

**ILLINOIS STATE
UNIVERSITY**

**BOARD OF
TRUSTEES**

Resolution No. 2017.08/27
President's Contract

Resolution

Whereas, the Board of Trustees and Dr. Larry H. Dietz entered into a Contract for Services on March 22, 2014 with a term ending June 30, 2017 ("2014 Contract"), and

Whereas, the Board of Trustees extended the term of the 2014 Contract to September 30, 2017, and

Whereas, Dr. Larry H. Dietz has served as president of Illinois State University with distinction since March of 2014 through the present date, and

Whereas, the Board of Trustees is committed to ensuring sound leadership for Illinois State University, and

Whereas, the Board of Trustees determined that the reappointment of Dr. Larry H. Dietz as President of Illinois State University will best serve the leadership interests of Illinois State University, and

Whereas, the Board of Trustees considered the results of Dr. Larry H. Dietz's FY 2017 performance review in considering his compensation upon reappointment as President of Illinois State University;

Therefore, be it resolved that the Board of Trustees of Illinois State University reappoints Dr. Larry Dietz as the President of Illinois State University effective August 5, 2017, approves the Contract of Services which is attached hereto and incorporated herein as Exhibit A, and authorizes the Chairman of the Board and the Secretary of the Board to execute the Contract for Services in the name of and on behalf of the Board of Trustees.

Board Action on: _____
Motion by: _____
Second by: _____
Vote: Yeas: _____ Nays: _____

Postpone: _____
Amend: _____
Disapprove: _____
Approve: _____

ATTEST: Board Action, August 5, 2017

Secretary/Chairperson

CONTRACT FOR SERVICES

THIS AGREEMENT is made this __ day of August, 2017, between the Board of Trustees of Illinois State University (the “University”), a body politic and corporate of the State of Illinois (the “Board”) and Dr. Larry H. Dietz (the “President”):

WITNESSETH:

WHEREAS, Dr. Larry H. Dietz has served as the president of the University with distinction from March of 2014 through the present date; and

WHEREAS, the Board desires that Dr. Larry H. Dietz continue to serve as the president of University and Dr. Larry H. Dietz desires to continue to serve as the president of University; and

WHEREAS, having engaged in discussion and negotiation of the terms and conditions for Dr. Larry Dietz to continue to provide his services as the president of the University, the parties now wish to memorialize the agreements and understandings reached between them in this Agreement; and

WHEREAS, the Board has the authority to enter and execute this Agreement.

NOW THEREFORE, in consideration of the premises and of the undertakings hereinafter contained, IT IS AGREED between the parties as follows:

1. The Board engages the President and the President agrees to serve as the president of the University for the term set forth in this Agreement and subject to all of the terms and conditions of this Agreement, applicable law, the governing documents and policies of the Board, the University Constitution and such other applicable governing documents and policies as may be applicable to the office of the president of the University and the authority of the Board.

2. The term of this Agreement commences on August 5, 2017 and terminates on June 30, 2020 (the “term”).

3. During the term of this Agreement the President shall be paid an annual base salary of Three Hundred and Seventy Five Thousand Dollars (\$375,000.00) which shall be payable in equal monthly installments and which shall be retroactive to July 1, 2017. The President’s annual base salary shall be subject to withholding for tax obligations and other legally authorized deductions applicable to his employment. In addition to his annual base salary, the President shall be entitled to participate in University employee benefit plans, which may be changed from time to time at the discretion of the Board, on the same basis as other administrative/professional employees of the University. The Board agrees to reimburse the President in each fiscal year covered by this Agreement for the cost of President’s purchase of term life insurance, not to exceed \$2,000.00 per fiscal year. In addition, during each fiscal year covered by this Agreement, the Board agrees to make a contribution of Twenty Four Thousand Dollars (\$24,000.00) on behalf of the President to the President’s Section 403(b) plan and agrees to make a contribution of Twenty Four Thousand Dollars (\$24,000.00) on behalf of the President to the President’s Section 457 plan.

4. In the fall of 2017, the Board shall evaluate the performance of the President based upon the President’s FY2017 performance review. Based upon his FY2017 performance review, the Board shall make a recommendation as to a performance bonus for the President and shall take action on its recommendation prior to December 31, 2017. Such performance bonus shall not exceed Fifty Thousand Dollars (\$50,000.00). In the fall of 2017, 2018 and 2019, the Board, in consultation with the President, shall develop performance incentive criteria for the evaluation of the President in FY2018, FY2019 and FY2020, respectively. Such criteria shall include but not be limited to, the President’s FY2018, FY2019 and FY2020 annual performance reviews and Academic Senate surveys. Based upon such performance incentive criteria, the Board shall make

a recommendation as to a performance incentive bonus for the President for FY2018, FY2019 and FY2020 and shall take action with respect to such recommendations prior to December 31, 2018, December 31, 2019, and June 30, 2020, respectively. Any performance incentive bonus awarded to the President for FY2018, FY2019 and FY2020 shall not exceed Fifty Thousand Dollars (\$50,000.00). The award of any bonus to the President during the term of this Agreement shall comply with 110 ILCS 675/20-190 and 110 ILCS 675/20-195.

5. The President agrees to perform services as the chief executive officer of the University. The President agrees to devote his entire professional time and effort to the management of the affairs of the University and shall conduct himself with the highest personal and professional standards in conformance with the governing documents and policies of the Board, the Constitution of University, all applicable University policies, and such other applicable governing documents and policies as may be adopted by the Board. The President shall conduct himself in accordance with all ethical and professional standards and applicable laws, statutes, regulations, and rulings including the State Officials and Employees Ethics Act, 5 ILCS 430/1 *et seq.*, applicable to his role and position as the president of a public institution of higher learning.

6. The Board agrees to provide the President with a full-size automobile during the term of this Agreement and shall pay all operating expenses for such automobile, including but not limited to insurance, repairs, maintenance and fuel.

7. As a condition of his appointment and continued employment as president of the University, during the term of this Agreement and as otherwise provided for in this Agreement, the President agrees to live in and use, with his immediate family only, the officially designated President's residence located on property owned by the Board (the "Residence"). The President shall be responsible for furnishing the second floor of the Residence. The Board will furnish the

remainder of the Residence, and will furnish and maintain an office for use by the President in the Residence. The Board shall provide insurance coverage for the Residence and its contents and shall reimburse the President for any income taxes assessed upon the President as a result of the requirement that the President live in the Residence during the term of this Agreement. In the event of the President's death during his service as president of the University, the President's spouse shall have 90 days to vacate the Residence. In the event of a termination of this Agreement pursuant to Paragraph 10 or Paragraph 11 of this Agreement, the President and his spouse shall have 90 days to vacate the Residence. The Board agrees to pay or reimburse the President for reasonable moving expenses incurred by the President in connection with his moving out of the Residence in an amount not to exceed \$20,000.00 in the event of a termination of this Agreement pursuant to Paragraph 11 or upon President's death during his service as president of the University.

8. The Board consents and the President acknowledges and agrees that the Illinois State University Foundation (the "Foundation") may reimburse the President for the monthly dues paid by the President for the President's membership in The Bloomington Country Club of Bloomington, Illinois during the term of this Agreement. The Board consents and the President acknowledges and agrees that the Foundation may reimburse the President for monthly expenses incurred by the President at The Bloomington Country Club, to the extent that the expenses are directly related to his duties and responsibilities at University. Moreover, the Board consents and the President acknowledges and agrees that the Foundation may reimburse the President for partial payment for a membership in the University Club of Chicago, not to exceed \$1,000.00 per fiscal year.

9. The Board may terminate this Agreement upon written notice to the President prior to the expiration of the term of this Agreement. If the Board terminates this Agreement for cause,

the Board shall have no obligation to pay the President any salary or benefits after the effective date of the termination of the President's employment, except any accrued but unpaid salary and benefits as of the date of the President's termination. As used in this Agreement, cause includes but is not limited to:

- a. Violation of any material provision of this Agreement;
- b. Material acts of dishonesty, disloyalty in the conduct of the affairs of the President;
- c. Falsification or intentional misrepresentation of material information concerning the University's affairs, as reasonably requested by or under the authority of the Board or failure to disclose to the Board, material information concerning the University's affairs;
- d. Conviction of a crime involving acts constituting fraud, intentional dishonesty, moral turpitude, or any other activity that materially compromises the reputation of the Board or the University;
- e. Violation of any material policies or procedures, now existing or hereafter established by the Board; or
- f. Use, possession, or being under the influence of any illicit drugs, or abuse of alcohol while performing the functions of the office of president or conviction of any offense involving illicit drugs or alcohol.

If the Board wishes to terminate the President's employment for cause, the Board will give the President not less than 10 days written notice of the cause for termination and the date and time of the meeting at which the Board will consider termination of the President's employment. The President is entitled to appear at that meeting and to respond in person or in writing (as he may choose).

10. In the event that the President terminates this Agreement prior to the expiration of the term of this Agreement, the Board will have no further obligation to pay the President any

salary or benefits after the effective date of the President's resignation except any accrued but unpaid salary and benefits as of the date of the President's resignation.

11. The Board may, in its sole discretion, terminate this Agreement without cause. Prior to entering any severance agreement with the President upon termination of this Agreement without cause, the Board shall consider the President's most recent annual performance review. If there is more than one (1) year remaining until the expiration of the term of this Agreement, any severance paid to the President under a severance agreement shall not exceed the equivalent of one (1) year of the President's annual base salary as provided in Paragraph 3 of this Agreement plus applicable benefits. If there is less than one (1) year remaining until the expiration of the term of this Agreement, any severance paid to the President under a severance agreement shall not exceed the equivalent of the number of months remaining until the expiration of the term of this Agreement divided by twelve (12) times the President's annual base salary as provided in Paragraph 3 of this Agreement plus applicable benefits. The Board will have no further obligation to pay the President any salary or benefits after the effective date of the termination of the President's employment except any accrued but unpaid salary and benefits as of the date of the President's termination. If the amount of severance paid to the President is equal to the equivalent of one (1) year of the President's annual base salary as provided in Paragraph 3 of this Agreement plus applicable benefits, the President expressly agrees that such severance payment shall be the sole remedy and damages due the President for the termination of this Agreement. In consideration of such severance payment, the President further expressly agrees to release, waive, and hold harmless the Board, the University and its trustees, officers, agents, servants, employees, and representatives from any or all claims the President may have arising out of his employment or termination from employment. Any severance agreement between the Board and the President

under this paragraph 12 shall comply with the provisions of 110 ILCS 675/20-190 and 110 ILCS 675/20-195.

12. The Board acknowledges that the President has tenure status as an associate professor at the University. In the event that the Board terminates the President's employment without cause prior to the expiration of the term of this Agreement and the President elects to return to a full-time teaching position at the University, the Board agrees that the President's full-time salary in such teaching position shall not be less than the salary of the highest paid associate professor of the tenured faculty at the University.

13. The President and the Board acknowledge and agree that University and the Board shall have no obligation to make any payments required by the terms of this Agreement in the event that such amounts are not available to the University from its annual appropriation. The University and the Board agree that if its annual appropriation is not sufficient to pay the President any amounts required under the terms of this Agreement, the Board shall notify the President and the President shall have the right to immediately terminate this Agreement.

14. This Agreement shall be construed under the laws of the State of Illinois.

15. This Agreement constitutes the entire understanding of the parties with respect to the subjects set forth, and may only be amended or modified by an instrument in writing, executed by all parties hereto.

16. This Agreement may not be assigned by President or University.

17. The terms of this Agreement are severable such that if any term or provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule, such invalidity, illegality or unenforceability will not affect any other provision of this

Agreement and this Agreement will be reformed construed and enforced as if such invalid, illegal or unenforceable provision had not ever been contained in this Agreement.

18. No waiver by the parties of any default or breach of any covenant, term or condition of this Agreement shall be deemed to be a waiver of any other default or breach of the same or any other covenant or condition contained herein.

19. This Agreement may be executed in counterparts and which taken together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties hereby execute this Agreement below.

DR. LARRY H. DIETZ (the “ President”)

BOARD OF TRUSTEES,
ILLINOIS STATE UNIVERSITY (the “Board”)

BY: _____
Its Chairman, Rocco Donahue

BY: _____
Its Secretary, Mary Ann Louderback