

EMPLOYMENT AGREEMENT

By this Employment Agreement (hereinafter referred to as "Agreement") made this 22 day of August, 2013 between the City of Effingham, Illinois, an Illinois municipal corporation, (hereinafter referred to as the "City") and James W. Arndt (hereinafter referred to as the "Employee"), and in consideration of the employment relationship created herein, and the mutual representations, warranties and covenants set forth herein, and City and Employee hereby agree that:

- 1. POSITION AND TERM:** The City hereby employs the Employee, on an "at-will" employment basis, as the City Administrator, and the Employee hereby agrees to serve in such capacity for the period beginning on November 15, 2013 and ending November 15, 2016, unless otherwise renewed in writing by the City and Employee (hereinafter referred to as the "Employment"). The City makes no representation to Employee regarding continued employment after November 15, 2016. Either party may terminate this Agreement, with or without cause, by providing the other party sixty (60) days prior written notice. The Employee's duties and job description are stated in Exhibit A, which is attached hereto and hereby incorporated by reference as though fully stated herein.
- 2. COMPENSATION:** During the term of Employment, the Employee shall be compensated according to the Compensation Plan stated in Exhibit B, which is attached hereto and hereby incorporated by reference as though fully stated herein.
- 3. EMPLOYEE PERSONNEL POLICIES AND PROCEDURES MANUAL:** City has provided to Employee, and Employee acknowledges receipt of, the City's Personnel Policies and Procedures Manual (hereinafter referred to as the "Manual"). The terms and conditions of the Manual are hereby incorporated by this reference as though fully stated herein, except that to the extent that any terms or condition in the Manual in conflict with this Agreement, the term or condition stated in this Agreement shall control. City and Employer agree to the terms and conditions stated in the Manual, as the same may be amended, supplemented or modified from time to time in the sole discretion of the City.
- 4. RESERVED:**
- 5. AUTOMOBILE:** The City shall make available to Employee the use of an automobile which shall be used by Employee exclusively in the performance of Employee's duties and City purposes, and in compliance with the City of Effingham Personnel Policies and Procedures Manual Policy Number 6.22, as may be amended from time to time. City shall maintain automobile liability, property damage, and comprehensive insurance and pay the normal and necessary expenses for the operation and maintenance of such vehicle.
- 6. DUES AND SUBSCRIPTIONS:** City agrees to budget and to pay for the Employee's reasonable professional dues and subscriptions necessary for Employee's continuation and participation in national, regional, state and local associations and organizations as a result of Employee's Employment as City Administrator, and for other necessary and desirable expenses for Employee's continued professional participation, growth, education and advancement, for the

good of the City.

7. TERMINATION AND SEVERENCE PAY: If the City terminates Employee's Employment at any time during the term of this Agreement, for any reason other than For Cause, the City shall pay Employee a lump sum cash payment equal to six (6) months' aggregate salary, less applicable state, federal and local withholding taxes, within thirty (30) days of such termination. For the purpose of this paragraph, "For Cause" shall be defined as the occurrence of any of the following, as determined in the reasonable opinion of the City Council:

- A. Employee's conviction of, plea of guilty, or plea of nolo contendere to any felony or to a misdemeanor that involves fraud, dishonesty, or moral turpitude;
- B. Any action by Employee resulting in criminal, civil, or internal City policy conviction, sanction, or judgment under federal or state workplace harassment or discrimination laws or internal City workplace harassment or discrimination policy;
- C. Employee's abuse of or addiction to alcohol or controlled substances which interferes with the performance of the Employee's duties;
- D. Employee's material breach of this Agreement;
- E. Employee's neglect of duties;
- F. Employee's failure or refusal to perform a lawful directive of the City Council;
- G. Employee's failure to perform the duties incident to employment with the City on a regular basis;
- H. Employee's commitment of an act of fraud, embezzlement, or misappropriation against the City; or,
- I. Employee's misconduct in the performance of duties or negligence of duties under this Agreement, provided that, for purposes of subsections C, D, E, F, G, or I of this Paragraph, any act or omission that is curable shall not constitute For Cause unless the City gives Employee written notice of such act or omission that specifies the act or omission in reasonable detail and within fifteen (15) days after such notice is received by Employee, and Employee fails to cure such act or omission, except that the City shall not be required to provide such notice more than once in cases of repeated acts or omissions.

8. MISCELLANEOUS PROVISIONS:

A. Merger: This Agreement shall constitute the entire agreement between the parties hereto. Any prior understandings, agreements, negotiations or representations of any kind preceding or subsequent to the date of this Agreement and not contained herein are hereby discharged and shall not be binding upon either party except to the extent incorporated in this Agreement pursuant this Agreement.

B. Modification of Agreement: Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding on the parties hereto only if (1) evidenced in a writing signed by each party or an authorized representative of each party, or (2) evidenced in a written amendment, supplement, or modification to the Manual.

C. Governing Law: This Agreement is executed in Effingham County, Illinois. It is hereby expressly agreed that this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Illinois.

D. Severability and Infectious Invalidity: In the event a court of competent jurisdiction declares any particular provision of this Agreement to be invalid or unenforceable, the remaining provisions of this Agreement shall be construed to be valid and enforceable.

E. Binding Upon Successors in Interest: This Agreement shall be binding upon all the parties hereto and their respective heirs, successors, administrators, assigns or other successors in interest.

F. Titles of Paragraphs: Titles of several paragraphs, sections or articles of this agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any provision hereof.

G. Attorney Fees: In the event that a suit is filed in a court of competent jurisdiction to enforce the terms and conditions of this Agreement, the non-prevailing party in such litigation shall pay the prevailing party's costs and expense of such litigation, including but not limited to reasonable attorney fees.

IN WITNESS WHEREOF, the parties have executed this Agreement this 22 day of August, 2013.

CITY OF EFFINGHAM, ILLINOIS,
an Illinois municipal corporation

By: Mervin D. Gillenwater
Mervin D. Gillenwater, Mayor

EMPLOYEE:

James W. Arndt
James W. Arndt

EXHIBIT A
CITY ADMINISTRATOR

POSITION SUMMARY:

General Skills & Training

1. Excellent written and verbal skills
2. Exceptional organizational skills
3. Exceptional leadership skills
4. Exceptional people and diplomacy skills necessary to resolve all matters.

Responsibilities and Duties:

The City Administrator shall have the following powers and duties:

- (1). Provide for the enforcement of all laws and ordinances within the City.
- (2). Create the agenda for and attend all meetings of the City Council and other official City Boards and Commissions as directed by the City Council. Attend all meetings of the City Council except those from which the City Council determined that attendance is not required because of a conflict or other reason. The City Administrator may have the right to take part in the discussion of all matters coming before the City Council or other City Boards and Commissions, as authorized and requested by the Mayor, but shall have no right to vote. City Administrator shall be entitled to notice of all special and regular meetings of the City Council.
- (3). Recommend to the City Council such measures as, in his or her judgment, he or she deems to be in the best interest of the City.
- (4). Appoint all employees, as are necessary to the proper functioning of the City, except that the Director of the Department of Public Works, Economic Development Director, Director of Convention and Visitors Bureau, Chief of the City of Effingham Fire Department, Chief of the City of Effingham Police Department, City Clerk, City Treasurer, Accounting Administrator, Emergency Management Coordinator, City Engineer, City Building Official, City Plumbing Inspector, Public Works Operation Manager, Communication Manager, City Attorney, and Special Attorney(s) shall be appointed by the Mayor, with the advice and consent of the City Council; provided further that the City Administrator may not appoint those city officers which are by applicable law required to be appointed by the Mayor and/or City Council or those employees which are by applicable law required to be appointed by the City of Effingham Board of Fire and Police Commission.
- (5). Discipline and/or suspend any and all employees in compliance with the City of Effingham Personnel Policies and Procedures Manual, as amended, except when otherwise provided by law or contract, including, but not limited to those employees which are by applicable law required to be disciplined or suspended by the City of Effingham Board of Fire and Police Commission. To the extent permitted by law and subject to the City Administrator's discretion and direct supervision, the City Administrator may delegate to any employee any of these powers with respect to any subordinates of that employee.
- (6). Notify the Mayor and City Council of the resignation of any full time employee(s) and the reason for such resignation.
- (7). Propose to the Mayor and City Council such personnel rules and regulations as the City Administrator deems necessary to manage the personnel of the City. These rules may cover procedures and policies to govern the following:

- (a). The administration of the position description, classification, and pay plans;
 - (b). Recruitment, selection, promotion, evaluation, transfer, discipline, and separation of City personnel;
 - (c). Establishment of hours or work, attendance, leave regulations and working conditions;
 - (d). Rules covering outside employment, nepotism, and political activity of City personnel;
 - (e). Maintenance and use of necessary records and forms; and,
 - (f). System of handling all grievances.
- (8). Supervise and administer the conduct of all collective bargaining processes of the City and recommend to the City Council collective bargaining agreements for consideration and approval by the City Council, and administer all employee organization contracts reached through collective bargaining process.
- (9). Direct, supervise, and coordinate the activities of all departments, offices, and agencies of the City, except as otherwise provided by law, and to administer the affairs of the City to ensure that all City business is accomplished efficiently and economically.
- (10). Recommend to the City Council the creating, consolidating, and combining of offices, positions, departments or units of the administrative and executive departments of the City.
- (11). Investigate all complaints in relation to matters concerning the administration of the government of the City and services maintained by the public utilities of the city, and see that all franchises, permits and privileges granted by the City are faithfully observed. Furthermore, the Employee shall keep the Mayor and City Council informed of the status of such investigations.
- (12). Sign on behalf of the City any contract authorized by the City Council, except where the City Council or state statutes direct that some other officer shall do so. It shall be the duty of the City Administrator to ensure that all franchises granted by and all contracts with the City are faithfully kept and performed by all parties hereto.
- (13). Issue all licenses and permits, except where applicable law or City ordinance directs that some other officer shall do so.
- (14). Keep a current inventory of all real and personal property of the city and location of such property. The City Administrator shall be responsible for the care and custody of all City property which is not assigned to some other officer or body for care and control.
- (15). Prepare and submit to the Mayor and City Council by the date set by the Council, a recommended annual budget for city operations and recommended capital programs and administer the approved budget after adoption.
- (16). Supervise and administer the procurement of commodities and services for all City departments, offices, and agencies, and promulgate purchasing rules implementing City ordinances and which are consistent with state law, which shall be followed by employees in the procurement of goods and services.
- (17). Report to the City Council periodically the financial condition of the City.
- (18). Submit to the Mayor and City Council and make available to the public a complete report on the finances and administrative activities of the City as of the end of each fiscal year.
- (19). Represent the City in its dealings with other governmental agencies and officials, businesses, not-for-profit organizations, residents, and the general public as necessary.
- (20). Cause to be prepared grant and/or loan applications on behalf of the City; administer grant and/or loan funds and shall have caused the preparation of relevant reports to the City

Council and all appropriate agencies.

(21). Evaluate City projects, programs, agreements and services and make recommendations or modifications and improvements thereto.

(22). Direct, supervise, and coordinate the development and periodic update of the official City of Effingham website, and cause those documents and/or information to be posted on the website as may be required by the City Council.

(23). Devote his or her entire time to the discharge of his or her official duties.

(24). The City Administrator shall perform such other duties as may be required by the City Council consistent with state statutes and the ordinances of the City.

(25). Hold such other appointive offices as may be consistent with law, as the Mayor and City Council may determine, and to faithfully and honestly discharge the duties and powers associated with such office.

EXHIBIT B
Compensation Plan

Position: City Administrator

Salary: Ninety Eight Thousand Eight Hundred Eighty Dollars (\$98,880.00) per year

Other benefits: As directed by City of Effingham Personnel Policies and Procedures Manual, provided however, Employee shall be considered to have the equivalent of thirteen years of service for purposes of longevity pay and vacation leave under said Manual. Said vacation days shall not accumulate from year to year. Any unused days shall lapse at the end of each calendar year. Employee shall receive cost of living increases each year equal to those given to code personnel.

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