

Employment Agreement

Introduction

This Agreement, made and initially entered into by and between the McHenry County Board, and subject to final approval of the McHenry County Board on February 18, 2025. (hereinafter called "Employer") and Peter B. Austin, (hereinafter called "Employee"), an individual who has the education, training, and experience in local government management and who, as a member of ICMA, is subject to the ICMA Code of Ethics, both of whom agree as follows:

Section 1: Term

This Agreement shall remain in full force in effect from May 1, 2025, until May 1, 2029, or until terminated by the Employer or Employee as provided in Sections 8 or 9 of this Agreement. If this Agreement is not terminated as provided in Sections 8 or 9 herein but reaches the expiration date identified in this Section, the Agreement shall remain in place in its current form until the County Board decides, at a duly authorized public meeting of the County Board, to amend, renew, or terminate it.

Section 2: Duties and Authority

Employer agrees to employ Peter B. Austin as County Administrator to perform the functions and duties specified in the attached job description and to perform other legally permissible and proper duties and functions.

Section 3: Compensation

A. Base Salary: Employer agrees to pay Employee an annual base salary of \$250,000, payable in installments at the same time that the Department Heads of the Employer are paid.

B. This Agreement shall be automatically amended to reflect any salary adjustments that are provided or required by the Employer's compensation policies.

C. Consideration shall be given on an annual performance review basis to increase Employee's compensation above the amounts stated in Subparagraph A above. Employer shall have the sole right to make such adjustment to compensation under this Subparagraph C.

Section 4: Health and Life Insurance Benefits

A. The Employer agrees to provide for health, hospitalization, surgical, vision, dental, and comprehensive medical insurance for the Employee and his/her dependents equal to that which is provided to all other employees of McHenry County.

B. The Employer shall pay the amount of premium due for term life insurance in the amount of two (2) times the Employee's annual base salary, including all increases in the base salary during the life of this Agreement. The Employee shall name the beneficiary of the life insurance policy.

Section 5: Vacation and Sick Leave

A. Upon commencing employment, the Employee shall be credited with sick and vacation leave equal to the highest annual accrual provided to all other employees. The Employee shall then accrue sick and vacation leave on an annual basis at the highest rate provided to any other employees.

B. The Employee is entitled to accrue all unused leave, without limit, and in the event the Employee's employment is terminated, either voluntarily or involuntarily, the Employee shall be compensated for all accrued vacation time, sick time exceeding 240 days, all paid holidays, and other benefits to date. If the Employee's vacation balance exceeds 225 hours, then the Employee

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may request a payout of unused vacation time at the end of each fiscal year at the current rate of pay.

Section 6: Retirement

The Employer agrees to enroll the Employee into the Illinois Municipal Retirement Fund and to make all the appropriate contributions on the Employee's behalf, for both the Employer and Employee share required.

Section 7: General Business Expenses

A. Employer agrees to budget for and to pay for professional dues and subscriptions of the Employee necessary for continuation and full participation in ICMA, ILCMA, and NACA, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer.

B. Employer agrees to reasonably budget for and to pay for reasonable travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference and such other national, regional, state, and local governmental groups and committees in which Employee serves as a member.

C. Employer also agrees to budget for and to pay for reasonable travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and for the good of the Employer.

D. Employer recognizes that certain expenses of a non-personal but job-related nature are incurred by Employee and agrees to reimburse or to pay said general expenses so long as those expenses are reasonable. The Chief Financial Officer is authorized to disburse such monies upon receipt of duly executed expense or petty cash vouchers, receipts, statements, or personal affidavits, in accordance with McHenry County policy.

E. The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer shall pay for the reasonable membership fees and/or dues to enable the Employee to become an active member in local civic clubs or organizations.

Section 8: Termination

For the purpose of this Agreement, termination shall occur when:

A. The majority of the Employer votes to terminate the Employee at a duly authorized public meeting.

B. If the Employer acts to reduce the role, powers, duties, authority, or responsibilities of the Employee's position, the Employee shall have the right to declare that such amendments constitute termination.

C. If the Employer reduces the base salary, compensation, or any other financial benefit of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this Agreement and will be regarded as a termination.

D. If the Employee resigns following an offer to accept resignation, whether formal or informal, by the Employer as representative of the majority of the governing body that the Employee resigns, then the Employee may declare a termination as of the date of the offer.

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E. Breach of contract declared by either party with a 30-day cure period for either Employee or Employer. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 15.

F; Upon termination, this Agreement shall immediately cease to be in effect, regardless of when the termination occurs.

G. For the purposes of paragraph A of this Section, the date of termination shall be the date that the Employer votes to terminate Employee. For the purposes of paragraph B of this Section, the date of termination shall be the date of Employee's declaration that such amendments constitute termination. For the purposes of paragraph C, the date of termination shall be the date Employer puts into effect the reduction of the base salary, compensation, or any other financial benefit of the Employee. For the purposes of paragraph E of this Section, the date of termination shall be the 31st day following either the Employer's or Employee's receipt of the written notice of breach of contract, whichever the case may be.

Section 9: Resignation

In the event that the Employee voluntarily resigns his/her position with the Employer, the Employee shall provide a minimum of 30 days' notice unless the parties agree otherwise.

Section 10: Performance Evaluation

Employer shall annually review the performance of the Employee subject to a process, form, criteria, and format for the evaluation which shall be mutually agreed upon by the Employer and Employee. The process at a minimum shall include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and (3) present a written summary of the evaluation results. The final written evaluation should be completed and delivered to the Employee within 30 days of the evaluation meeting.

Section 11: Hours of Work

It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end, Employee shall be allowed to establish an appropriate work schedule which provides the greatest accessibility to the Employer.

Section 12: Outside Activities

The employment provided for by this Agreement shall be the Employee's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may elect to accept limited teaching, consulting, or other business opportunities with the understanding that such arrangements shall not constitute interference with nor a conflict of interest with his or her responsibilities under this Agreement.

Section 13: Indemnification

Beyond that required under Federal, State, or Local Law, 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 County Administrator or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act or omission involved willful or wanton conduct. Legal representation, provided by Employer for Employee, shall extend until a final determination of the legal action, including any appeals brought by either party.

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The Employer shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs, and other reasonable costs and expenses of legal proceedings including attorney's fees, and any other liabilities incurred by, imposed upon, or suffered by such Employee 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 or her duties. Any settlement of any claim must be made with prior approval of the Employer in order for indemnification, as provided in this Section, to be available.

Employee recognizes that Employer shall have the right to compromise and, unless the Employee is a party to the suit, Employee shall have no veto authority over the settlement, unless said compromise or settlement is of a personal nature to Employee. Further, Employer agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any litigation to which the Employee is a party, witness, or advisor to the Employer. Such expense payments shall continue beyond Employee's service to the Employer as long as litigation is pending. Further, Employer agrees to pay Employee reasonable consulting fees and travel expenses when Employee serves as a witness, advisor, or consultant to Employer regarding pending litigation if no longer an Employee or Employer.

Section 14: Other Terms and Conditions of Employment

The Employer, only upon agreement with Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement or any other law.

Section 15: Notices

Notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall 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 16: General Provisions

A. Integration: This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. 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.

B. Binding Effect: This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives, and successors in interest.

C. Effective Date: This Agreement shall become effective on May 1, 2025.

D. 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.

