

STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF LAKE     )

**CLERK'S CERTIFICATE**

I, **KATHLEEN JOHNSON**, certify that I am the duly elected Village Clerk of the Village of Lake Zurich, Lake County, Illinois and that as such Village Clerk, I am keeper of the Ordinances, Resolutions, Minutes, Entries, Orders, Books, Papers, Records and Seal of said Village.

I DO HEREBY CERTIFY that at a regular meeting of the Village of Lake Zurich Board of Trustees held on the **18<sup>th</sup> day of January, 2016** the foregoing **Ordinance** entitled:

**Ordinance 2016-1-111**

**Ordinance Authorizing Approval of a Contract of Employment**

**(Village Manager)**

was duly passed by said Village Board.

I do further certify that the original, of which the attached is a true and correct copy, is entrusted to me as the Village Clerk of said Village for safekeeping, and that I am the lawful custodian and keeper of the same.

WITNESS my Hand and Corporate Seal of said Village of Lake Zurich, Illinois, this 18 day of January, 2016.

DATED this 18 day of January, 2016.



Kathleen Johnson

Kathleen Johnson

Village Clerk



**AN ORDINANCE AUTHORIZING APPROVAL  
OF A CONTRACT OF EMPLOYMENT  
(VILLAGE MANAGER)**

**WHEREAS**, in order to employ and retain a qualified chief administrator, the Village of Lake Zurich has determined to enter into a contract of employment for a term of years with its chief administrator; and

**WHEREAS**, the Village of Lake Zurich is authorized pursuant to the provisions of the Illinois Municipal Code and applicable law to enter into a contract of employment with its chief administrator, setting for the terms and conditions of the Village Manager's employment; and

**WHEREAS**, the Village of Lake Zurich has determined that employing a chief administrator has been effective and that to continue to promote the public health, safety and welfare of its residents and businesses, it will employ a Village Manager pursuant to the terms and conditions of the contract of employment attached hereto as **EXHIBIT A**; and

**WHEREAS**, the President and Board of Trustees of the Village of Lake Zurich have determined that it is advisable, necessary and in the best interests of the community, to enter into the attached "VILLAGE MANAGER EMPLOYMENT AGREEMENT 2016" to employ a chief administrator, the terms of said employment more particularly described in said AGREEMENT attached hereto as **EXHIBIT A**.

**NOW, THEREFORE BE IT ORDAINED** by the President and Board Of Trustees of the Village of Lake Zurich, Lake County, State Of Illinois, as follows:

**SECTION 1:** That under the authority vested in the corporate authorities of the Village of Lake Zurich, through the statutes and applicable laws of the State of Illinois, the President and Board of Trustees of the Village of Lake Zurich find that it is in the best interests of the Village of Lake Zurich and its residents and businesses to approve and enter into that agreement entitled VILLAGE MANAGER EMPLOYMENT AGREEMENT 2016, approving the term, compensation and related provisions and conditions set forth

therein, said Agreement attached hereto as **EXHIBIT A** and made a part hereof.

**SECTION 2:** The President and the Village Clerk are hereby authorized and directed to execute the **VILLAGE MANAGER EMPLOYMENT AGREEMENT 2016** attached hereto as **EXHIBIT A**.

**SECTION 3:** That this Ordinance shall be in full force and effect from and after its passage and approval, as provided by law.

PASSED this 18th day of January, 2016.

AYES: 6 Trustees Beaudoin, Hales, Shaw, Spasone, Sprank, Stansovich.

NAYS: 0


ABSTAIN: 0

ABSENT: 0

APPROVED this 18 day of January, 2016.

  
\_\_\_\_\_  
Tom Poynton Village President

ATTEST:

  
\_\_\_\_\_  
Kathleen Johnson  
Village Clerk

**VILLAGE OF LAKE ZURICH**  
**VILLAGE MANAGER EMPLOYMENT AGREEMENT**  
**January 2016**

This Village Manager Employment Agreement (this "Agreement") is made and entered into by and between the Village of Lake Zurich, an Illinois municipal corporation, (the "Village") and Raymond B. Keller.

WITNESSETH

WHEREAS, the Village wishes to employ Mr. Keller under the terms, provisions, and conditions set forth in this Agreement and as further described in the Lake Zurich Municipal Code; and

WHEREAS, Mr. Keller wishes to be employed by the Village, as its Village Manager and administrator, under the terms, provisions, and conditions set forth in this Agreement and as further described in the Lake Zurich Municipal Code;

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth below, and other good and valuable considerations, the receipt and sufficiency of which are mutually acknowledged by the parties hereto, the Village and Mr. Keller hereby agree as follows:

**SECTION 1. RECITALS**

The foregoing recitals are hereby incorporated into and made a part of this Agreement.

**SECTION 2. EMPLOYMENT AS VILLAGE MANAGER**

**DUTIES; TERM**

- A. **Employment.** The Board of Trustees of the Village hereby employs Mr. Keller as the Village Manager and administrator, and Mr. Keller accepts that employment and agrees to perform the functions and duties set forth in this Agreement and provided in the Lake Zurich Municipal Code in effect as of the date of this Agreement, and to perform such other legally permissible and proper duties and functions as the Board of Trustees may assign from time to time. A copy of the applicable provisions of the Lake Zurich Municipal Code are attached hereto and made a part hereof as *Exhibit A*. The Board of Trustees, in consultation with Mr. Keller, may fix any such other terms of employment as it may determine from time to time relating to the performance of Mr. Keller, so long as those terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Lake Zurich Municipal Code, or any other law.
- B. **Status.** Mr. Keller is a contract employee, employed at the will of the Mayor and Board of Trustees and hereby waives any and all claims or rights to a contract

right in employment created by current or any past versions of the Village's Personnel Policy Manual or policies in general.

- C. **Term.** Without limitation on the at-will nature of Mr. Keller's employment as set forth in Section 2, Subsection B, this Agreement will remain in full force and effect from the Effective Date set forth in this Agreement until December 31, 2019, or such date as a new Village Mayor is elected and the new mayor's term has commenced, whichever date is later, subject to the termination and severance provisions set forth in Sections 9 and 10 of this Agreement. For purposes of determining any entitlement to severance hereunder, the provisions of SECTION 10, par. D, i shall apply to and govern the timing of such severance and shall extend to the 45 day period following the election of and the date of the qualification for and assumption of the office of mayor by a new mayor. Any extension of the term of this Agreement would be by agreement of Mr. Keller and the Board of Trustees.

### **SECTION 3. HOURS OF WORK**

It is recognized that Mr. Keller must devote a great deal of time outside the normal office hours on business for the Village, and to that end Mr. Keller will be allowed to establish an appropriate work schedule.

### **SECTION 4. SOLE EMPLOYMENT AS VILLAGE MANAGER**

The employment provided for by this Agreement shall be Mr. Keller's sole employment.

### **SECTION 5. COMPENSATION; BENEFITS**

- A. **Base Salary.** The Village agrees to pay Mr. Keller an annual base salary of \$150,000, payable in installments at the same time that the other management employees of the Village are paid. Annual increases in Mr. Keller's salary under this Agreement shall be based on merit as determined through the performance evaluation procedure set forth in Section 6 of this Agreement.
- B. **Vacation.** Mr. Keller is entitled to accrue 20 vacation days per year. The 20 vacation days per year will begin accruing on the first day of this contract. Unused vacation days may be carried over to succeeding years, but only in the manner and to the extent provided in the Village's approved personnel rules and policies. At no point in time, however, may the total unused vacation time exceed the equivalent of two years' accumulation without the express written approval of the Board of Trustees.
- C. **Personal Days.** Mr. Keller is entitled to three personal days per calendar year. Unused personal days may not be carried over to succeeding years.
- D. **Holidays.** Mr. Keller is entitled to all paid holidays per calendar year as defined in the employee handbook or Village policy.

- E. **Sick Days.** Mr. Keller is entitled to accrue 12 sick days per year. One sick day per month will begin accruing on the first day of employment. Sick days may be carried over to succeeding years only as provided in the Village's approved personnel rules and policies. No compensation will be paid to Mr. Keller for any unused sick days, except in accordance with the Village's sick days' buy-back policy.
- F. **Insurance and Retirement Plans.** Mr. Keller is entitled to participate in employee insurance and retirement benefit plans or programs of the Village provided to other Village employees generally to the extent that his position, tenure, salary, age, health, and other qualifications make him eligible to participate, subject to the rules and regulations applicable thereto. The Village reserves the sole and exclusive right to change, modify, or eliminate in their entirety any such benefits, and nothing in this Agreement shall create any property right or other right to a continuation thereof. In the event that Mr. Keller chooses to opt out of the Village's group health insurance plan, the Village agrees to contribute \$500.00 in a 401a account for each month that Mr. Keller opts out from the group health insurance plan. If Mr. Keller opts out of the Village's group health insurance plan, Mr. Keller may opt back in to the Village's group health insurance plan during open enrollment period(s) or after a qualifying event.
- G. **Life Insurance.** The Village shall pay, during Mr. Keller's term of employment with the Village, the premiums for one term life insurance policy selected by the Village, in the amount of \$150,000 on Mr. Keller's life, with a beneficiary as designated by Mr. Keller.
- H. **Automobile Allowance.** The Village will pay to Mr. Keller, during the term of this Agreement and in addition to other salary and benefits herein provided, the sum of \$5,000 per year as a vehicle allowance to be used to purchase, lease, or own, operate, and maintain a personal vehicle. Payment regarding this allowance will be made each pay period. Mr. Keller is responsible for paying for liability, property damage, and comprehensive insurance coverage on such vehicle and is responsible for all expenses attendant to the purchase, operation, maintenance, repair, and regular replacement of said vehicle.
- I. **Deferred Compensation.** The Village will contribute \$100 per pay period, not to exceed \$2,600 annually, to a 401a account during the term of this agreement on behalf of Mr. Keller.
- J. **Technology Allowance.** The Village will pay to Mr. Keller, during the term of this agreement an amount equal to \$200 a month to be used for technological needs, such as cell phone and tablet usage fees, for business purposes.
- K. **Bonding.** The Village will pay the full cost of any fidelity or other bonds required of Mr. Keller under any law or ordinance.

## **SECTION 6. PERFORMANCE EVALUATION**

The Board of Trustees shall review and evaluate Mr. Keller's performance at least once annually in advance of the adoption of the Village's annual operating budget, but no later than 60 days after the end of the fiscal year of each year. That review and evaluation will be in accordance with criteria developed by the Board of Trustees.

## **SECTION 7. GENERAL BUSINESS EXPENSES**

- A. **Professional Conferences.** The Village agrees to budget for and to pay for travel, other than automotive, and subsistence expenses of Mr. Keller in connection with his attendance at least one national and one Illinois state conference, in addition to reasonable Chicago metropolitan area managers meetings, lunches, and special events. Reimbursement for additional professional conferences shall be allowed as proposed by Mr. Keller and as determined appropriate and approved by the Board of Trustees.
- B. **General Expenses.** The Village will reimburse Mr. Keller for all necessary and reasonable expenses incurred by him in the performance of his duties, tasks, and responsibilities in his position as Village Manager under this Agreement, including professional association memberships and service club memberships if directed by the Village, subject to the presentation of appropriate vouchers in accordance with all applicable Village rules and policies and subject to review and approval by the Board of Trustees.

## **SECTION 8. CONFIDENTIALITY**

Mr. Keller acknowledges that he will have access to confidential information ("Confidential Information") that is not generally known outside the corporation known as the Village of Lake Zurich. Confidential Information does not include public documents or information that would otherwise constitute Confidential Information but that has become public. Mr. Keller covenants and warrants that, both during and after Mr. Keller's term of employment, Mr. Keller will not use, divulge, furnish, or make accessible, whether directly or indirectly, 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 Board of Trustees, but instead Mr. Keller will keep all Confidential Information strictly and absolutely confidential except as otherwise provided herein.

## **SECTION 9. TERMINATION**

As provided in Section 2 of this Agreement, Mr. Keller is employed at the will of the Board of Trustees and thus may be terminated by the Board of Trustees at any time without cause. Mr. Keller also may be terminated for just cause.

- A. **Termination without Cause.** The Board of Trustees may determine at any time, without cause, that Mr. Keller may no longer serve as the Village Manager. In the event of termination without cause prior to the end of this Agreement, Mr.

Keller will be entitled to severance pay and benefits as provided in Section 10 of this Agreement.

- B. Termination for Just Cause.** The Board of Trustees may determine that there is just cause for termination of Mr. Keller's employment. For purposes of this Agreement, "just cause" means (1) acts of Mr. Keller of misfeasance or malfeasance in office and/or conviction of Mr. Keller for fraud, misappropriation, or embezzlement involving property of the Village, (2) conviction of Mr. Keller of a felony offense, (3) conviction of Mr. Keller of a misdemeanor offense, which conviction results directly from a reduction, through a plea agreement, of a felony charge against Mr. Keller, (4) willful or wanton refusal to perform the duties of the position of Village Manager, or (5) conduct of Mr. Keller that causes substantial harm to the reputation of the Village.

## **SECTION 10. SEVERANCE**

- A. Severance Payment.** If Mr. Keller is terminated without a determination of just cause pursuant to Section 9 of this Agreement, then the Village will pay Mr. Keller severance in an amount equal to six months' base salary at Mr. Keller's then-current rate of pay. The severance will be paid in six equal installments or in one lump sum, whichever is requested by Mr. Keller.
- B. Severance Following Resignation.** If Mr. Keller voluntarily resigns, and the resignation is not under circumstances in which his resignation is being actively sought by the Board of Trustees, then the Village is not obligated to pay severance under this Agreement.
- C. Severance if Terminated for Just Cause.** If Mr. Keller is terminated for just cause, no provisions of severance will be provided, excluding any requirements under state and federal law.
- D. Severance if Agreement is not Renewed.** Mr. Keller shall become entitled to the severance payments set forth herein, under the following conditions:
- a. **Six Months' Notice.** If at any time the Mayor and Board of Trustees determine that the employment agreement with Mr. Keller shall not be renewed the Village agrees to provide six months notice of such nonrenewal. "Renewal" shall be construed to mean that on or before the 45<sup>th</sup> day following the election of and the date of the qualification for and assumption of the office of mayor by a new mayor, with the mayor's approval a written renewal or revision of this Agreement is lawfully offered by the Village to Mr. Keller, for a minimum term of 1 year (365 days) and that all terms and conditions of the new Agreement must, at minimum be equivalent to the then-current terms and conditions, and the amount of the then-current base salary of Mr. Keller under this Agreement. If the Village provides the full six months of notice, no severance will be awarded. In the event that six months of notice has not been provided by



the Village, Mr. Keller will be entitled to severance in the amount of six months' base salary at Mr. Keller's then-current rate of pay minus any time length provided by notice. (E.g. if the Village provides Mr. Keller with two months notice, he would receive 4 months' severance.) Pursuant to the above, if this Agreement is not renewed as provided, Mr. Keller becomes entitled to these severance benefits on the 45<sup>th</sup> day following the date upon which the new Mayor qualifies for and assumes office.

**E. Subsequent Employment And Release.** Mr. Keller shall be entitled to the severance benefits of his then-current base salary for up to six (6) months.

**F. Release of Claims.** In consideration for, and as a condition precedent to the payment of the severance benefits payable under this Section 10, Mr. Keller shall be required to execute a Severance Agreement and Release Of All Claims form releasing the Village from any and all causes of action, claims and demands which Mr. Keller may have against the Village and return the executed document to the Village. A copy of the Resignation and Severance Agreement and Release Of All Claims form is attached hereto as *Exhibit B* and made a part hereof.

**G. Payment of Benefits Upon Separation.** In the event Mr. Keller is terminated with or without Cause, or if this Agreement is not renewed, Mr. Keller shall retain and receive any employee benefits accrued since the time of his employment, as otherwise provided in this Agreement. In the event Mr. Keller is terminated for cause, he shall not be entitled to any of the benefits provided for in this Section 10, or any benefits provided for in the Personnel Policy Manual, except for accrued benefits he may be entitled to under State law. The benefits provided for herein are intended to be the full benefits to which Mr. Keller is entitled unless otherwise mandated by state law. If separation is due to termination without cause or nonrenewal of this contract, the Village agrees to not object to Mr. Keller's application for national or state unemployment benefits that may be available to him as a result of an involuntary termination of employment.

## **SECTION 11. RESIGNATION**

If Mr. Keller voluntarily resigns his position with the Village, then Mr. Keller must provide the Village a minimum of 45 days' notice, unless Mr. Keller and the Village agree otherwise.

## **SECTION 12. 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. Mr. Keller covenants that, upon the termination of his employment, Mr. Keller will not retain and will return to the Village all of the business plans, financial data, reports, memoranda, correspondence, and all other documents pertaining to the current or prospective business of the Village, except that Mr. Keller may make photocopies of a reasonable number of documents prepared by the Village Manager or by others at his direction to keep and use as models of those types of documents.

This Section does not include personal or professional publications, or other written materials, published and released by Mr. Keller.

## **SECTION 13. INDEMNIFICATION**

To the extent permitted by law, the Village will defend, hold harmless, and indemnify Mr. Keller 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 Mr. Keller's duties and responsibilities as Village Manager or resulting from the exercise of judgment or discretion in connection with the performance of those duties or responsibilities, unless the act or omission involved gross negligence or willful or wanton conduct. The legal representation provided to Mr. Keller by the Village will extend until a final determination of the legal action including any appeals brought by any party. The Village will indemnify Mr. Keller against any and all losses, damages, judgments, interest, settlements, fines, court costs, and other reasonable costs and expenses of legal proceedings including attorneys fees, and any other liabilities incurred by, imposed upon, or suffered by Mr. Keller in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of his duties. Any settlement of any claim must be made with prior approval of the Village in order for indemnification, as provided in this Section, to be available. Mr. Keller recognizes that the Village has the right to compromise and settle any claim or suit unless said compromise or settlement is of a personal nature to Mr. Keller and he is party to the suit and may have a legal veto authority over the settlement. Further, the Village agrees to pay all reasonable litigation expenses of Mr. Keller throughout the pendency of any litigation to which Mr. Keller is a party, witness, or advisor to the Village arising out of an alleged act or omission occurring in the performance of Mr. Keller's duties and responsibilities as Village Manager. Such expense payments will continue beyond Mr. Keller's service to the Village as long as litigation is pending and will include, after the end of Mr. Keller's tenure as Village Manager, reasonable consulting fees and travel expenses.

**SECTION 14. 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 Lake Zurich  
70 East Main Street  
Lake Zurich, Illinois 60047

If to Mr. Keller: Raymond B. Keller

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

**SECTION 15. GENERAL PROVISIONS**

- A. **Integration.** This Agreement constitutes the sole and entire agreement between the Village and Mr. Keller relating to the employment of Mr. Keller by the Village. This Agreement supersedes all prior or contemporaneous agreements, understandings, and representations, oral and written, with respect to the employment of Mr. Keller by the Village. Any prior discussions or representations by or between the parties are rendered null and void by this Agreement.
- B. **Amendments.** The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.
- C. **Binding Effect.** This Agreement is binding on the Village and Mr. Keller and on their heirs, assigns, executors, personal representatives, and successors in interest.
- D. **Effective Date.** This Agreement is effective with commencement of employment on March 7, 2016.

**E. Severability.** The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this 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 Village and Mr. Keller have executed this Agreement below.

VILLAGE OF LAKE ZURICH

By: Kathleen Johnson  
Village Clerk

Date: 1/18/2016

Ray B Keller

RAYMOND B. KELLER

Date: 1/18/16

**E. Severability.** The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this 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 Village and Mr. Keller have executed this Agreement below.

VILLAGE OF LAKE ZURICH

By: Kathleen Johnson  
Village Clerk

Date: 1/18/2016

Raymond B Keller

RAYMOND B. KELLER

Date: 1/18/16

EXHIBIT "A" to Employment Agreement

**ARTICLE A. VILLAGE MANAGER**

**1-6A-1: CREATION AND INTENT:**

**1-6A-2: APPOINTMENT:**

**1-6A-3: TERM OF OFFICE:**

**1-6A-4: QUALIFICATIONS:**

**1-6A-5: COMPENSATION:**

**1-6A-6: REMOVAL FROM OFFICE:**

**1-6A-7: TEMPORARY ABSENCE OR PERMANENT VACANCY:**

**1-6A-8: OATH AND BOND:**

**1-6A-9: POWERS AND DUTIES:**

**1-6A-1: CREATION AND INTENT:**

There is hereby created the office of the village manager, an administrative office of the village. The village manager shall be the chief administrative employee of the village. All inquiries or requests for information by village officials and the general public shall be initiated through the village manager. (Ord. 2012-10-861, 10-1-2012)

**1-6A-2: APPOINTMENT:**

The village manager shall be appointed by the village president and board of trustees, voting jointly, with each being allocated one vote. (Ord. 2012-10-861, 10-1-2012)

**1-6A-3: TERM OF OFFICE:**

The village manager shall serve for an indefinite term, unless otherwise provided for in a written employment agreement. (Ord. 2012-10-861, 10-1-2012)

**1-6A-4: QUALIFICATIONS:**

The village manager shall be chosen for executive and administrative qualifications with special reference to actual experience in or knowledge of accepted practice in respect to the duties of the position hereinafter set forth. No elected official shall receive such appointment while serving in that capacity. (Ord. 2012-10-861, 10-1-2012)

**1-6A-5: COMPENSATION:**

The village manager shall receive compensation in such amount and manner as provided in the written contract between the village and the village manager. (Ord. 2012-10-861, 10-1-2012)

**1-6A-6: REMOVAL FROM OFFICE:**

The village president and board of trustees may remove the village manager upon filing of the reasons for such removal or discharge, which removal or discharge shall not become effective unless confirmed by a majority vote of the trustees. (Ord. 2012-10-861, 10-1-2012)

## EXHIBIT "A" to Employment Agreement

### **1-6A-7: TEMPORARY ABSENCE OR PERMANENT VACANCY:**

During the temporary absence or disability of the village manager, the village manager may appoint a temporary successor to act as village manager pro tempore to perform the duties of the office. If a permanent vacancy occurs, the vacancy shall be filled in accordance with the appointment procedures set forth in this article. (Ord. 2012-10-861, 10-1-2012)

### **1-6A-8: OATH AND BOND:**

Before entering upon the duties of the office, the village manager shall: a) take and subscribe to the oath of office as set forth in section 3.1-10-25 of the Illinois municipal code, 65 Illinois Compiled Statutes 5/3.1-10-25; and b) execute a bond in the amount of fifty thousand dollars (\$50,000.00), conditioned upon the faithful performance of his or her duties and shall be conditioned to indemnify the village for any loss by reason of any neglect of duty or any act of the village manager. Said bond shall be approved by the corporate authorities and filed with the village clerk. The premium of such bond shall be paid by the village. (Ord. 2012-10-861, 10-1-2012)

### **1-6A-9: POWERS AND DUTIES:**

A. The village manager shall be the chief administrative official of the village and shall report to the village president and board of trustees and shall be responsible for the efficient management and operation of the affairs of the village and of all village departments and personnel. As chief administrative official, the village manager shall be responsible for the management and control of all matters pertaining to the operation and maintenance of village property. The village manager shall be responsible for the supervision of all village agencies and departments and officers thereof now in existence, or hereafter created by the village board of trustees, unless the management and control of such agencies, departments and officers expressly is delegated elsewhere by statute or ordinance.

B. The village manager shall have the following powers and shall perform the following duties:

1. The village manager shall appoint or hire, discipline and remove or discharge such assistants, department directors, or employees as are necessary for the proper functioning of the village, except those officers and employees who are by law or ordinance required to be appointed by the village president and/or board, the board of fire and police commissioners, or otherwise. The village manager may, however, make recommendations regarding the appointment or removal of officers appointed by the village president.
2. The village manager shall instruct all department directors and employees as to the policy and method of operation of all village departments and employee functions. The

## EXHIBIT "A" to Employment Agreement

hiring, discipline, suspension or removal of employees may be undertaken through a process of recommendations from department heads and other supervisors, but the final authority for such matters shall be that of the village manager. Such actions shall be undertaken in compliance with applicable laws, ordinances and collective bargaining agreements and shall be based on the merit and qualifications of the applicants and employees.

3. The village manager may recommend from time to time to the corporate authorities that village departments, employment positions, job descriptions or the salaries paid to employees or appointed officers be revised or reorganized.
4. The village manager shall serve as the village's budget officer and be responsible for the preparation and administration of the annual budget, including necessary financial estimates and required ordinance(s). The village manager shall keep the village board advised of the financial condition and future needs of the village and make such recommendations, as he/she deems desirable.
5. The village manager is the chief purchasing agent of the village and shall be responsible for purchasing goods and services, soliciting bids for those goods or services, if necessary, and the letting of contracts. The village manager shall execute all contracts authorized by the village board except those contracts which by law must be executed by other village officers.
6. The village manager shall investigate all complaints in relation to matters concerning the administration of village business and the services maintained and provided by the public utilities or other departments of the village and may make internal investigations into the affairs of any department or division of the village.
7. The village manager shall enforce: a) all laws and regulations within the village, and b) all franchises, permits and privileges granted by the village.
8. The village manager shall require all agencies, departments and officers thereof to submit all matters requiring the attention of the corporate authorities to the village manager, who shall then submit such matters to the corporate authorities as deemed necessary by the village manager. The village manager shall recommend to the village president and to the board of trustees the adoption of such measures as deemed necessary or expedient for the health, safety or welfare of the village and its residents.
9. The village manager shall attend all regular, rescheduled and special meetings of the corporate authorities unless excused by the village president or when the village manager's employment is under consideration, and shall have the privilege of taking part in the discussion of all matters coming before the corporate authorities, but shall have no right to vote.
10. The village manager shall supervise the issuance and sale of all bonds, warrants and obligations. (Ord. 2012-10-861, 10-1-2012)



EXHIBIT "A" to Employment Agreement

11. The village manager may authorize the waiver of any village fees as the village manager deems reasonably necessary to assist the residents, business owners, and property owners of the village to respond to, mitigate, and recover from a declared disaster event. (Ord. 2013-09-910, 9-16-2013)
12. The village manager shall perform such other and additional duties as may be required by the village president or board of trustees from time to time, not inconsistent with village ordinances and state statutes. (Ord. 2012-10-861, 10-1-2012; amd. Ord. 2013-09-910, 9-16-2013)

**EXHIBIT "B" to Employment Agreement**

**SEVERANCE AGREEMENT**  
**RELEASE OF ALL CLAIMS**

This Severance Agreement and Release of Claims (the "Agreement") is entered into between the Village of Lake Zurich (the "VILLAGE") and Raymond B. Keller ("EMPLOYEE") this 18 day of January, 2016 (hereinafter reference to VILLAGE and EMPLOYEE collectively as "Parties").

**PREAMBLE**

**WHEREAS**, the Parties desire and intend by this Agreement to settle and resolve all issues related to EMPLOYEE'S separation from employment with the VILLAGE in exchange for the payment of severance under an Employment Agreement (the "Employment Agreement") signed between the Parties on January 18, 2016, inclusive of any disputes existing between them as of the effective date of this Agreement, any claims that could be brought by EMPLOYEE against the VILLAGE, in relation to the employment relationship between EMPLOYEE and the VILLAGE and the end of that relationship; and

**WHEREAS**, the considerations exchanged herein do not constitute and shall not be interpreted as an admission of liability or of any sort of wrongdoing on the part of the VILLAGE, or as any violation of any federal, state or local statute, ordinance, regulation, order or common law; and

**WHEREAS**, it is in the best interests of both parties to enter into this Agreement.

**NOW, THEREFORE, IN CONSIDERATION** of the money, mutual promises and covenants hereinafter contained, the sufficiency of which is hereby acknowledged, the VILLAGE and EMPLOYEE agree as follows:

1. The recitals are incorporated herein as material provisions of this Agreement.
2. The VILLAGE shall provide the severance payment(s), to EMPLOYEE in accordance with the Employment Agreement. The severance payments shall begin to be paid to EMPLOYEE three (3) business days after the expiration of the seven (7) calendar day revocation period for revoking a severance and release of claims agreement as provided under the Age Discrimination in Employment Act, as amended.
3. By executing this Agreement, EMPLOYEE releases and forever discharges, for himself and his spouse, past, current or future, if any, his children living or unborn, if any, his heirs, successors, assigns, transferees,

executors and representatives of any kind, the VILLAGE, its former, current and future appointed and elected officials, officers, president and trustees, employees, attorneys, volunteers and agents, its successors in interest, transferees and assigns, and any other person acting or purporting to act in or on behalf of the VILLAGE of and from any and all claims, grievances, demands, rights, liabilities, duties, debts, sums of money, back pay, compensation of any kind, contracts, agreements, damages, actions and causes of action of any kind, nature or description, whether known or unknown, foreseen or unforeseen, direct or indirect, whether Constitutional, regulatory, statutory, contract, tort or otherwise, that EMPLOYEE has or may have against the VILLAGE, arising at or before the execution of this Agreement and arising out of his employment with the VILLAGE, including but not limited to claims under the Age Discrimination in Employment Act, as amended, including, without limiting the generality of the foregoing, any and all direct or indirect claims, including additional claims for costs, sanctions or attorneys' fees. This release shall not apply to any claims arising or accruing after the effective date of this Agreement, to any unemployment compensation claim brought by or any COBRA benefits sought by EMPLOYEE, and shall not be construed so as to bar any actions by either party to enforce the terms of this Agreement.

4. In the event of a conflict, this Agreement shall supersede and control over all prior and contemporaneous agreements of any kind between EMPLOYEE and the VILLAGE (specifically including, without limitation, the Employment Agreement referred to herein).
5. EMPLOYEE agrees that the provisions of this Agreement are severable, and if any part is found unenforceable or illegal, the remaining terms and provisions shall be valid and enforceable.
6. EMPLOYEE'S date of separation shall constitute a qualifying event for purposes of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended. A notification of COBRA rights shall be provided to EMPLOYEE at the time he receives a copy of this Agreement.
7. EMPLOYEE acknowledges that he fully understands all of the terms, conditions, provisions and obligations of this Agreement, that he was not coerced into signing it, that he was represented by an attorney of his own choosing during the negotiation of this Agreement, and that he executed this Agreement voluntarily and with full knowledge and understanding of the meaning and significance of its terms, conditions, provisions and obligations. **EMPLOYEE voluntarily agrees and consents to waive the twenty-one (21) day review period for this Agreement as provided for under the Age Discrimination in Employment Act, as amended.**

8. The parties agree that for the purpose of any litigation in regard to this Agreement and its enforcement, venue shall be in the Circuit Court of Lake County, Illinois, and the parties consent to the *in personam* jurisdiction of said Court for any such action or proceeding. The parties agree that this Agreement shall be admissible in evidence in any action in which the terms of this Agreement are sought to be enforced.
9. Pursuant to the Age Discrimination in Employment Act, as amended, this Agreement shall become effective and enforceable seven (7) calendar days after it is executed by EMPLOYEE, which shall be the "effective date" of this Agreement, provided that the VILLAGE executes this Agreement within said seven (7) calendar day period. EMPLOYEE may revoke his acceptance of this Agreement anytime within the period of seven (7) calendar days following the date of his execution of this Agreement.

IN WITNESS WHEREOF, the Village of Lake Zurich, pursuant to the authority granted by the passage of a Resolution by its Board of Trustees, has caused this Severance Agreement and Release of Claims to be executed by the Village President and attested by the Village Clerk and EMPLOYEE has voluntarily executed the Agreement (and his signature has been attested by a Notary Public) on the respective dates set forth below.

**EMPLOYEE**

By: Raymond B. Keller  
Raymond B. Keller

Date: 1/18/16

**VILLAGE OF LAKE ZURICH**

By: Jim Peyton  
Village President

Date: 1-18-2016

ATTEST:

By: Kathleen Johnson  
Village Clerk

KATHLEEN JOHNSON  
Notary Public

Date: January 18, 2016

Commission Expires 1/28/2019  
**OFFICIAL SEAL**  
KATHLEEN JOHNSON  
NOTARY PUBLIC, STATE OF ILLINOIS  
My Commission Expires 01/28/2019