

**33179**

**ADOPTED – BOARD OF TRUSTEES  
COMMUNITY COLLEGE DISTRICT NO. 508  
APRIL 6, 2017**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508  
COUNTY OF COOK AND STATE OF ILLINOIS**

**RESOLUTION  
APPOINTMENT OF JUAN SALGADO  
CHANCELLOR, CITY COLLEGES OF CHICAGO**

**WHEREAS**, Juan Salgado is a trailblazing educational and civic leader with decades of experience in working in Chicago's communities to expand educational and employment opportunities for youth, adult learners and immigrants; and

**WHEREAS**, Juan Salgado has shown the dedication, skill, expertise and character necessary to serve as the Chief Administrative Officer of the District.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Trustees appoints Juan Salgado to serve as Chancellor of Community College District No. 508, and authorizes the Chairman to execute an agreement specifying the terms and conditions of such appointment.

**April 6, 2017- Office of the Board of Trustees**

## **Principal Financial Terms**

### **Contract between City Colleges of Chicago (Employer) and Chancellor-designate Juan Salgado (Employee)**

1. Contract between Employer and Employee will commence May 1, 2017 and continue until June 30, 2020.
2. Employee will be paid an annual salary of \$256,250.
3. Employee will receive a car allowance of \$1,000 a month.
4. In recognition of uncompensated service provided prior to May 1, 2017, employee will receive ten additional (10) days' vacation in the first year of employment only, in addition to his regular annual allotment of twenty (20) days' time.
5. Employee shall be entitled to the usual and customary benefits associated with the position of Chancellor including the fringe benefits to which other Officers of the District and employees are entitled, such as hospitalization, major medical, dental, vision and term life insurance, sick days, as well as participation in the State University Retirement System, participation in the District's 403(b) plan, participation in the District's long-term disability plan and reimbursement for other usual and customary business expenses incurred in the exercise of his duties as Chancellor.
6. Employee is entitled to severance pay of up to one year salary if terminated without cause.
7. Solely at the discretion of the Board of Trustees, Employee may be eligible for an annual bonus. The timing and amount of any bonus would also be at the discretion of the Board of Trustees.

April 4, 2017

## **AGREEMENT**

This Agreement is entered into as of the 6<sup>th</sup> day of April, 2017, by and between the Board of Trustees of Community College District No. 508, County of Cook, State of Illinois ("Board") as employer, and Juan Salgado as employee ("Employee" or "Chancellor").

## **RECITALS**

**WHEREAS**, on the 6th day of April, 2017, the Board adopted a resolution approving the nomination of Employee as Chancellor of Community College District No. 508 ("District");

**WHEREAS**, the Board wishes to retain Employee as the District's Chancellor;

**WHEREAS**, the Board and Employee desire to enter into an employment agreement setting forth the terms and conditions of his employment as District Chancellor;

**NOW, THEREFORE**, in consideration of the mutual promises contained in this agreement ("Agreement"), the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed between the Board and Employee as follows:

### **Section 1. Entire Agreement.**

1.1 It is expressly understood that this Agreement is the entire Agreement between the parties, and there is not an Agreement or understanding between Employee and the Board except as set forth herein. This Agreement reflects the Board and Employee's understanding of current state law respecting the appointment, duties, compensation and termination of the Employee. The Agreement may only be amended by written agreement signed by both parties. No modification or amendment of this Agreement will be deemed valid unless in writing properly approved and authorized by the Board Chair and signed by the Employee and subject to Section 4.1.3.

### **Section 2. Term.**

2.1.1 The term of employment shall commence on May 1, 2017, (the "Effective Date"), and shall continue until June 30, 2020 (the "Term"), unless terminated by either party in accordance with the provisions set forth in Section 4 below, or until earlier terminated by the event of the death of Employee. For purposes of this Agreement, the terms "anniversary date" and "anniversary" shall be deemed to be correspond with the start of the employer's fiscal year on July 1 for each year, and "Contract Year" shall refer to each successive one (1) year period from Employee's anniversary date.

2.1.2 Unless the Agreement is terminated earlier in accordance with Section 4 below, this Agreement shall terminate upon its expiration date unless the Board or

Employee shall notify the other in writing no later than one hundred eighty (180) days prior to the expiration of the Term that it or he desires to enter into a successor Agreement or to extend the Agreement for another one (1) year period. Upon receipt of such notification, the other Party shall respond in writing by stating whether it or he also desires to enter into a successor Employment Agreement or to extend the Agreement. If both Parties so mutually desire, then the Parties shall meet to discuss the terms of a successor or extended Agreement, which terms shall be agreed to no later than one hundred fifty (150) days before the expiration of the Term, or the Agreement will terminate upon its expiration date and will neither be replaced by a successor agreement nor continued.

- 2.1.3 Any final action on the renewal, amendment, extension, or termination of this Agreement will occur during an open meeting of the Board pursuant to 110 ILCS 805/3-70.

### **Position and Salary.**

- 2.2 During the term of this Agreement, Employee shall be employed by the Board in the capacity of the Chancellor of the City Colleges of Chicago. In this capacity Employee shall serve as the Chief Administrative Officer of the District and an Executive Officer of the Board consistent with the Public Community College Act, 110 ILCS 805/3-26 and the policies and directives established by the Board. As Chancellor, Employee shall have the responsibilities and obligations as set forth in the Board Bylaws of the City Colleges of Chicago, Section 2.2.2 in which he will work to sustain and, where appropriate, enhance the continued reinvention initiatives, including budget planning. Employee agrees that as a condition of employment he will reside within the City of Chicago during the term of his employment.
- 2.3 During the Term of this Agreement, and in consideration of Employee's services as Chancellor of the District, Employee shall be paid an annual salary of \$256,250 ("Base Compensation"), payable in accordance with the payroll policies of the City Colleges of Chicago. Employee shall be entitled to six (6) weeks of vacation during the first Contract Year in recognition of his services prior to start of the Agreement. Employee shall be entitled to four (4) weeks of vacation annually during the remaining Term of this Agreement.
- 2.4 The Board will establish annual goals for the Chancellor with input provided by the Chancellor.
- 2.5 The Chancellor will submit to the Board by May 15 of each year, a self-evaluation based on the annual goals.
- 2.6 The Board will conduct an annual performance review of the Chancellor. Employee's performance evaluation as set forth in Section 2.2.3 of the Board Bylaws shall be reasonably related to the responsibilities and

obligations provided for in Section 2.2.2 and may include a review of Employee's self-evaluation of accomplishments and attainment of the annual goals.

2.7 The Board will meet with the Chancellor after such performance review before June 30 of each year to discuss the performance review and to determine salary and bonus.

2.8 The Chancellor's annual performance reviews will be considered when the Board contemplates any bonus, raise, or severance agreement. Any bonus, raise or severance agreement must be approved by the Board in open session at a regularly scheduled or special Board meeting.

### **Section 3. Benefits.**

3.1 During the term of this Agreement, Employee shall be entitled to the usual and customary benefits associated with the position of Chancellor including the fringe benefits to which other Officers of the District and employees are entitled, such as hospitalization, major medical, dental, vision and term life insurance, sick days, as well as participation in the State University Retirement System, participation in the District's 403(b) plan, participation in the District's long-term disability plan and reimbursement for other usual and customary business expenses incurred in the exercise of his duties as Chancellor.

3.2 The Board shall provide an automobile allowance to Employee in the amount of \$1,000 per month during the term of this Agreement. Said automobile allowance is intended to provide for all of Employee's costs associated with travel in his vehicle on City College of Chicago business and as such, Employee will not be eligible for the reimbursement for gasoline, tolls, maintenance or per mile rate allowances in effect from time to time under Internal Revenue Service regulations. The Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and any regular replacement of said vehicle. The Employee shall carry liability, property damage and comprehensive insurance, with limits approved by the Board, for the vehicle for which the allowance is provided, and shall name the Board as an additional insured on the insurance policy.

3.3 Subject to Section 3.2, the Board will reimburse Employee for all reasonable out-of-pocket expenses that Employee incurs for travel and other activities undertaken by Employee in fulfilling his functions as the Chancellor of the City Colleges of Chicago. Reimbursement shall be approved by the Board Chairman and must be consistent with Board practices for reimbursement.

## **Section 4. Termination.**

### **4.1.1 By Employer.**

(a) The Board may terminate Employee's employment at any time without Cause. Any termination by the Board of Employee's employment under this Agreement which does not constitute a termination for Cause under Section 4.1.1 (b) and which does not result from the death or permanent disability of Employee shall be deemed a termination without Cause, excluding any disability or death arising from Employee's own intentional act to harm himself.

(b) Termination by Employer for Cause. The Board may terminate Employee's employment at any time for Cause.

"Cause" means a finding by the Board of any of the following:

- i. Documented repeated and continued non-performance by the Employee of Employee's duties of position as reasonably directed by the Board (other than by reason of Employee's physical or mental illness, incapacity, or disability, excluding any disability or death arising from Employee's own intentional act to harm himself); or
- ii. Gross negligence in regard to duties of position; or
- iii. Fraud, misappropriation or willful misconduct in regard to duties of position; or
- iv. Conviction of a felony or other crime involving moral turpitude.

For elements of Cause that are curable, Cause will not be deemed to exist unless such situation remains uncorrected to the Board's reasonable satisfaction 30 days after written notice from the Board to Employee of such Cause situation.

**4.1.2** Employee may resign his employment upon 90 days written notice to the Board. The Board in its sole discretion may accept Employee's resignation upon written notice less than 90 days. In addition, Employee may choose to resign his position immediately instead of being terminated if an action by the Board to terminate for Cause has been made in closed session for actions only under 4.1.1.(b)i and ii. In such an event, the public announcement shall state that Employee has resigned, and Article 5.1.1 Event of Termination below shall remain applicable according to its terms.

**4.1.3** Any final action on the renewal, amendment, extension, or termination of this Agreement will occur during an open meeting of the Board pursuant to 110 ILCS 805/3-70.

#### 4.2.1 By Employee.

(a) Termination By Employee for Good Reason. Employee may terminate this Agreement and his employment hereunder at any time for Good Reason. For purposes of this Agreement, "Good Reason" shall mean: (i) a material breach of any of Board's representations, warranties, or obligations under this Agreement; (ii) a material reduction in Employee's base salary and benefits as promised hereunder; (iii) a material diminution in the Employee's level of authority or responsibility as provided in this Agreement. Prior to any such termination taking place Employee will provide the Company with a written notice detailing the factual basis for termination and providing ten (10) business days' opportunity to cure.

(b) Termination By Employee Without Good Reason: Employee may elect to terminate the Agreement and his employment without Good Reason at any time during the Term; provided, however, that Employee shall give the Board written notice of at least sixty (60) days prior to the effective date of such termination.

### **Section 5. Event of Termination.**

5.1.1 If Employee's employment is terminated by the Board for Cause under Section 4.1.1(b), or by Employee without Good Reason under Section 4.2.1(b), or by reason of death or permanent disability, or by reason of the expiration of the Term of the Agreement, then Board shall pay or provide to Employee (i) any Base Salary earned through the date of termination, unpaid expense reimbursements (subject to, and in accordance with, Section 3.3 of this Agreement) and unused vacation that accrued through the date of termination on or before the time required by law but in no event more than 30 days after Employee's date of termination; and (ii) any vested benefits Employee may have under any employee benefit plan of the employer through the date of termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans. These payments and benefits shall not be subject to mitigation or offset. In addition, Employee's car allowance and expense reimbursement will also cease to be available.

5.1.2 If Employee's employment is terminated by the Board without Cause under Section 4.1.1(a), or by Employee for Good Reason under Section 4.2.1(a), the Board shall pay or provide to Employee, in addition to the payments as set forth in Section 5.1.1 as set forth in the preceding Section, (x) continued Base Salary for the remainder of the unexpired Term of the Agreement, not to exceed one year as provided by Section 3-65 of the Public Community College Act ; (y) continued participation in the employer's group medical insurance plan on the same terms through COBRA, or if COBRA is not available, by enrolling in a comparable medical insurance plan on the same or comparable terms as when he was employed, for the remainder of the unexpired Term of the Agreement, or until Employee is eligible to participate in a comparable group medical insurance plan on comparable terms, whichever occurs first; and (z) any vested benefits

Employee may have under any employee benefit plan of the employer for which he qualifies through the remainder of the unexpired Term of the Agreement, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans, provided that in the event such plan requires that Employee remain employed as a condition for continued contribution, then the employer will pay Employee the cash equivalent of such continued benefits and, in the case of the Section 403 plan or other tax qualified plan to which the employer makes contributions, a gross up reflecting tax payments on such cash equivalent payment.

- 5.2 Notwithstanding any other provision in this Agreement, in the event that this Agreement is terminated for any reason, the Board will not grant Employee any severance payment or severance benefits in excess of one (1) year as provided by Section 3-65 of the Public Community College Act.

## **Section 6. Public Notice.**

- 6.1 Public notice must be given prior to the final action by the Board on the formation, renewal, extension, or termination of the Agreement and must include a copy of the board item or other documentation providing, at a minimum, a description of the proposed principal financial components of the Employee's appointment. Public notice must be given for the Agreement identifying the action to be taken and including a copy of the Agreement with any addenda pursuant to 110 ILCS 805/3-65.
- 6.2 The Board minutes, packets, and performance criteria relating to the Employee's contract or bonus must be posted on the District's website pursuant to 110 ILCS 805/3-70.

## **Section 7. Outside Employment.**

- 7.1 During his employment, the Employee will devote substantially all his professional time, attention, skills, and energy to the performance of his responsibilities as Chancellor. The Employee will perform such responsibilities professionally, in good faith, and to the best of his abilities.
- 7.2 The Employee's outside employment, consulting, or volunteer work must be presented for approval to the Board Chair and, consistent with City Colleges' policy regarding outside employment, must not interfere with or conflict with any of the responsibilities of the Chancellor.

## **Section 8. Mutual Non-Disparagement.**

- 8.1 Neither the Board (including the individual Trustees) nor the Employee shall make any oral or written statement about the other party which is intended or reasonably likely to disparage the other party, or otherwise degrade the other party's reputation. In the event the Board, a Trustee, or the Employee violates



this provision, the other party may make truthful, fact-based statements in response to the disparaging statement.

**Section 9. Arbitration.**

- 9.1 Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration, conducted before a panel of three arbitrators in Chicago, Illinois, in accordance with the rules of the American Arbitration Association then in effect.

**Section 10. Severability**

- 10.1 In the event that any provision of this Agreement should be adjudicated invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 10.2 This Agreement will be interpreted and enforced in accordance with the laws of the State of Illinois. The provisions of this Agreement are intended to be interpreted and enforced in a manner which renders them valid and enforceable. In the event that any provision of this Agreement is found to be invalid or unenforceable, such provision will be modified to the extent and in the manner which a court of competent jurisdiction deems reasonable, and thereupon enforced upon such terms. If any such provision is not so modified, it will be deemed stricken from this Agreement without affecting the validity and enforceability of any of the remaining provisions hereof.

**Section 11. Choice of Law.**

- 11.1 The laws of the State of Illinois shall govern this Agreement. The parties consent to jurisdiction and venue in Cook County, Illinois. All statutory limitations in effect during the time of the execution of the Agreement are applicable.

**Section 12. Notices.**

- 12.1 Any notice required pursuant to this Agreement shall be made in writing and delivered certified mail, postage pre-paid, to the addresses, as shown below:

A. Notices to the Board:

Board of Trustees  
City Colleges of Chicago  
226 West Jackson Boulevard  
Chicago, Illinois 60606-6698  
Attention: Chair of the Board of Trustees

B. Notices to Employee:

Juan Salgado  
Chancellor  
City Colleges of Chicago  
226 West Jackson Boulevard  
Chicago, Illinois 60606-6698

Either party may change the address to which any notice should be sent by giving written notice of the new address to the other party, and to the Assistant Secretary of the District.

**Section 13. Counterparts.**

13.1 This Agreement may be executed by the respective parties in counterpart.

**Section 14. Agreement.**

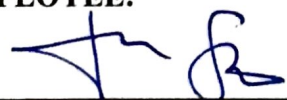
14.1 Except for the obligation as set forth under Section 5 above, this Agreement will terminate upon the expiration of the Term of this Agreement.

So Agreed:

**BOARD OF TRUSTEES OF COMMUNITY  
COLLEGES, DISTRICT NO. 508**

By:   
Charles R. Middleton  
Chair, Board of Trustees

**EMPLOYEE:**

  
\_\_\_\_\_  
Juan Salgado