SIDE LETTER OF AGREEMENT

BY AND BETWEEN THE VILLAGE OF LAKE IN THE HILLS, ILLINOIS
AND SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 73

This Side Letter of Agreement ("Side Letter") is entered into by and between the Service
Employees International Union, Local 73 ("Union") and the Village of Lake In The Hills, an
Illinois home rule municipal corporation ("Village").

1. This Side Letter shall modify the terms of the Collective Bargaining Agreement between
Union and the Village, which is effective and shall remain in effect from January 1, 2018
through December 31, 2022 ("CBA"). This Side Letter is offered and agreed to only as it
pertains to the Merit-Based Wage and Bonus Terms in Appendix A "Wages" and
otherwise as only to give effect to the modifications herein.

2. The reason the Side Letter has become necessary is that the evaluation system which is
described in Appendix A, "Wages," and in the section therein referred to as "Merit-Based
Wage and Bonus Terms" has been changed since the adoption of the CBA. Specifically,
the previous evaluation system which used 14 areas to rate performance has been
modified to now use 12 areas to rate performance.

3. Because of the reduction of rating areas from 14 to 12, the performance thresholds must
also be modified commensurate to the rating area reductions.

4. Furthermore, the parties have acknowledged that some of the language describing the
Merit-Based Wage and Bonus Terms should be improved for clarity.

5. The parties agree that the following language shall supersede the prior language, as well
as replace the prior language in future contracts, located in Appendix A, "Wages," in the
section therein referred to as "Merit-Based Wage and Bonus Terms" (edits in red, with
additions underscored, deletions stricken-through):

Merit-Based Wage and Bonus Terms. Employees shall advance to the next step on the first day
of the next pay period following the anniversary date of their hire provided they have been given
a "satisfactory" performance evaluation at the end of the last evaluation cycle. A "satisfactory"
performance evaluation shall be determined as follows:

- The current performance evaluation rates the employee in 12 areas as: Leading the Way,
  On Track, or Needs Improvement. The following points shall be awarded for each area:
    o Leading the Way – 3 points
    o On Track – 2 points
    o Needs Improvement – 1 point
- The most points available is 36 and the least available is 12.
- For advancement to Step 2 and Step 3 a minimum of 22 points is required.
- For advancement above Step 3 a minimum of 24 points is required.
- Employees placed on a performance improvement plan will not be eligible for a step
  increase.
• If advancement is not warranted, the employee shall remain at the current step until the first day of the next pay period following the anniversary date of their hire when they shall be considered for a single step advancement again.
• Failure to advance to the next step shall not affect seniority.
• A rating of “Needs Improvement” must be accompanied by documented, specific examples to substantiate the rating.
• Employees will be given verbal quarterly performance feedback. An employee not meeting expectations will be given written notice of performance deficiencies.
• An overall merit evaluation of “Needs Improvement” may be grieved through all step to final and binding arbitration provided the employee files any such grievance in a timely manner.

All employees in Step 8 for a year shall be eligible for a lump sum bonus. $1,500 shall be placed into a pool, specific to the bargaining unit’s employees, to award lump sum bonuses to these employees. At the end of the evaluation cycle, each employee’s performance evaluation shall be scored as described above. The bonus pool shall be divided proportionally according to each eligible employee’s performance evaluation score relative to the other eligible employees’ scores. For example, if all employees were eligible and scored exactly the same, each would receive $1,500 at the next anniversary date of their hire. If the eligible employees’ scores are not equal, the highest score will earn a bonus over $1,500 and the lowest will earn a bonus less than $1,500. No employee shall receive a bonus of less than $1,000. Employees placed on a performance improvement plan will receive $1,000 only and are not eligible for additional bonus money; however, their additional share of the bonus money will be left in the pool to benefit the other, eligible employees. The bonus shall be paid on the first day of the next pay period following the anniversary date of their hire.

Should more than three (3) employees belonging to the union be evaluated as ineligible for the merit increase in any single year, including those on the step and grade scale and those in the longevity program, the union may reopen negotiations on the merit-based system.

The term of the contract shall be a five (5) year agreement, commencing January 1, 2018 and shall remain in full force and effect until 11:59 PM December 31, 2022. Employees shall receive a cost of living wage adjustment as indicated in the wage scale for each year of the contract, respectively, with the 2018 increase retroactive to January 1, 2018.

6. The parties agree that the following language shall supersede the prior language, located

7. The parties agree that there is full and fair consideration by entering this Side Letter, that it was discussed by authorized representatives for each party, and that the intention of this Side Letter is to otherwise maintain in full force and effect the CBA.
Service Employees International Union, Local 73

By: [Signature]

Its: [Signature] 6-19-18

Date

Village of Lake In The Hills

By: [Signature]

Russ Ruzanski, President

Date