

EMPLOYMENT AGREEMENT

This Agreement made and entered into this 14th day of September, 2020, by and between CITY ROCHELLE, ILLINOIS, a municipal corporation (hereinafter referred to as “Employer” or “City Council”), as party of the first part, and Jeff Fiegenschuh (hereinafter referred to as “Employee” or “City Manager”), as party of the second part, both of whom understand as follows:

WITNESSETH:

WHEREAS, Employer desires to employ the services of said Employee as City Manager of the City of Rochelle, as provided by the Rochelle Municipal Code Section 2-101 et seq., and 65 ILCS 5/5 et seq.; and

WHEREAS, it is the desire of the Governing Board (hereinafter referred to as “City Council” or “City”) to provide certain benefits, establish certain conditions of employment, and to set working conditions of said Employee; and

WHEREAS, it is the desire of the City Council to: (1) secure and retain the services of Employee, (2) provide inducement for him to remain in such employment, and (3) to provide a just means for terminating Employee’s services at such time that Employer may desire to terminate his employment;

WHEREAS, Employee desires to accept continued employment as City Manager of the City of Rochelle; and

WHEREAS, the parties acknowledge that the Employee is a member of the International City/County Management Association (ICMA), and that Employee is subject to the ICMA Code of Ethics.

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

SECTION 1 - POWERS AND DUTIES OF THE CITY MANAGER

A. The City Council hereby agrees to continue to employ said Employee as City Manager of the City of Rochelle to perform the functions and duties specified in the Rochelle Municipal Code Section 2-104 and 65 ILCS 5/5 et seq. and to perform other legally permissible and proper duties and functions as the City Council shall from time to time assign, subject to this Agreement.

B. Neither the City Council nor any of its members shall direct or request the appointment of any person to, or removal from, office by the City Manager or any of his subordinates, or in any manner part in the appointment or removal of officers and employees in the service of the City, except where expressly provided for by the City Code or State Law. The City Council and its members shall deal with employees of the City solely through the City

Manager and neither the City Council nor any member thereof shall give orders to any subordinate of the City Manager, either publicly or privately.

SECTION 2 – TERM

A. The term of this Employment Agreement shall begin on September 14, 2020 and shall run concurrently with the Mayor’s current term, which is set to expire in May 2023.

B. The City Manager serves at the pleasure of the City Council and nothing herein shall be taken to prevent, limit or otherwise interfere with the right of the City Council to terminate the services of the City Manager at any time subject only to the provisions of this Agreement.

C. Upon termination of this Employment Agreement upon mutual consent of the parties, employee may, if the parties agree, continue to function in the role of City Manager until a permanent replacement is selected by the City Council.

SECTION 3 – TERMINATION AND SEVERANCE PAY

A. Termination

For the purpose of this Agreement, termination shall occur:

1. In the event of action taken by the City Council at a duly convened and authorized public meeting.
2. In the event the Employee resigns in a writing delivered to the Mayor no later than 60 days before the effective date of the resignation.

B. Severance

1. Subject to the provisions of Section 3B (3) below, in the event the City Manager is terminated as defined in Section 3A the City Council agrees to pay Employee a lump sum cash payment as follows:

A payment equal to twenty (20) weeks aggregate compensation, including salary and accrued, unused vacation, if the City Manager is employed more than two years with the City.

This payment shall be made with the first regular payroll following the City Manager’s separation from service.

2. In the event the City Manager is terminated as defined in Section 3A by the City Council, then all life, health and disability insurance and all other city provided benefits shall continue in full force and coverage, so long as any applicable employee contributions are kept current, for a period equal to the period of severance set forth in Section (B)(1) or until similar coverage is provided to Employee by a subsequent employer (and is in full

force and effect) whichever comes first. Said continuation of group health insurance coverage shall be in addition to any protection afforded Employee by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Coverage under COBRA shall begin on the date all health insurance coverage extended under the severance provisions herein expire.

3. In the event the City Manager resigns or is terminated for the following reasons, the City Manager shall not be entitled to any severance pay or benefits described in paragraph 1 of Section 3B: (1) job abandonment; (2) conviction of a felony offense; (3) conviction of a Class A misdemeanor related to the use or possession of illegal substances or unlawful use of alcohol; (4) violation of written City policies applicable to City employees pertaining to the use of illegal substances or on-duty intoxication; (5) gross negligence in the performance of his duties as City Manager; (6) conviction of any crime involving fraud, dishonesty or moral turpitude. However, the City Manager shall be entitled to all compensation and benefits accrued but unpaid at the date of termination.

C. Should the City Manager be permanently disabled or otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four successive weeks beyond any accrued leave, the City Council shall have the right to terminate this Agreement subject to the severance provisions of Section B (above).

SECTION 4 – SALARY

Employer agrees to pay Employee for his services rendered pursuant hereto as City Manager at annual base salary of \$158,500.00 commencing September 11, 2020. After twelve (12) months of employment, the salary adjustment is subject to the annual performance review and approval by the Mayor and City Council. The annual salary for the City Manager shall be payable in installments at the same time as other employees of the City of Rochelle are paid.

SECTION 5 - RETIREMENT BENEFITS

Employer agrees to pay the Employer's share of Social Security, Medicare and other retirement benefits granted to other City employees. Employer hereby authorizes the Employee to purchase at employee's expense any eligible military, in-state or out-of-state prior municipal service credits as provided by state law.

SECTION 6 - OTHER BENEFITS

All provisions of the Rochelle City Code, rules and regulations of Employer relating to fringe benefits and working conditions as they now exist or hereafter may be amended, shall also apply to the City Manager as they would to all other employees of Employer, in addition to said benefits enumerated specifically for the benefit of the City Manager. Additionally, Employee shall receive twenty-five (25) days of vacation to be taken at the discretion of the Employee

provided that no more than ten (10) vacation days used consecutively. Employee may carry over to the next year no more than ten (10) days of unused vacation. At Employee's option, instead of actually taking the vacation days, he may elect to receive payment for up to ten (10) days of vacation not taken. In the event the Employee retires or resigns, the Employee shall be paid for all accrued and unused vacation pay.

The Employee shall also be entitled to 97.5 sick leave hours per year and will be allowed to accrue additional sick leave days at the same rate as other employees (currently 3.75 hours per pay period).

SECTION 7 - PROFESSIONAL DEVELOPMENT

Employer agrees to budget for and to pay the professional dues, subscriptions, travel, and subsistence expenses of the City Manager for professional participation and travel, meetings and occasions adequate to continue his professional development. Said participation on City time to include, but not limited to, National League of Cities (one meeting annually), International City Management Association, Illinois Municipal League, Illinois City Manager's Association, American Public Power Association, and such other national, regional, state and local governmental groups and committees thereof which Employee serves as a member, or which said participation is beneficial to Employer, as well as other short courses, institutes and seminars. Management leave not to exceed ten (10) days annually shall be permitted.

SECTION 8 - GENERAL EXPENSES

A. Employer recognizes that official travel and certain expenses of a non-personal and generally job-affiliated nature are incurred by the City Manager and hereby agrees to reimburse or pay such reasonable general expenses subject to budget limitations.

B. Employer shall bear the full cost of any fidelity or other bonds required of the City Manager under any law or ordinance.

C. The Finance Manager (or other designated employee) is hereby authorized to disburse funds as needed to fulfill all provisions of this Agreement, upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

SECTION 9 - PERFORMANCE EVALUATION

A. The City Council shall review and evaluate the performance of the City Manager at least usually in advance of the Employee's anniversary date. Said review shall be in accordance with specific criteria developed jointly by the City Council and the City Manager. Said criteria may be adjusted as the City Council may from time to time determine, in consultation with the City Manager.

B. The Mayor shall provide the City Manager with a written summary of the findings of the Council and provide an opportunity for the City Manager to discuss the evaluation with the City Council.

C. Annually, the City Council and the City Manager shall jointly define such goals and performance objectives that they determine necessary for the proper operation of the City of Rochelle and the attainment of the City Council's policy objectives and shall further establish a relative priority among those various goals and objectives, the goals and objectives shall be reduced to writing. They shall generally attainable within the time limitations specified and the adopted operating and capital budgets.

SECTION 10 – SUSPENSION

Employer may suspend the City Manager with full pay and benefits at any time during the term of this Agreement, but only if a majority of the City Council votes to suspend the City Manager for “ just cause”, provided, however, that Employee shall have been given written notice setting forth the specific charges prior to such suspension. “Just cause” is defined, and hereby limited for the purposes of this section to the following reasons: (1) job abandonment; (2) conviction of a felony offense; (3) conviction of a Class A misdemeanor related to the use or possession of illegal substances or unlawful use of alcohol; (4) violation of written City policies applicable to City employees pertaining to the use of illegal substances or on-duty intoxication; (5) gross negligence in the performance of his duties as City Manager; (6) conviction of any crime involving fraud, dishonesty or moral turpitude; (7) other acts of misconduct which, in the reasonable opinion of the City Council, would have a significant negative effect on the conduct of City business or the performance of Employee's duties; (8) pending charges with respect to any of the immediately preceding causes.

SECTION 11-INDEMNIFICATION

Employer 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 City Manager. Employer will defend or compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. Said indemnification shall extend beyond termination of employment and the expiration of this Agreement, to provide full and complete protection to Employee by the City of Rochelle, as described herein for any acts undertaken or committed in his capacity as City Manager, regardless of whether the notice of filing of a lawsuit for such tort, claim, demand or other legal action occurs during or following his employment with Employer.

SECTION 12 - CONFLICT OF INTEREST PROHIBITION

It is further understood and agreed that because of the duties of the City Manager within and on behalf of the City of Rochelle and its citizenry, the City Manager shall not, during the term of this Agreement, individually, as a partner, joint venturer, officer, shareholder, or member of a limited liability company invest or participate in any business venture conducting business in the corporate limits of the City of Rochelle, except for stock ownership in any company whose capital stock is publicly held. Employee further agrees, except for a personal residence or residential property acquired or held for future use as his personal residence, not to invest in any

other real estate or real property improvements within the corporate limits of the City of Rochelle, without the prior consent of the City Council.

SECTION 13 - GENERAL PROVISIONS

A. Employee shall maintain residence in the City limits so long as this Agreement is in effect. Employee must establish residence in the City within six months of the appointment to City Manager.

B. Employer agrees to pay the cost of the Employee's membership and dues in a local civic organization.

C. The text herein shall constitute the entire Agreement between the parties.

D. Employee will perform his duties in accord with State Law (65 ILCS 5/5 et seq.) and the Rochelle Municipal Code Section 2-104 (Code 1996, 2.15.04).

E. This Agreement shall become effective upon adoption and approval by the City Council of the City of Rochelle.

F. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall not be affected and shall remain in full force and effect.

G. The terms of this Agreement shall remain in full force and effect and hold over until employment is terminated under the terms herein, or a new Agreement has been negotiated and entered into by the City Manager and City Council.

H. Any action to enforce the terms of this Agreement shall only be brought in the Circuit Court of the 15th Judicial Circuit, Ogle County, Illinois.

I. This Employment Agreement may only be amended in writing and by the explicit written consent of the City and Employee.

IN WITNESS WHEREOF, the City of Rochelle has caused this Agreement to be approved by the City Council and signed and executed in its behalf by its Mayor and duly attested to by its City Clerk, and the Employee has signed and executed this Agreement, both in duplicate, the day and year first written above.

ACCEPTED:

John Bearrows, Mayor, City of Rochelle

Jeff Fiegenschuh, Employee

ATTEST:

City Clerk