

VILLAGE OF LINCOLNWOOD

**VILLAGE MANAGER EMPLOYMENT AGREEMENT
WITH ANNA MARIE GAURA**

This Village Manager Employment Agreement (the “*Agreement*”) is made and entered into as of January __, 2019 (the “*Effective Date*”), by and between the Village of Lincolnwood, an Illinois home rule municipal corporation (the “*Village*”), and Anna Marie Gaura (the “*Employee*”).

IN CONSIDERATION of the mutual covenants and conditions set forth below, and pursuant to the Village’s home rule powers, the Village and the Employee agree as follows:

Section 1. Recitals.

A. The Village is an Illinois home rule municipal corporation in accordance with Article VII, Section 6(a) of the Constitution of the State of Illinois of 1970.

B. Pursuant to the authority set forth in Section 3.1-30-5(a) of the Illinois Municipal Code, 65 ILCS 5/3.1-30-5(a), the Village has created the office of Village Manager as a full-time position within the Village, in accordance with Article 3 of Chapter 4 of the Village Code.

C. Pursuant to Section 4-3-1 of the Municipal Code of Lincolnwood, as amended (“*Village Code*”), the Village President has appointed, with the advice and consent of the Village Board of Trustees, the Employee to the office of Village Manager.

D. The President and Board of Trustees of the Village (collectively, the “*Village Board*”) desire to employ the Employee as Village Manager, and the Employee desires to be employed as Village Manager, pursuant to and in accordance with Article 3 of Chapter 4 of the Village Code and the terms and provisions of this Agreement.

E. The Employee desires to accept the terms and provisions of this Agreement.

Section 2. Employment as Village Manager.

A. Employment. The Village hereby agrees to employ the Employee as the Village Manager beginning on the Commencement Date, as defined in Section 3 of this Agreement, and the Employee accepts such employment and agrees to perform the functions and duties set forth in this Agreement and provided in the Village Code, including without limitation those general duties provided in Section

4-3-7 of the Village Code, and to perform such other legally permissible and proper duties and functions as the Village Board may assign from time to time. The Employee shall perform all such duties and functions in a manner consistent with Article 4 of Chapter 1 of the Village Code ("*Village Ethics Ordinance*") and with the ICMA Code of Ethics. In the event of any conflict between the Village Ethics Ordinance and the ICMA Code of Ethics, the Village Ethics Ordinance shall control.

B. Employment is At-Will. Subject to the notice requirement in Section 12 of this Agreement, the Employee is employed at the will of the Village, and nothing in this Agreement shall create any property right in her or any other right to the continuation of her employment with the Village. No act of the Village Board, the Village President, any Village Board member, any Village employee, or any legal representative or other agent of the Village shall create any such property right or any such other right unless specifically ratified in writing by the Village Board.

C. Other Terms of Employment. The Village Board, in consultation with the Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the Employee's performance as an employee; provided, however, that such terms and conditions are reasonable and not inconsistent or in conflict with the provisions of this Agreement or with applicable law.

D. Employment Rules and Regulations. Except for the benefits specifically provided herein for the Employee, all other provisions of the Village Code, and all regulations and rules of the Village relating to employment with the Village, or to other fringe benefits and working conditions as currently exist or as may hereafter be amended, shall apply to the Employee as they would to other employees of the Village.

Section 3. Term.

The Employee's term of employment ("*Term*") shall commence on February 19, 2019 ("*Commencement Date*") and terminate on the date in May 2021 on which the current term of office of the Village President expires, unless the employment is terminated earlier pursuant to Section 12 of this Agreement. The Village and the Employee may, but shall have no obligation to, renew the Term for an additional two-year period, or for such other period of time as both parties may mutually agree, in accordance with applicable law. In the event that either the Village or the Employee determine not to renew the Term, that party shall notify the other party in writing of such determination at least 90 days prior to the expiration of the Term; provided, however, that the failure to provide such notice shall not constitute, or be interpreted as, a renewal or extension of the Term.

Section 4. Sole Employment as Manager.

The Employee must work diligently, utilizing her best efforts in the performance of her duties. She must devote her entire business time, attention, and energies to the performance of her duties. She may not engage in any other employment, nor actively engage (in contrast to passive engagement) in any income- or profit-generating activities, without the prior written consent of the Village Board.

Section 5. Compensation; Benefits.

A. Base Salary. The Village will pay the Employee an annual base salary in the amount of \$175,000.00, payable in installments in accordance with the Village's normal payroll practices.

B. Annual Review of Salary. Without being obligated to make any adjustment in base salary, the Village Board agrees to review the Employee's base salary each year based on the Employee's performance and on any general wage adjustment granted to other Village senior department heads. That review shall be undertaken in conjunction with a performance evaluation as provided in Section 6 of this Agreement. The Village Board may adjust the Employee's base salary and entire compensation if the Village Board, in its sole discretion, determines that an adjustment of compensation is appropriate, but in no event shall it be reduced.

C. Employee Benefit Programs. The Employee is entitled to participate in the employee benefit plans and programs provided by the Village to other Village department heads in accordance with applicable Village personnel rules and policies, including life and health insurance benefit programs, as those benefits may be changed by the Village Board from time to time, and subject to the rules and policies applicable to those plans and programs. No provision of this Agreement is intended to limit, and no provision shall be construed or applied to limit, the right or ability of the Village Board to change or eliminate any employee benefit plan or program, so long as any changes to such benefit plans or programs apply to both the Employee and the Village department heads.

D. Health Insurance. Employer agrees to provide hospitalization, surgical and comprehensive medical and dental insurance for Employee and her dependents and to pay premiums thereon equal to that which is provided all other Village Department Heads. To the extent that the Village now, or in the future, determines to require its employees to contribute some or all of the cost of said insurance benefits, Employee agrees to contribute in the same amount as is required of all other Village Department Heads.

E. Vacation and Sick Days. The Employee is entitled to 15 paid vacation days per calendar year. For calendar year 2019, 10 vacations days will accrue on the Commencement Date. The Employee is entitled to paid sick days in accordance with applicable Village personnel rules and policies. The Employee may accumulate up

to a maximum of 30 vacation days. In the event of renewal, in recognition of her years of service in the profession, Employee shall be entitled to accrue no more than twenty paid vacation days, which is in accordance with the Vacation Earning Schedule as outlined in the Village's Personnel Manual.

F. Taxes. All payments made, or benefits provided, to the Employee pursuant to this Section 5 are subject to the usual and appropriate payroll, personnel, and benefits policies of the Village as well as the requirements of any applicable federal, state, or local laws, including appropriate tax withholdings. Nothing in this Agreement may be deemed or interpreted as requiring the Village to pay, directly or by way of reimbursement to the Employee, any federal or state income tax liability that the Employee may incur as a result of this Agreement or any of the transactions, benefits, or payments contemplated in this Agreement. The Employee shall comply with all applicable Internal Revenue Service and Illinois Department of Revenue requirements and regulations concerning the transactions, benefits, or payments contemplated in this Agreement.

G. Retirement Plan. The Employee is entitled to participate in the Illinois Municipal Retirement Fund retirement program.

H. Deferred Compensation. In addition to the Employee's base salary, the Village agrees to pay the Employee annual deferred compensation in monthly installments equal to 6.5% of the Employee's base salary, calculated upon the base salary as of the date of said payment. This deferred compensation shall be paid to the International City/County Management Association-Retirement Corporation ("*ICMA-RC*"), or any other qualified Section 457 deferred compensation plan designated in writing by the Employee, on or around the first day of each month during the time the Employee is employed under this Agreement. The Village agrees to execute all necessary agreements provided by the ICMA-RC or such other plan for the Employee's continued participation in a supplementary retirement plan.

Section 6. Annual Performance Evaluation.

The Village Board shall review the performance of the Employee annually, subject to a process and format for the evaluation agreeable to the Village Board and the Employee. The evaluation process will include the opportunity for the Village Board to prepare a written evaluation, meet and discuss the evaluation, and present a written summary of the evaluation results. The Village and the Employee shall establish annually a schedule of goals and indicators for the Employee, which schedule shall be used as a basis of measurement of the Employee's performance at the annual evaluation.

Section 7. General Business Expenses; Electronic Equipment.

A. Professional Associations. The Village agrees to budget for and to pay for professional dues and subscriptions of the Employee in the International City/County Management Association (ICMA), the Illinois City/County Management Association (ILCMA), and such other professional dues and subscriptions as the Village Board may deem reasonably necessary for participation in national, regional, State, and local professional associations and organizations desirable for the advancement of the best interests of the Village.

B. Professional and Official Travel. The Village agrees to budget and pay for travel and subsistence expenses reasonably incurred by the Employee for professional and official travel, meetings, conferences, and occasions in pursuit of official functions or the best interests of the Village, including without limitation annual attendance by the Employee at two ILCMA or other in-state conferences and one ICMA or other national conference. The Employee shall timely submit all receipts and other supporting documentation requested by the Village in accordance with Village practices and procedures. Travel to any conferences not within the contiguous United States is prohibited except upon prior approval of the Village Board.

C. General Expenses. The Village will reimburse the Employee for reasonable miscellaneous expenses properly incurred in the course of performing the duties of her position. The Employee shall timely submit all receipts and other supporting documentation requested by the Village.

D. Communications Equipment. The Village has provided the Employee with a combined cellular telephone and e-mail device, and a laptop computer for the Employee's continued use in the performance of the duties of her position during the Term of her employment. The Village shall pay all business expenses and fees associated with such equipment.

Section 8. Automobile.

The Village agrees to pay to the Employee the sum of \$6,000.00 per year, payable monthly, as a vehicle allowance to be used to purchase or lease a vehicle or for the use of her existing vehicle. The Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage for such vehicle, and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and regular replacement of such vehicle. The Employee agrees that her vehicle will be maintained in a manner which reflects a suitable appearance, working condition and professional image for the Village.

Section 9. Relocation.

A. Relocation. Within a reasonable period of time after the Effective Date of this Agreement, but in no event later than August 19, 2019, the Employee shall establish her place of permanent residence within a radius of 17.5 miles of the Village Hall (6900 North Lincoln Avenue, Lincolnwood, Illinois). The Employee shall thereafter reside within such area during her term of employment as Village Manager. In the event Employee is unable to establish residency within the time frame set forth herein, Employer shall have the right to approve an extension under such terms and conditions as the parties may mutually agree, which approval shall not be unreasonably denied.

B. Moving and Temporary Living Expenses. Upon timely submittal by the Employee of receipts and other supporting documentation reasonably requested by the Village, the Village will reimburse the Employee in an amount up to, and not to exceed, \$10,000.00 for reasonable and necessary moving-related and temporary living expenses actually incurred by the Employee prior to, and during, the establishment of her new residence pursuant to Section 9.A of this Agreement.

Section 10. Confidentiality.

The Employee acknowledges that the Employee has had and will have access to confidential information (“*Confidential Information*”) of, about, and belonging to, the Village. Confidential Information does not include public documents or information that would otherwise constitute Confidential Information but that has become public. The Employee covenants and warrants that, both during and after the Employee’s term of employment, the Employee will not directly or indirectly use, divulge, furnish, or make accessible Confidential Information to any person, firm, or corporation other than persons, firms, or corporations employed and/or retained by the Village in a fiduciary capacity without the prior express written authorization of the Village, but instead the Employee will keep all Confidential Information strictly and absolutely confidential except as otherwise provided in this Agreement or as required by the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.*

Section 11. Property of the Village.

All business plans, financial data, reports, memoranda, correspondence, and all other documents pertaining to the current or prospective business of the Village are and will at all times remain the property of the Village. Upon termination of the Employee’s employment with the Village, regardless of cause therefor, the Employee shall promptly surrender to the Village all property provided to her by the Village for use in relation to her employment, including, without limitation, the equipment described in Section 7.D of this Agreement.

Section 12. Termination.

A. Basis for Termination. Notwithstanding anything to the contrary contained elsewhere in this Agreement, this Agreement shall terminate upon the occurrence of any of the following events: (i) the Employee's death; (ii) the Employee's "Total Disability" (as defined in this Agreement), provided that such termination shall be in accordance with all applicable laws governing Total Disability; (iii) the Employee's resignation; or (iv) termination of the employment of the Employee pursuant to Section 12.B of this Agreement.

B. Procedure for Termination by Village. In accordance with Section 4-3-3 of the Village Code, the Village may terminate the employment of the Employee upon: (i) the filing by the Village President with the Village Board of Trustees of a written statement of the reasons for such termination; and (ii) the majority vote of the Village Board. The Village agrees to provide the Employee with not less than 7 days advance written notice of the Village's intent to terminate the employment of the Employee pursuant to this Agreement; provided, however, that not less than 24 hours advance written notice need be provided by the Village in the event the Village Board determines that the Employee has engaged in "Deleterious Conduct",

which, for purposes of this Agreement, means that the Employee has: (i) been convicted of fraud, misappropriation, or embezzlement involving property of the Village, or of a felony offense or other criminal act; (ii) engaged in intentional, wrongful conduct that causes, or may cause, substantial harm to the Village; (iii) committed an act of gross insubordination by refusing to take a legal, valid action that is clearly within the scope of her employment when specifically directed to do so by a majority of the Board at a duly noticed public meeting, or by failing to communicate with the Village President or Board in a timely manner on pertinent Village business (for purposes of this subsection, “timely” shall mean not more than 13 calendar days); (iv) materially failed to perform a significant portion of her duties as the Manager as set forth in this Agreement or the Village Code; or (v) caused or allowed any practice, activity, decision or organizational circumstances which is either illegal, immoral, or in violation of the Village Ethics Ordinance or the ICMA Code of Ethics.

C. Total Disability. For purposes of this Agreement, "Total Disability" means the Employee's inability, because of illness, injury or other physical or mental incapacity, to perform the Employee's duties hereunder (as determined by the Village Board) for a continuous period of 120 consecutive days, or for a total of 120 days within any 360 consecutive day period, in which case such Total Disability shall be deemed to have occurred on the last day of such 120-day or 360-day period, as applicable.

D. Severance. If the Village terminates the employment of the Employee for any reason other than Deleterious Conduct, the Employee shall be entitled to severance pay in an amount equal to four months of her annual base salary plus deferred compensation at the time of such termination ("*Severance Pay Benefits*"). The Employee shall also be entitled to compensation for earned sick leave, vacation, and other accrued benefits to date (collectively, "*Accrued Benefits*"), calculated based on the Employee's annual base salary at the time of termination, in accordance with applicable Village personnel rules and policies. These Accrued Benefits shall terminate at the time of the Employee's termination. Any payment of Severance Pay Benefits or of Accrued Benefits hereunder is expressly conditioned upon the Employee's execution of a release of any and all claims the Employee may have against the Village, its employees and the Village Board.

E. Resignation. In the event that the Employee desires to voluntarily resign the position of Village Manager, she must provide the Village President with not less than 30 days advance written notice, unless the Employee and the Village Board agree otherwise in writing. The Employee shall not be entitled to any Severance Pay Benefits if she voluntarily resigns her employment. However, the Employee shall still be entitled to all Accrued Benefits as of the date of such voluntary resignation.

F. Outplacement Services. In the event the Board terminates this Agreement without cause, the Board shall authorize payment of a lump sum cash payment in the amount of \$2,000.00 for outplacement services and for other various job search expenses to be incurred by the Employee.

Section 13. Indemnification.

The Village will defend, hold harmless, and indemnify the Employee to the extent, and in the manner required by, Article 6 of Chapter 1 of the Village Code.

Section 14. Bonding.

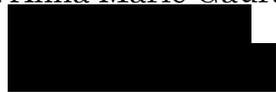
The Village will pay the full cost of any fidelity or other bonds required of the Employee under any law or ordinance, including, without limitation, the fidelity bond required pursuant to Section 4-3-6 of the Village Code.

Section 15. Notices.

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

If to the Village: Village President
Village of Lincolnwood
6900 North Lincoln Avenue
Lincolnwood, Illinois 60712

If to the Employee: Anna Marie Gaura



Alternatively, notice required pursuant to this Agreement may be served personally. Notice will be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 16. General Provisions.

A. Entire Agreement. This Agreement constitutes the sole and entire agreement between the Village and the Employee relating to the employment of the Employee by the Village. This Agreement supersedes all prior or contemporaneous agreements, understandings, and representations, oral and written, with respect to the employment of the Employee by the Village.

B. Amendments. No amendment or waiver of any provision in this Agreement will be binding on the Village or the Employee unless and until it has

been reduced to writing and executed by the Village President, as may be authorized by the Village Board and the Employee.

C. Binding Effect. This Agreement is binding on the Village and the Employee as well as their heirs, assigns, executors, personal representatives, and successors in interest.

D. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. If any provision of this Agreement is held to be invalid, then the remaining provisions will be deemed to remain in full force and effect.

E. No Waiver. Any failure in the exercise of either party to enforce any provision of this Agreement shall not prejudice the party's right to demand strict performance or enforcement of any future performance required under this Agreement.

F. COBRA. Nothing in this agreement shall be deemed a waiver of Employee's rights under applicable COBRA regulations, as may be amended from time to time.

G. Assignment. This Agreement with respect to the Employee is personal in nature and the Employee will not assign this Agreement or any of the Employee's rights or obligations under this Agreement without the written consent of the Village Board.

H. Governing Law. The execution, validity, construction, interpretation, performance, and enforcement of this Agreement is governed by the internal laws, but not the conflict of laws rules, of the State of Illinois. Nothing in this Agreement is intended to abrogate the Employee's rights and obligations under Illinois law.

I. Acknowledgements. The parties mutually acknowledge that they have entered into this Agreement voluntarily and have had an opportunity to have this Agreement reviewed by counsel of their choosing.

J. Interpretation. This Agreement is to be construed without regard to the identity of the party who drafted the various provisions of this Agreement. Moreover, each and every provision of this Agreement is to be construed as though all parties to this Agreement participated equally in the drafting of this Agreement. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party is not applicable to this Agreement.

K. Change in Laws. Except as otherwise explicitly provided in this Agreement, any reference to laws, ordinances, rules, or regulations of any kind includes the laws, ordinances, rules, or regulations of any kind as they may be amended or modified from time to time hereafter.

L. Headings. The headings, titles, and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend, or describe the scope or intent of this Agreement.

M. Time of Essence. Time is of the essence in the performance of this Agreement.

N. Rights Cumulative. Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement are cumulative and are not exclusive of any other rights, remedies, and benefits allowed by law.

O. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.

[SIGNATURE PAGE FOLLOWS]

VILLAGE OF LINCOLNWOOD

By: _____
Village President

Attest:

By: _____
Village Clerk

EMPLOYEE

Anna Marie Gaura

#61724147_v6