



**401 W. Washington Street, East Peoria, Illinois 61611 Phone (309) 698-4715**

**MEMO**

**TO:** Mayor Kahl & Commissioners Decker, Sutherland, Mingus & Hill

**FROM:** Teresa Durm, HR Director, SHRM-CP, PHR

**DATE:** January 6, 2020

**RE: Separation Agreement**

**DISCUSSION:**

Don Lyon retired after serving the City of East Peoria for 21 years effective at the end of the day on January 3, 2020.

The attached Separation Agreement outlines that Mr. Lyon is asking to be paid out 242.75 compensable hours.

**RECOMMENDATION:**

I recommend approving the attached Separation Agreement and paying Mr. Lyon in one (1) installment of \$8,285.06 on or before February 15, 2020.

Attachment

RESOLUTION NO. 1920-112

EAST PEORIA, ILLINOIS

RESOLUTION BY COMMISSIONER \_\_\_\_\_

**WHEREAS**, Don Lyon has been continuously employed by the City from August 31, 1998 through January 3, 2020, most recently occupying the position of Driver in the Streets Department for Public Works.

**WHEREAS**, Don Lyon announced his intention to retire from employment effective at the end of the day on January 3, 2020; and

**WHEREAS**, the City is appreciative of the long and continued service provided by Don Lyon; and

**WHEREAS**, it is in the best interest of the City to execute the attached Separation Agreement;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EAST PEORIA, TAZEWELL COUNTY, ILLINOIS, THAT:**

Section 1. The above recitals are found to be true and correct.

Section 2. The Mayor is hereby authorized to execute the Separation Agreement with such changes as the Mayor, in his sole discretion, may decide are in the best interest of the City of East Peoria.

**APPROVED:**

\_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Clerk

**OFFICE OF THE MAYOR**  
401 W. Washington Street  
East Peoria, Illinois 61611  
Phone: (309) 698-7605



John P. Kahl  
Mayor

**MEMORANDUM**

TO: Don Lyon  
FROM: John P. Kahl, Mayor *JPK*  
DATE: Separation Pay and Benefits  
RE: January 6, 2020

We understand that you have chosen to resign from employment with the City of East Peoria effective at the end of the day on January 3, 2020.

City records indicate that you will have the following accumulated employment benefits available to calculate your Separation Pay:

	<u>Available Hours</u>	<u>Compensable Hours (with release)</u>
Vacation Pay	154.75 hrs.	154.75 hrs.
Sick Leave	48 hrs.	48 hrs.
Paid Absence Allowance	40 hrs.	40 hrs.
Earned Time-Off (ETO)	0	0
Accrued Holiday	0	0
Other _____	0	0

Total Compensable Hours – 242.75 hrs.

If you utilize a different quantity of accumulated employment benefits prior to your termination date, the Total Compensable Hours shall be adjusted accordingly, consistent with the policies and practices of the City of East Peoria. The actual Total Compensable Hours (as adjusted) shall be multiplied by the pay rate of \$34.13 per hour to determine the separation pay you will receive if you sign and return the Resignation

and Release set forth below within twenty-one (21) days of this memorandum. If the Resignation and Release is signed and returned in a timely manner, you shall be paid your separation pay in one (1) installment of \$8,285.06 on or before February 15, 2020 totaling \$8,285.06. In the event of your death prior to the last scheduled payment, any remaining payments will be paid to your estate. If you do not sign the Resignation and Release prior to this time period, you will be entitled to no separation pay except as otherwise provided by any applicable collective bargaining agreement, the Illinois Wage Payment and Collection Act, or the Fair Labor Standards Act.

In addition to the Separation Pay set forth above, the timely return of the Resignation and Release shall entitle you to continued coverage under the City's group health insurance plan in accordance with the terms and provisions of the City's Personnel Policy Manual, the plan document for the City's group health insurance plan, and any applicable bargaining contracts. Accordingly, if you accept post-retirement employment with an employer that offers health insurance coverage, you are required to enroll in that employer's health insurance plan, thereby making your new employer's health insurance coverage your primary coverage and making the City's plan secondary coverage during your employment with the new employer (this requirement may be modified if you are covered by an applicable bargaining contract). Thereafter, provided that you have properly maintained coverage under the City's health insurance plan and other provisions of the Personnel Policy Manual or the City's group health insurance plan do not apply, your coverage will revert to primary coverage when you are no longer eligible for coverage under your other employer's health insurance plan.

Furthermore, the City shall pay the same amount toward premium costs for your coverage under the City's group health insurance plan as it pays for regular active employees, until age 60, in which case, the City shall pay the entire premium. However, if you were hired by the City after April 30, 1993, you will contribute toward the premium cost for your coverage at the same amount as contributed by active City employees regardless of your age. **If you are required to pay premiums to the City for your coverage under the City's group health insurance plan, you must make timely premium payments in accordance with the provisions of the City's Personnel Policy Manual. Otherwise, if you do not make timely payment of your premium payments, your coverage under the City's group health insurance plan can be terminated.**

Also, if you maintain coverage under the City's group health insurance plan upon your retirement, you are required to enroll in Medicare when you become eligible for Medicare. When you become eligible for Medicare, the City's group health insurance plan will become secondary regardless of whether you have enrolled in Medicare or failed to do so. **Therefore, you should immediately enroll in both Part A and Part B of Medicare when you become eligible for Medicare.** You (and your spouse, if applicable) are advised to contact the local Medicare and Social Security office prior to turning age 65 in order to determine the necessary procedures for enrolling in Medicare Part A and Part B.

You are advised to consult an attorney prior to signing the Resignation and Release set forth below.

**RESIGNATION AND RELEASE**

DONALD A. LYON

Full Name of Employee (Please type or print)

JAN. 20, 2020

Date

I hereby resign as an employee of the City of East Peoria (the "City") effective at the end of the day on January 3, 2020.

I have received the above memorandum from Teresa Durm which sets forth information pertaining to my accumulated employment benefits that will remain as of my resignation date. This information accurately includes an accounting of the various benefits I have accrued, my final pay rate and the benefits and amount of separation pay and benefits I am entitled to receive if I sign and return this Resignation and Release (this "Form").

In consideration of the separation pay and benefits reflected on the City Administrator's memorandum, I release the City, its Mayor, Commissioners, officers, employees, agents, assigns, insurers, and all persons identified in interest with the City, of and from any actions, claims, demands, or causes of action whatsoever which I may have against them, whether known or unknown, in law or equity, contract or tort, statutory or common law, whether arising under the laws of the State of Illinois or any of its political subdivisions or of any other state, or of the United States, including, without limitation, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Equal Pay Act, Title VII of the Civil Rights Act, the Americans With Disabilities Act, Section 1983 of Title 42 of the United States Code, the Illinois Wage Payment and Collection Act, the Illinois Human Rights Act, the Illinois Municipal Code, the Illinois Pension Code, the United States and Illinois Constitutions, and any other statute relating to employment or municipal government.

I expressly acknowledge the following:

(a) I have been given at least twenty-one (21) days to consider the City Administrator's memorandum and this Form. To the extent I am signing this Form prior to the expiration of this twenty-one (21) day period, I am doing so voluntarily with an understanding that I could have considered these matters for the duration of the twenty-one (21) day period without penalty.

(b) I have been advised in writing to consult an attorney before signing this Form.

(c) I understand that I may revoke the release of claims against the City for a period of seven (7) days after I sign this Form. I further understand that the release of these claims will not become effective until the expiration of this seven day period and that I will not receive any separation pay, even if provided otherwise in the City Administrator's memorandum, until such time. I understand that I have no vested right to rescind my resignation from employment and that any such rescission must first be approved by the City.

(d) I understand and agree that by signing this Form, I will receive valuable monetary or other benefits (or both) as reflected on the Mayor's memorandum which exceed the benefits I would otherwise receive under the law.

(e) This Form and the Mayor's memorandum contain the entire understanding between the City and me as it relates to my separation from employment. There are no other representations, warranties, promises, covenants, or undertakings (oral or otherwise) that have been made to me or any representative of mine.

\_\_\_\_\_  
Employee Signature  
Date JAN. 20, 2020

Approved and Accepted:

\_\_\_\_\_  
Mayor  
Date \_\_\_\_\_