

**Resolution No. 17-92**

**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 13th day of November, 2017, pursuant to a roll call vote as follows:

AYES:        7  
NAYS:        0  
ABSENT:     0

APPROVED this 13<sup>th</sup> day of November, 2017

Attest:   
Village Clerk

  
Village President



## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the “*Agreement*”) is made and entered into this 13<sup>th</sup> day of November, 2017, 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 Seventy Thousand Dollars and no cents

(\$170,000) payable in installments at the same time as other administrative employees of the Employer are paid, said salary to be retroactive from May 1, 2017.

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. Deferred Compensation Plan.** Employer agrees to execute all necessary agreements provided by the ICMA Retirement Corporation (ICMA-RC) deferred compensation plan for Employee's participation in said supplementary retirement plan. Effective May 1, 2017 and each May 1 thereafter, the Employer agrees to make an annual contribution to the ICMA Retirement Corporation deferred compensation plan in the amount of One and Half percent (1.50 %) of the Employee's annual salary at that time.

**Section 5. 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 Six Thousand Dollars (\$6,000) 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 6. 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 7. 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 8. 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 9. Technology.** The Employer shall provide Employee with a computer, software, fax/modem, cell phone/smartphone required for the Employee to perform the job and to maintain communication.

**Section 10. 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 11. 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 12. Residency Requirement.** The Employee will be required to always reside and to maintain a residence within the corporate boundaries of Villa Park.

**Section 13. 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 14. 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 15. 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 16. 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 17. 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 18. 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 19. 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 20. 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 21. 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 22. 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 23. 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 24. Bonding.** Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

**Section 25. 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 26. 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 27. 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 28. 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: Albert Bulthuis  
ALBERT BULTHUIS,  
VILLAGE PRESIDENT

Date: 11-13-2017

EMPLOYEE:

Richard D. Keehner, Jr.  
RICHARD D. KEEHNER, JR.,  
VILLAGE MANAGER

Date: 11-15-2017