

## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made and entered into as of the \_\_\_\_ day of July, 2017 ("Agreement"), by and between the Village of River Forest, State of Illinois, a municipal corporation, hereinafter called "EMPLOYER," and Eric Palm hereinafter called "EMPLOYEE," both of whom understand and agree as follows:

### WITNESSETH

WHEREAS, EMPLOYER desires to employ the services of EMPLOYEE as the Village Administrator of the Village of River Forest; and

WHEREAS, EMPLOYEE has the education, training and experience in local government management necessary to serve the Village of River Forest as its Village Administrator, and who, as a member of the International City Administrators Association, is subject to the Code of Ethics published by ICMA; and

WHEREAS, it is the desire of the Governing Body, hereinafter referred to as the "Village Board" or the "Board", to provide certain benefits, establish certain conditions of employment and to set working conditions of said EMPLOYEE; and

WHEREAS, EMPLOYEE desires to accept and continue his employment as Village Administrator of said Village of River Forest, Illinois.

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

### 1. DUTIES

EMPLOYER hereby agrees to employ EMPLOYEE as Village Administrator of the Village of River Forest to perform the functions and duties specified by law and or municipal ordinance and to perform such other legally permissible duties and functions as the Village Board shall from time to time assign.

### 2. TERM

- a. This Agreement shall remain in full force and effect through May 10, 2021.
- b. In the event the EMPLOYER does not notify EMPLOYEE, prior to the end of the Term hereof, of the EMPLOYER'S intention not to retain his services after the end of the Term hereof, all provisions of this Agreement shall continue in full force and effect after the end of the Term hereof, and the term hereof shall be extended, until such time as one of the following events occurs (hereinafter the "Extended Term"):
  - i. A written notice of termination is tendered to EMPLOYEE, setting forth a termination date no less than thirty (30) days after the date of the notice; or;

- ii. Thirty (30) days from the date a written offer is tendered to EMPLOYEE to retain his services as Village Administrator, under terms and conditions the same as or better than those set forth in this Agreement; or;
- iii. The passage of ninety (90) days but not more than one hundred twenty (120) days from the end of the Term hereof EMPLOYEE tenders his written resignation to the Village President.
- iv. In the case of "i" above, the severance provisions set forth in this Agreement shall apply effective as of the termination date. In the case of "ii" above, if said offer is not accepted by EMPLOYEE within thirty (30) days after receipt of same by him, this Agreement shall terminate, and the severance provisions set forth in this Agreement shall not apply. In the case of "iii" above, EMPLOYEE shall have the option to resign at any time after the passage of said ninety (90) days but before one hundred twenty days (120), the severance provisions set forth in this Agreement shall apply effective as of the resignation date.

### 3. GENERAL EMPLOYEE/EMPLOYER RIGHTS

The Village Board may terminate the services of EMPLOYEE at any time, subject to the provisions set forth in Section 7 of this Agreement. It is the intent of this Agreement that the Employee shall at all times serve at the pleasure of the Village Board. Nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of the Village Board to terminate the employment of EMPLOYEE at any time subject only to the provisions set forth herein.

EMPLOYEE may resign at any time for any reason, subject only to the provisions set forth in Section 7 and Section 8 of this Agreement.

- a. The employment offered to EMPLOYEE by the EMPLOYER shall be the EMPLOYEE'S sole and exclusive employment, and the EMPLOYEE shall devote his full energies and efforts to the performance of his duties as Village Administrator of the Village of River Forest. EMPLOYEE agrees to remain in the exclusive employ of EMPLOYER while this Agreement is in effect and neither to accept other employment nor to become employed by any other Employer during the term hereof.
- b. Employer may suspend the Employee with full pay and benefits at any time during the term of this Agreement. Prior to any suspension, Employee shall be entitled to a hearing which may, in the Board's discretion, be held in executive session. EMPLOYEE shall have been given written notice setting forth any charges at least ten (10) days prior to such hearing, together with an opportunity to appear and respond to such charges. Any action to suspend Employee shall require the affirmative vote of at least four (4) members of the Village Board including the Village President as a member.

#### 4. RESIDENCY REQUIREMENT

The EMPLOYEE and the Employer acknowledge that a relationship exists between the Village Administrator's ability to successfully represent the Village and advance its goals and his or her connection to the community. Therefore, the EMPLOYEE agrees to reside within 25 miles of said corporate limits.

#### 5. SALARY

Effective May 1, 2017, EMPLOYER agrees to pay EMPLOYEE for his services rendered pursuant hereto an annual salary in an amount of \$167,500.00 payable in substantially equal installments at the same time as other employees of the Village are paid. In addition to said base salary, the Village Board shall consider on an annual basis, merit increases, cost of living increases or economic adjustment increases to be provided to EMPLOYEE. In addition, EMPLOYER may, at its sole discretion, grant bonuses and/or benefits for performance, excellence, or meritorious service. Employer may reduce the salary required in this section if and when the Village Board finds that economic necessity requires a reduction in salary.

#### 6. RETIREMENT BENEFIT

Employer shall make available a 457(b) retirement plan and any contributions shall be made at Employee's sole discretion. Any contribution shall be deducted from his salary or other benefit.

#### 7. RESIGNATION, TERMINATION AND SEVERANCE PAY

- a. Employer shall pay a severance benefit to the Employee if Employee's employment ceases by reason of: (1) His disability as defined in Section 18(f), or; (2) Those provide under Sections 7b (i), (ii), (iii) or (iv).
- b. The severance benefit required under Section 7a, shall be: six (6) months' salary, and all health and life insurance benefits for the same period in the same manner as established by the Village Personnel Manual. Provided, however, that Employer's obligation to pay said salary, health and/or life insurance benefits pursuant to this subsection shall terminate at such time as Employee becomes eligible for insurance under another employer's insurance plan or becomes employed. Severance pay shall be paid at least semi-monthly and Employer shall make all required withholdings. As a condition of receipt of this severance benefit, the Employee agrees to execute a release of all claims against the Village related to his employment or termination of employment. Employee shall be deemed to have been involuntarily discharged upon the occurrence of any of the following:

- i. Employer reduces the salary or other financial benefits of Employee in a greater percentage than the average reduction applicable generally to Village department heads;
  - ii. Employer refuses, following written notice, to comply with any provision of this agreement;
  - iii. Employee resigns following a suggestion or directive to do so, whether formal or informal, and made concurrently by a majority of the Village Board, or;
  - iv. The Village Board discharges Employee for any reason other than for Just Cause as defined in Section 18(d).
- c. Employee may terminate his employment with the Village upon sixty (60) days written notice to the Village Board. In such event he will continue to render his services and receive his normal compensation up to and including the date of termination. He shall be paid all earned and accrued but unpaid compensation and unused accrued vacation days and all other or additional amounts to which other employees of the Village are entitled, on terms no less favorable than those provided to Village employees. No payment will be made for accrued but unused sick days, personal days or other leaves of absence other than accrued but unused vacation leave.
- d. Employer may terminate this agreement and shall not be required to pay a severance benefit if Employee voluntarily resigns or is discharged for "just cause".

## 8. PERFORMANCE EVALUATIONS

- a. The Employer shall review and evaluate the performance of the Employee on or before March 31, each year in advance of the adoption of the annual operating budget. Said review and evaluation shall be in accordance with specific goals and objectives developed jointly by Employer and Employee. Said criteria may be added to or deleted from as the Employer may from time to time determine, in consultation with the Employee. Further, the Village President shall provide the Employee with a summary written statement of the findings of the Employer and provide an adequate opportunity for the Employee to discuss his evaluation with the Employer.
- b. The Employer and Employee have defined and prioritized such goals and performance objectives which they determine necessary for the proper operation of the Village. Annually, the Employer and Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the Village and in the attainment of the Employer's policy objectives and shall further establish a relative priority among those various goals and objectives, said goals and objectives to be reduced to writing. They shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations provided.

- c. Should the Village Board deem the Employee's performance less than satisfactory, the Village Board shall issue to him a written notice of the reasons for its dissatisfaction with his performance, the ways in which his performance must be improved, a deadline for improvement of his performance and any other information the Village Board deems important for relating to the Employee's performance. If the Employee does not remedy his performance in accordance with the Village Board's direction to the satisfaction of the Village Board within a reasonable amount of time, but not less than 30 days, the Village Board may terminate him.

#### 9. AUTO MOBILE/TRANSPORTATION

- a. EMPLOYEE is required to attend various meetings and functions on behalf of the Village and the EMPLOYER agrees to provide the EMPLOYEE with a car allowance equal to \$5,100.00 per year payable pro-rata with each pay period.
- b. The EMPLOYER also agrees to reimburse EMPLOYEE for all reasonable and documented employment related expenses, including but not limited to such expenses for out-of-town travel associated with Village business on the same terms and conditions as may be generally applicable to Village management Employees and within the budget established by the Village.

#### 10. CELLULAR PHONE

In lieu of providing a Village issued cellular phone, EMPLOYER will provide employee with a phone allowance of \$800 per year payable pro-rata with each pay period

#### 11. VACATION AND SICK LEAVE

EMPLOYEE shall accrue sick leave at the rate as stated in the Village's Personnel Policy Manual. EMPLOYEE shall earn the greater of 18 days of vacation per year or such amount allowed under the Village's vacation policy for Senior Administrative Staff. Vacation usage shall be in accordance with the Village's Personnel Policy Manual.

#### 12. INSURANCE

- a. EMPLOYEE, and all dependents, shall receive the standard medical, dental and disability and related insurance benefits received by and under the same terms as such benefits are provided all Village employees.
- b. EMPLOYER shall purchase and pay the required premiums on term life insurance policies equal to an amount which is two and one-half times the annual gross salary of the EMPLOYEE. The beneficiary or beneficiaries of said policy shall be at the discretion of the EMPLOYEE. Employee shall submit to such

medical examinations or produce such records as are required by any insurer with respect to any policy of life insurance.

- c. EMPLOYER shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

### 13. DUES AND SUBSCRIPTIONS FOR PROFESSIONAL ASSOCIATIONS

EMPLOYER agrees to budget and to pay for the professional dues and subscriptions of EMPLOYEE necessary for his participation in organization(s) Employee reasonably deems necessary for his continued professional participation, growth, and advancement as Village Administrator, and for the good of the EMPLOYER.

### 14. INDEMNIFICATION

The Village shall defend, save harmless and indemnify EMPLOYEE against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of EMPLOYEE'S duties as Village Administrator. The EMPLOYER may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon, as the EMPLOYER shall determine in its sole discretion. This obligation of indemnity shall not apply to the gross negligence or willful misconduct of EMPLOYEE.

### 15. PROFESSIONAL DEVELOPMENT

EMPLOYER, subject to general economic conditions of the Village of River Forest, hereby agrees to make reasonable efforts to annually budget for and to pay the travel and subsistence expenses of EMPLOYEE for professional and official travel, meetings, and occasions adequate to continue the professional development of EMPLOYEE and to adequately pursue necessary official and other functions for EMPLOYER, including but not limited to the Annual Conference of the International City/County Management Association, the State League of Municipalities, Annual Conference of the Illinois City Management Association and other such national, regional, state and local governmental groups and committees thereof which EMPLOYEE serves as a member. And, for the travel and subsistence expenses of EMPLOYEE for short courses, institutes and seminars that are reasonably necessary for his professional development and benefit the Village.

### 16. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

Employee shall be and remain subject to all other policies, terms and conditions of employment as are generally applicable to non-union employees of the Village and to the extent such other terms and conditions are not inconsistent with or in conflict with the provisions of this agreement or the customary duties of Village Administrator. This shall include, but shall not be limited to all provisions of the Village Code, and regulations and rules of the Employer relating to vacation and sick leave, retirement and pension system



contributions, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended.

#### 17. INCORPORATION OF CODE OF ETHICS/ CONFIDENTIALITY

- a. The ICMA "Code of Ethics" shall furnish principles to govern EMPLOYEE'S conduct and actions as Village Administrator to the extent not inconsistent with and otherwise stated in this agreement or any Village policy.
- b. EMPLOYEE acknowledges that any privileged or confidential information he acquires during the course of his employment shall remain confidential following the termination of his employment.

#### 18. GENERAL PROVISIONS

- a. The text herein shall constitute the entire Agreement between the parties. It may only be modified, amended or terminated at any time by an agreement in writing stating the foregoing. No oral representation or agreement shall be relied upon or binding upon either party at it relates to the subjects of this agreement.
- b. This Agreement shall be binding upon and inure to the benefits of the heirs at law and executors of EMPLOYEE. The Agreement shall be governed by Illinois law.
- c. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or a portion thereof, shall be deemed severable, shall not be affected and shall remain in force and effect.
- d. "Discharged for just cause" or "just cause" as used throughout this agreement shall mean any one of the following:
  - i. Any willful, knowing, grossly negligent, or negligent breach, disregard or habitual neglect of any provision of this Agreement, or any willful, knowing, grossly negligent, or negligent breach, disregard or habitual neglect of any duty or obligation required to be performed by EMPLOYEE under this Agreement and ordinances of the Village and/or the laws of the United States or the State of Illinois.
  - ii. Any misconduct of the EMPLOYEE involving an act of moral turpitude, criminal illegality (excepting minor traffic violations), or habitual violations of the traffic laws, whether or not related to EMPLOYEE'S official duties hereunder.
  - iii. Any willful, knowing, grossly negligent, or negligent misapplication or misuse, direct or indirect, by EMPLOYEE of public or other funds or other property, real, personal, or mixed, owned by or entrusted to the City,

any agency or corporation thereof, or the EMPLOYEE in his official capacity.

- e. In the event that the Village Board determines that the Employee may be subject to termination for any of the reasons contained in Section 18(d), with the exception of conviction of a felony or conviction of a misdemeanor involving moral turpitude or official misconduct or the Employee's death or disability the following provisions will apply.
  - i. The Employee shall be given a notice of termination which shall include a reasonably detailed description of the reasons the Village Board believes sufficient cause for termination exists. The notice may include such items as the incident(s) or instance(s) of breach by the Employee of his obligations under this Agreement providing the basis for the charges, and the dates and times of incident(s) or instance(s) of breach.
- f. "Disability" as used throughout this agreement shall mean Employee is unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of more than 120 days in any twelve (12) month period. If Employee claims a disability, he shall submit to such medical examinations or produce such records as are required by the Village to determine his condition.
- g. Notice pursuant to this Agreement shall be given by either personal delivery or United States Mail, first-class postage pre-paid, delivery confirmation requested addressed as follows:

EMPLOYER:                      President  
                                        Village of River Forest  
                                        400 Park Avenue  
                                        River Forest, IL 60305

EMPLOYEE:                     Eric Palm  
                                        119 S. Kenilworth Ave.  
                                        Mount Prospect, IL 60056

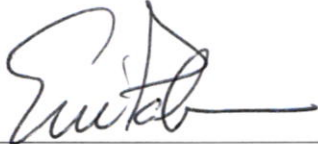
Notice shall be deemed given as of the date of personal service or as of the date of confirmed delivery by United States Mail.

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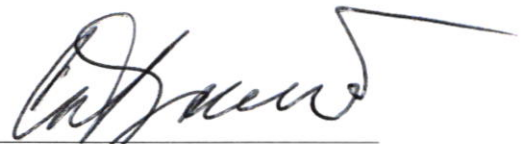
IN WITNESS WHEREOF, the Village of River Forest, Illinois has caused this Agreement to be signed and executed in its behalf by its President, and duly attested by its Village Clerk and the EMPLOYEE has signed and executed this Agreement, both in duplicate, the day and year first above written.

EMPLOYEE:



Eric Palm

EMPLOYER:



President  
Village of River Forest, Illinois

ATTEST:

  
Village Clerk

## **ADDENDUM #1**

### **PERFORMANCE BONUS – FY 2017**

As part of the review of the performance of the Village Administrator for FY 2017, a one-time performance bonus of \$10,000 will be awarded for achievement of the following goals:

- Presenting a FY2018 balanced operating budget & capital budget
- Ending FY 2017 with a budget surplus
- Finalized negotiations with WideOpenWest for dark fiber installation in lieu of license agreement at no-cost to the Village
- Successful negotiations and contract completion for police and public works union
- Implementation of the Madison Street TIF district
- Engagement of communications consultant with recommendations which have been implemented or are in the process of implementation
  - o Implemented Facebook page (completed)
  - o Engaged website redesign (ongoing)
  - o Evaluated e-new platform (will implement recommended platform in 90 days)
  - o Developed FAQ for front desk staff (completed)
- Successful Implementation of Sustainable Infrastructure at Quick Alley, William Alley, Thatcher Commuter Parking Lot
- Review and Closeout of RMS Subarea traffic and parking recommendations
- Cleanup of 117 Ashland Property Issue
- Implementation of a Dormant SSA at Promendae Townhomes (not previously used in RF)
- Engaged new third party consultant for Lake and Park
- Creation of Master Stormwater Facilities Agreement with Concordia University

**FIRST AMENDMENT TO THE  
EMPLOYMENT AGREEMENT**

**THIS FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT** ("Amendment") is made and entered into as of the 14th day of January, 2019 ("Effective Date"), by and between the Village of River Forest, an Illinois municipal corporation ("EMPLOYER") and Eric Palm ("EMPLOYEE").

**RECITALS**

**WHEREAS**, the EMPLOYEE is employed by the EMPLOYER as the Village Administrator of the Village of River Forest pursuant to the terms of an "Employment Agreement," dated June 12, 2017 ("Employment Agreement"); and

**WHEREAS**, the EMPLOYER and the EMPLOYEE desire to amend the Employment Agreement as set forth in this Amendment;

**NOW, THEREFORE**, in consideration of the foregoing, other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the EMPLOYER and the EMPLOYEE, and the mutual covenants and agreements hereinafter contained, the EMPLOYER and the EMPLOYEE agree as follows:

1. Section 5 of the Employment Agreement, entitled "Salary," is hereby amended to read in its entirety as follows:

Effective May 1, 2018, EMPLOYER agrees to pay EMPLOYEE for his services rendered pursuant hereto an annual salary in an amount of \$180,000.00 payable in substantially equal installments at the same time as other employees of the Village are paid. Effective May 1, 2019, the annual salary will be \$185,000.00 subject to the same terms above. In addition to said base salary, the Village Board may consider and grant, on an annual basis, merit increases, cost of living increases or economic adjustment increases to be provided to EMPLOYEE. In addition, EMPLOYER may, at its sole discretion, grant bonuses and/or benefits for performance, excellence, or meritorious service. EMPLOYER may reduce the salary required in this section if and when the Village Board finds that economic necessity requires a reduction in salary.

EMPLOYER will pay EMPLOYEE a one-time performance bonus of \$10,000 within thirty (30) calendar days of the Effective Date because EMPLOYEE exceeded the EMPLOYER's goals and objectives for the April 1, 2017 through March 31, 2018 rating period.

2. Section 6 of the Employment Agreement, entitled "Retirement Benefit," is hereby amended to read in its entirety as follows:

EMPLOYER shall make available a 457(b) retirement plan to EMPLOYEE. Any contributions shall be deducted from the EMPLOYEE's salary or other benefits, with the contribution amounts being decided in EMPLOYEE's sole discretion.

Because EMPLOYEE exceeded the EMPLOYER's goals and objectives for the April 1, 2018 through March 31, 2019 rating period, the EMPLOYER agrees to provide the EMPLOYEE with a one-time contribution of \$14,800.00, which amount is equal to eight percent (8%) of the EMPLOYEE's gross salary effective May 1, 2019, to a deferred compensation plan of EMPLOYEE's choosing, which one-time contribution shall be provided and payable *pro rata* with each pay period beginning May 1, 2019 and ending on April 30, 2020. This one-time contribution shall conclude at the end of the fiscal year on April 30, 2020, unless otherwise extended by the EMPLOYER in its sole and absolute discretion.

3. Section 7.b. of the Employment Agreement is amended to read in its entirety as follows:

The severance benefit required under Section 7a, shall be: twenty (20) weeks' salary, and all health and life insurance benefits for the same period in the same manner as established by the Village Personnel Manual. Provided, however, that EMPLOYER's obligation to pay said salary, health and/or life insurance benefits pursuant to this subsection shall terminate at such time as EMPLOYEE becomes eligible for insurance under another employer's insurance plan or becomes employed. Severance pay shall be paid at least semi-monthly and EMPLOYER shall make all required withholdings. As a condition of receipt of this severance benefit, the EMPLOYEE agrees to execute a release of all claims against the Village related to his employment or termination of employment. EMPLOYEE shall be deemed to have been involuntarily discharged upon the occurrence of any of the following:

- i. EMPLOYER reduces the salary or other financial benefits of Employee in a greater percentage than the average reduction applicable generally to Village department heads;
- ii. EMPLOYER refuses, following written notice, to comply with any provision of this agreement;
- iii. EMPLOYEE resigns following a suggestion or directive to do so, whether formal or informal, and made concurrently by a majority of the Village Board, or;
- iv. The Village Board discharges EMPLOYEE for any reason other than for Just Cause as defined in Section 17 d.

Notwithstanding any term in this Agreement to the contrary, EMPLOYEE shall not receive severance pay in excess of the amounts permitted in the Illinois

Government Severance Pay Act, 5 ILCS 415/1, *et seq.* ("Act"), as amended from time to time, and EMPLOYEE shall not receive severance pay if EMPLOYEE has been fired by EMPLOYER for "misconduct," as defined in the Act, as amended from time to time

4. Section 9 of the Employment Agreement, entitled "Automobile / Transportation," is hereby amended to read in its entirety as follows:

- a. EMPLOYEE is required to attend various meetings and functions on behalf of the EMPLOYER, and the EMPLOYER agrees to provide the EMPLOYEE with a car allowance equal to \$6,000.00 per year payable *pro rata* with each pay period, effective February 1, 2019.
- b. The EMPLOYER also agrees to reimburse EMPLOYEE for all reasonable and documented employment related expenses, including but not limited to such expenses for out-of-town travel associated with EMPLOYER business on the same terms and conditions as may be generally applicable to EMPLOYER's management employees, and as those expenses are within the budget established by the EMPLOYER.

5. Section 10 of the Employment Agreement, entitled "Cellular Phone," is hereby amended to read in its entirety as follows:

In lieu of providing EMPLOYEE with an EMPLOYER-issued cellular phone, EMPLOYER shall pay EMPLOYEE a phone allowance of \$1,200 per year payable *pro rata* with each pay period, effective February 1, 2019.

6. All portions of the Employment Agreement, not amended in this Amendment, shall remain in full force and effect.

7. This Amendment shall be executed simultaneously in two (2) counterparts, each of which shall be deemed an original, but both of which shall constitute one and the same Amendment.

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IN WITNESS WHEREOF, the Village of River Forest, Illinois has caused this Amendment to the Employment Agreement to be signed and executed in its behalf by its President, and duly attested by its Village Clerk and the EMPLOYEE has signed and executed this Agreement, both in duplicate, the day and year first above written.

EMPLOYEE:



Eric Palm

EMPLOYER:



Catherine Adduci, President  
Village of River Forest, Illinois

ATTEST:



Village Clerk