

VILLAGE MANAGER EMPLOYMENT AGREEMENT

This Village Manager Employment Agreement ("Agreement") is made and entered into this 5th day of December, 2013, by and between the Village of Lombard, Illinois ("Employer") and Scott R. Niehaus ("Employee"). The Employer and the Employee are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Employer desires to employ the services of Employee as Village Manager for the Village of Lombard, pursuant to Chapter 31, Sections 31.40 through 31.43 of the Lombard Village Code, and the applicable laws of the State of Illinois; and

WHEREAS, the Employee desires to serve as the Village Manager for the Village of Lombard;

WITNESSETH

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties agree as follows:

1. **Duties.** Employer hereby employs Employee as Village Manager, to perform functions and duties specified in the Lombard Village Code, and to perform such other duties and functions as Employer shall from time to time assign to Employee, and Employee agrees to dutifully perform such functions and duties.
2. **Term.** This Agreement shall remain in effect from December 5, 2013 (although the Employee's first day on the job as Village Manager shall be January 21,

2014) through and including the first Lombard Village Board meeting in May of 2017, unless terminated earlier by the Employer or Employee, said date in May of 2017 being the end of the term of office for the current Village President, Keith Giagnorio. In the event that the Employer and Employee do not enter into a new Village Manager employment agreement, or an extension of this Agreement, at the first Village Board meeting in May 2017, this Agreement shall continue in full force and effect until May 31, 2017. In the event that the Employer and the Employee do not enter into a new Village Manager employment agreement, or an extension of this Agreement, by May 31, 2017, this Agreement shall terminate, and the "Termination and Severance Pay" provision, set forth in Section 3.B. hereof, shall be applicable.

3. Termination and Severance Pay. As provided herein, either Party hereto may terminate this Agreement at any time, for any reason or no reason at all, it being acknowledged that Employee is an at-will employee of Employer.

A. In the event the Employer terminates Employee's employment, Employee shall be paid as severance, continued salary payments for three (3) months thereafter, at the Employee's then-current salary prior to separation, less employment taxes and other amounts usually withheld, in installments at the same time as the other employees of the Employer are paid. During the severance period, the Employee shall continue receiving benefits provided to the Employee prior to separation. Employee's rights under C.O.B.R.A. shall commence at the end of said three (3) month severance period. In the event Employee is terminated because of an

action deemed by a court of law to constitute any illegal act related to his duties hereunder, Employer shall have no obligation to pay the aggregate severance sum designated in this subsection. Upon the Employer's determination that grounds for such an illegal act exist, all severance payments may be withheld until a court of law enters an order directing payment to be made hereunder. In addition, in the event Employee obtains employment from another employer for compensation equal to or exceeding the severance compensation level received pursuant to this Agreement, all severance benefits shall terminate upon said re-employment of Employee, and it shall be the duty of Employee to notify Employer immediately of the commencement of employment of Employee following separation from Employer. In the event Employee obtains employment from another employer for compensation less than the severance compensation level received pursuant to this Agreement, then the Employer shall pay severance compensation to Employee to make up the difference between the amount of the Employee's new compensation for each pay period and the amount that would have otherwise been paid in severance under this subsection, through the then-remaining term of the three (3) month severance obligation. In addition to an actual termination of the Employee by the employer, the following events shall be deemed, at Employee's option, to constitute Employer's termination of this Agreement, thereby activating the severance payment obligations of Employer:

- (i) Employer's reduction of the salary or other financial benefits of Employee in a greater percentage than applicable across-the-board reductions for all employees of Employer;
- (ii) Employer's wrongful refusal to comply with any payment obligations of Employer herein;
- (iii) Employee's resignation following instructions or suggestions by a majority of the Corporate Authorities of the Employer that he resign, which instructions or suggestions are documented by the minutes of a Village Board meeting; or
- (iv) Employer's determination that Employee is permanently disabled or otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four (4) successive weeks beyond any accrued sick leave.

B. If the Employer and the Employee do not enter into a new Village Manager employment agreement, or an extension of this Agreement, by May 31, 2017, the three (3) month severance provisions of subsection 3.A. above shall be applicable. Such severance payment shall be deemed a transition/consulting fee.

C. In the event Employee voluntarily resigns from the Village Manager position, he shall be entitled to no severance benefits.

4. Salary.

A. Employer shall pay Employee for his services rendered pursuant hereto an annual salary of One Hundred Sixty-Five Thousand and No/100 Dollars

(\$165,000.00), payable in installments at the same time as the other employees of the Employer are paid.

- B. This Agreement shall be deemed to automatically be amended to reflect any future salary and/or benefit adjustments that are provided or required by the Employer's compensation plan.
- C. Employer shall review compensation and adjust salary and/or benefits of Employee in such amounts and to such extent as the Employer may annually determine based on a salary review of said Employee.

5. Performance Evaluation.

- A. The Employer shall review and evaluate the performance of the Employee at least once annually. Said review and evaluation shall be in accordance with specific criteria 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 written statement, in summary form, of the evaluation findings of the Employer, and provide an adequate opportunity for the Employee to discuss his evaluation with the Employer.
- B. The Employer and the Employee shall define such goals and performance objectives as they determine necessary for the proper operation of the Village of Lombard and for the attainment of the Employer's policy objectives, and shall further establish a relative priority among those various goals and objectives, with said goals and objectives to be reduced

to writing. The goals and objectives shall generally be attainable within the time limitations as specified, and the annual operating and capital budgets and appropriations provided.

6. Hours of Work. It is recognized that Employee must devote a great deal of time outside the normal office hours to the business of the Employer, and, to that end, Employee will be allowed to take compensatory time off as the Village President shall deem appropriate during said normal office hours.
7. Residency Requirements. Employee shall not be required to live within the corporate boundaries of the Village of Lombard.
8. Automobile. Employer shall provide, maintain (fuel, oil, etc.), repair and insure a vehicle for Employee's use while performing Village business, and for reasonable personal use. As Employee is in a "mission critical" position, Employee shall not be subject to the reimbursement provisions of the Village Board's "Employee Reimbursement Policies Associated with Use of Village Vehicles," in his use of an Employer-provided vehicle. Employee may use the vehicle outside of the State, for personal use, with the prior permission of the Village President.
9. Benefits.
 - A. Employee shall receive all Village-sponsored medical, dental and life insurances, as well as vacation, sick time and all other general benefits provided to the Village Department Heads by the Employer according to the Village's personnel policies and Personnel Manual.
 - B. In recognition of the Employee's twenty (20) years of tenure in municipal management, the Employee shall be considered a twenty (20) year

employee solely for purposes of computing vacation days benefits and accruals.

C. The Employee shall be given seven (7) days of sick time and ten (10) days of vacation on the books, effective with the execution of this Agreement.

D. Employee shall be entitled to take the following days off, as a result of plans made by the Employee prior to the execution of this Agreement, during 2014; however, to the extent that Employee does not have sufficient vacation days to cover the days off, said days off shall be uncompensated:

(i) Friday, February 14th through and including Monday, February 17th;

(ii) Tuesday, May 27th through and including Wednesday, June 11th;
and

(iii) Wednesday, November 5th through and including Sunday, November 9th.

10. Dues, Subscriptions and Professional Development. Employer shall annually reasonably budget and pay for:

A. Professional dues for participation in the International City County Management Association (ICMA), the Illinois City County Management Association (ILCMA) and other professional associations, including, but not limited to, the Morrison Group (which Morrison Group dues shall be limited to One Thousand Two Hundred and No/100 Dollars (\$1,200.00)

per year), or other associations which are beneficial to the Village of Lombard.

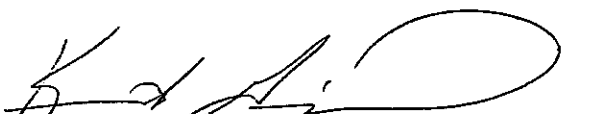
B. Reasonable travel and subsistence expenses of Employee for professional and official travel, meetings and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference, the ILCMA Annual Conference and such other national, regional, State, and local governmental groups and committees thereof of which Employee is a member; provided, however, all such reasonable 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 functions for Employer shall at all times be subject to the prior approval of the Village President.

C. Subject to the prior approval of the Village President, travel and subsistence expenses of Employee for short courses, institutes and seminars that are necessary for his professional development and for the good of the Employer.

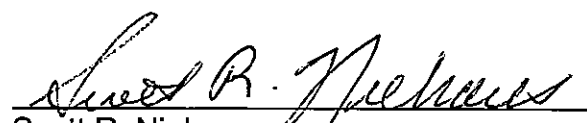
11. Smart Phone. The Employer will provide the Employee with a smart phone telecommunications device, both for business and reasonable personal use, and Employer will pay all operating costs in relation thereto, with ownership thereof to remain in the name of the Employer.

12. Laptop Computer. In the event that the Employee's personal laptop computer cannot be integrated with the Employer's computer system, or in the event that the Employee does not desire to use his personal laptop computer for Employer business, the Employer will provide the Employee with a laptop computer, both for business and reasonable personal use, and will pay the operating costs in relation thereto, with ownership thereof to remain in the name of the Employer.
13. Indemnification. Employer shall defend, save harmless and indemnify Employee, as provided by any Village ordinance or any Illinois law, and against any lawsuit, claim, demand or other legal action arising out of an alleged act or omission in the performance of Employee's duties as Village Manager; provided, however, this indemnification shall not apply to any lawsuit, claim, demand or other legal action arising from the willful misconduct of Employee.
14. Bonding.
- A. Employer shall pay the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.
- B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.

EMPLOYER:


Keith Giaghorio, President
Village of Lombard, Illinois

EMPLOYEE:


Scott R. Niehaus
Employee

Date: December 5, 2013

Date: November 22, 2013