P or passing) or better.                                                                                                                                                                      | If individuals leave employment within one year of receiving reimbursement they must pay back the Village.   |



|                                    |                                                                                                     |                                                                                                          |
|------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Conference Reimbursement           | Out-of state requires Village Board approval, other supervisor approval.                            | Receipts should be turned in with an approved expense statement.                                         |
| Continuing Education Reimbursement | Continuing education courses or additional training courses should be approved prior to attendance. | All department training should be budgeted each fiscal year.                                             |
| Additional Allowances              | Car Reimbursement and Clothing Allowance                                                            | Certain employees qualify for these allowances; payments may be subject to federal and state income tax. |

Revised 7/13

