



401 W. Washington Street, East Peoria, Illinois 61611 Phone (309) 427-7606

MEMO

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

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

DATE: April 30, 2020

RE: Separation Agreement

DISCUSSION:

David Sprague is retiring after serving the City of East Peoria for 20 years effective at the end of the day on May 15, 2020.

The attached Separation Agreement outlines that Mr. Sprague is asking to be paid out 1,120 compensable hours.

RECOMMENDATION:

I recommend approving the attached Separation Agreement and paying Mr. Sprague in three (3) installments of \$19,235.00 on or before June 15, 2020; \$19,234.99 on or before January 15, 2021; and \$19,234.99 on or before January 15, 2022 totaling \$57,704.98.

Attachment

RESOLUTION NO. 2021-002

EAST PEORIA, ILLINOIS

May 5, 2020

RESOLUTION BY COMMISSIONER _____

WHEREAS, David Sprague has been continuously employed by the City from March 21, 2000 through May 15, 2020, most recently occupying the position of Police Sergeant;

WHEREAS, David Sprague announced his intention to retire from employment effective at the end of his shift on May 15, 2020; and

WHEREAS, the City is appreciative of the long and continued service provided by David Sprague; 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) 427-7605

MEMORANDUM



John P. Kahl
Mayor

TO: David Sprague
FROM: Mayor John P. Kahl
RE: Separation Pay and Benefits
DATE: April 29, 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 May 15, 2020.

SEPARATION PAY:

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	200 hrs.	160 hrs.
Sick Leave	960 hrs.	960 hrs.
Earned Time-Off (ETO)	0	0
Accrued Holiday	0	0
Other _____	0	0

Total Compensable Hours 1,120 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 \$51.5223 per hour (this hourly rate includes the 1.75% increase effective 5/1/20) 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 three (3) installment(s) of \$19,235.00 on or before June 15, 2020; \$19,234.99 on or before January 15, 2021; and \$19,234.99 on or before January 15, 2022 totaling \$57,704.98. 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.

COVERAGE UNDER CITY'S HEALTH PLAN:

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 plan, and any applicable bargaining contracts.

Post-Retirement Employment: 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 at your first eligibility date (including any dependents), thereby making your new employer's health insurance coverage your primary coverage.** Upon enrolling in your new employer's health insurance, you will have the option to retain coverage under City's health plan as secondary coverage or to drop coverage under the City's health plan. When you leave employment with the new employer, you will be permitted to re-enroll under the City's health plan provided you do so **within 45 days after your separation from the new employer** (or within 45 days after loss of coverage under your employer's health insurance). You must also comply with any other applicable requirements set forth in the City's Personnel Policy Manual.

Premium Payments: Furthermore, you will need to continue to pay your monthly premiums for coverage under the City's health plan at the same contribution rate paid by active City employees (regardless of your age). 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.** The City shall continue to pay the City's applicable contribution amount for your coverage under the City's group health insurance plan.

Enrollment in Medicare: Also, if you maintain coverage under the City's group health 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 automatically 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.

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

RESIGNATION AND RELEASE

Full Name of Employee (Please type or print)

Date

4/30/2020

I hereby resign as an employee of the City of East Peoria (the "City") effective at the end of the day on MAY 15, 2020.

I have received the above Memorandum from the City (the "Memo"), which sets forth information pertaining to my accumulated employment benefits 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 that I am entitled to receive if I sign and return this Resignation and Release (this "Form") to the City.

In consideration of the separation pay and benefits reflected in the Memo, 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, occurring prior to or on my retirement date or the effective date of this Resignation and Release (whichever is later), 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's Memo and this Form. To the extent that 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 until such time even if provided otherwise in the City's Memo. 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 in the City's Memo which exceed the benefits I would otherwise receive under the law.

(e) This Form and the City's Memo contain the entire understanding between the City and me as it relates to my separation from employment with the City. I further acknowledge that the City has made no other representations, warranties, promises, covenants, or undertakings (oral or otherwise) to me or any representative of mine in relation to my separation from employment with the City.

Employee Signature

Date 4/30/2020

Approved and Accepted:

Mayor

Date _____