

SUPERINTENDENT'S EMPLOYMENT AGREEMENT

Agreement made and entered into by and between the Fraser Public Schools District (hereinafter "School District" or "District") and David M. Richards, (hereinafter "Superintendent"). A new contract document between the parties shall be executed annually (contract terms remain the same July 1, 2014 – June 30, 2016)

The School District and the Superintendent hereby agree as follows:

1. **Term:** The District will employ the Superintendent for the period from July 1, 2014, to June 30, 2018. Should the Board of Education of the School District (hereinafter "Board") desire not to renew this Agreement, the Board will give the Superintendent notice of its decision at least 90 days before the expiration date; otherwise, this Agreement will automatically renew for one more year.

2. **Tenure:** The Superintendent will not have or acquire tenure as Superintendent of Schools or in any other administrative or assigned capacity. The District's failure to continue the Superintendent's employment after the term of this Agreement, or re-employ him in any other capacity, will not be considered a breach of this Agreement.

3. **Qualifications:** The Superintendent represents and warrants that he meets, and will continue to meet, at least the minimum qualifications and certifications required by the State of Michigan to serve as the District's Superintendent of Schools.

4. **Duties:** The Superintendent represents and warrants that he is able, and will continue to be able, to serve as the District's Superintendent of Schools in a competent and professional manner in compliance with applicable laws, policies and regulations adopted by the Board, and as otherwise directed by the Board. The

Superintendent shall perform his duties over the full fifty-two (52) weeks of the School District's fiscal year (July 1 to June 30), less applicable vacation, leave, and holidays. The Superintendent shall be expected to attend meetings of the Board and its committees and to attend and participate in School District functions or, on occasion, other civic activities having relation to the School District's interests within the Fraser community. The Superintendent will report to the Board information, which would, or might, affect or be relevant to the business of the School District. The Board collectively and individually shall refer promptly all criticism, complaints and suggestions called to their attention to the Superintendent for study and recommendation.

5. Total Salary Compensation for Inclusion in Retirement Calculations:

- A. Base Salary: The Superintendent's base salary will be \$169,284.00. The Superintendent's total compensation shall be reopened for negotiation after two years (June 30, 2016), but in no event shall the compensation for additional years be at a rate less than established in the initial year of the contract.
- B. Tax Sheltered Annuity (TSA) The School District shall provide the Superintendent with an annual tax sheltered annuity in the amount of two thousand dollars (\$2,000.00) paid to an annuity plan or plans allowed by state and federal law, including 401(k), 403(b) or 457(b) plans. Such plan or plans shall be selected by the Superintendent for his benefit, subject to any administrative limitations and conditions of the Internal Revenue Code. The cost to the School District of any tax deferred annuity plan or plans shall not exceed two thousand (\$2,000.00) during any year of this Contract. The payment to purchase any annuity plan or plans on an annual basis shall be timed so that the contributions made on behalf of the Superintendent do not exceed any applicable limits of the Internal Revenue Code for any tax deferred annuities or any other plans allowed by state or federal law in any applicable calendar year.
- C. Merit Pay: The Superintendent shall receive merit pay in the annual amount of one-half percent (0.5%) of his base salary if, as of June 30, 2014 and June 30 of each fiscal year thereafter for the term of this agreement, the district's general fund balance is equal to or greater than \$2,950,000.00 and an overall evaluation rating of "effective" or better from the annual Spring evaluation. The merit pay will be paid in one (1) lump sum immediately following

presentation of the district's audited financial records for the preceding year.

- D. Doctorate Degree: The Superintendent shall annually receive an amount of one thousand (\$1,000) in recognition of his doctorate degree.
- E. Vacation: For the period beginning July 1, 2014, and terminating on June 30, 2018 the Superintendent will be given twenty (20) vacation days for each year (July 1 – June 30); exclusive of legal holidays, subject to prior notice to the Board's President. Upon the approval of the Board's President, up to a maximum of ten (10) such days may be carried over to be used in the following contract year and must be used by September 30 and may elect to be paid a maximum of five (5) unused vacation days upon written request to the Board's President. At the time of the Superintendent's separation from employment with the School District, the School District shall pay the Superintendent for any accrued and unused vacation leave at his daily rate. Any vacation period in excess of five (5) consecutive workdays is subject to prior approval by the Board's President.
- F. Holidays: The following days shall be considered holidays: Independence Day, Labor Day, Thanksgiving, the Friday following Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve, New Year's Day, Good Friday (provided it is not a school day), Easter Monday (provided it is not a school day), and Memorial Day.
- G. Leave: The District will provide fifteen (15) leave days per year (prorated for periods of less than a year) for the purpose of sick and/or personal business leave, which may be accumulated up to a maximum of 120 days. The Superintendent shall carry over and be credited with those accumulated leave days that he earned as a principal in the District. At the time of the Superintendent's separation from employment with the School District, the School District shall pay the Superintendent for any accrued and unused leave days at his daily rate.

6. **Fringe Benefits:** During the term of this Agreement, the Superintendent shall receive the fringe benefits set forth in the Fringe Benefit Supplement attached to this Agreement and made a part hereof. The fringe benefits set forth in the attached Supplement shall be subject to annual review and modification as the parties may agree.

7. **Other Work:** During the term of this Agreement, the Superintendent agrees to devote his full working time, skill, effort and attention to the performance of his

duties and responsibilities as the District's Superintendent of Schools. The Superintendent shall perform outside activities only on vacation or personal days, and be allowed to retain any honorarium paid for such activities. In no case shall the District be responsible for any expense attendant to the performance of outside activities by the Superintendent.

8. **Conflicts of Interest:** The Superintendent will not possess or acquire, directly or indirectly, any interest adverse to the District. If a question arises whether the Superintendent possesses or has acquired an impermissible conflict of interest, the Superintendent will, as soon as practicable, fully disclose the questioned interest to the Board for its review and disposition, which disposition will be controlling.

9. **Evaluation:** Bi-Annually, in October and no later than March 25th of each year, the Board shall review with the Superintendent the Superintendent's performance, which may include progress toward mutually established goals and his working relationships with the Board, staff and community. In absence of agreement on mutually established goals, the Board will establish the goals.

10. **Medical Examination:** At least once a year during the term of this contract, the Superintendent shall have a medical examination, performed by the Superintendent's physician. Any costs not covered by the Superintendent's health insurance will be paid by the School District. The Superintendent shall authorize and direct their physician to promptly inform the President of the Board of Education whether the Superintendent is able to perform their duties.

11. **Indemnification/Hold Harmless:** For any action or non-action taken by the Superintendent, the District agrees that it shall defend, hold harmless and indemnify

the Superintendent from any and all demands, claims, suits, actions, and legal proceedings brought against the Superintendent in his individual capacity as agent and employee of the District, provided the incident arose while the Superintendent was acting within the scope of his employment, such liability coverage is within the authority of the District to provide under state law, and excluding criminal litigation; it is further understood that in no case will individual Board members be considered personally liable for indemnifying the Superintendent against such demands, claims, suits, actions and legal proceedings. The Superintendent shall immediately notify the Board of any request for indemnification for any claim or action against him. The Board and the District have the right to conduct the defense of any such claim or action and the Superintendent shall fully cooperate with the Board and the District in the defense. The District may purchase liability insurance to cover its responsibilities set forth above. It is understood that the provisions above shall remain applicable and in effect even after the Superintendent terminates his employment with the District.

12. **Consolidation:** In the event that the position of Superintendent of the Fraser Public Schools District is eliminated by virtue of annexation, consolidation, or other such action, it is agreed that the Superintendent would be reassigned to another central office position at the same salary and benefits as provided in this agreement. If the Superintendent refused to accept the new position, then the Board could immediately terminate the contract without any further obligation or liability.

13. **Reassignment:** The Board may reassign the Superintendent to a different administrative position within the District during the term of this Agreement, with the understanding that in this event the compensation provided to the Superintendent would not be less than that provided under this Agreement.

14. **Termination:** This Agreement will terminate on June 30, 2018. The Superintendent enters into this agreement with no expectation of continued employment with the District beyond that date. Prior to the contract expiration date, the Board and the District will not terminate this Agreement except for just cause, which shall include, but not be limited to, acts of moral turpitude, serious misconduct, and violations of the terms of this Agreement. The “just-cause” standard in this agreement shall be construed to be the same standard as required under applicable law (i.e., if an applicable statute provides that the standard for involuntary termination should be “arbitrary and capricious”, then that standard shall apply). This agreement can also be terminated by an emergency manager appointed under applicable law. The Superintendent may terminate this Agreement during its term by providing the Board with at least 60 days advance notice.

15. **Limitations of Actions:** The Superintendent and the District agree that any civil action or administrative complaint arising from or relating to the Superintendent’s employment with the District, the termination of the Superintendent’s employment with the District or this Agreement must be filed no later than 180 calendar days from the date on which the civil action or administrative complaint accrued or no later than 180 days from the termination of the Superintendent’s employment, whichever is sooner, to the extent permitted by law. The District and the Superintendent waive any longer limitations period. This paragraph is not intended to, and should not be construed, to extend any statutory limitations period shorter than 180 calendar days.

16. **Binding Arbitration:** The Superintendent and the Board and the District agree that, except as set forth in the final sentence of this paragraph, any and all claims, demands, actions and causes of action whatsoever, arising from or relating to the

Superintendent's employment by the Board and the District, and the negotiation, execution and interpretation of this Agreement, will be submitted to final and binding arbitration before a single arbitrator according to the American Arbitration Association's National Rules for the Resolution of Employment Disputes. The Superintendent, the Board or the District may move for entry of judgment on such an arbitration award in any court of competent jurisdiction. This paragraph does not apply to a decision by the Board or the District not to renew this Agreement, which decision may not be submitted to final and binding arbitration.

17. **Waiver of Breach:** The Board and the District will not waive any breach of any provision of this Agreement except in writing. Such a waiver will not waive future breaches.

18. **Severability:** If any provision of this Agreement is prohibited by the laws of the United States or the State of Michigan, that provision will be unenforceable without invalidating the remaining provisions of this Agreement.

19. **Board of Education and Superintendent Relationship:** The Superintendent shall be the Chief Administrative Officer of the District. It is the intent of the Board of Education and the Superintendent that Board of Education members shall assist the Superintendent by forwarding to him complaints related to the operation of the District for resolution. It is also the intent of the Board of Education and the Superintendent that the conflict resolution process begins with the Superintendent and flow through the full Board of Education when necessary.

20. **Entire Agreement:** This Agreement is the parties' entire agreement and supersedes any other prior or contemporaneous agreement, written or verbal. The Agreement may not be modified or rescinded except by another written agreement, approved by the Board in a public meeting, and signed by both the parties.

SUPERINTENDENT

David M. Richards, Ph.D.
Date:_____

BOARD OF EDUCATION OF THE
FRASER PUBLIC SCHOOLS DISTRICT

By:_____ Gerard Gauthier, Board President
Date:_____

By:_____ Jim Birko, Board Secretary

FRINGE BENEFIT SUPPLEMENT

This Supplement is attached to and is a part of the Superintendent of Schools Employment Agreement between the Board of Education of the Fraser Public Schools District and David M. Richards for the school years 2014-2018, and sets forth the fringe benefits provided to the Superintendent upon the commencement of this Agreement. It is understood that the following fringe benefits are provided on an annual basis. This Supplement is subject to all of the provisions of the Superintendent of Schools Employment Agreement.

A. **Insurance:** The District will provide the Superintendent the same medical, dental, and vision insurance benefits provided to other central office administrators employed by the District during the term of this Agreement, and the Superintendent shall make the same contributions towards the cost of such insurances as the other central office administrators, to be paid via payroll deduction.

B. **Term Life Insurance:** The School District shall, at all times during the effective dates of this Contract, provide the Superintendent, at no cost to the Superintendent, a term life insurance policy providing a death benefit of two (2) times the Superintendent's then current annual base salary, with the ability to convert at the time of retirement or separation of employment.

C. **Long-Term Disability:** The District will provide a long-term disability policy which pays 70 percent of the Superintendent's pay after 180 days of disability to age 65, subject to the terms of the policy. If the Superintendent becomes disabled and cannot work due to illness or accident, and the Superintendent has exhausted his accumulated sick leave days, the District will provide income protection and maintain his current salary for a period not to exceed 180 days following the first day of the Superintendent's

disability, at which time the Superintendent should become eligible for benefits under the long-term disability policy.

The Superintendent shall furnish medical certification to the Board regarding the necessity for the disability leave. If the Board has reason to doubt the validity of the medical certification supplied by the Superintendent, it may require a second opinion, at Board expense. After taking such disability leave, the Superintendent shall provide the Board a certification that he is fit for duty from the Superintendent's health care provider. A second opinion may be required by the Board, at its expense, unless such a second opinion in this context is precluded by the Family and Medical Leave Act. Should the Superintendent be unable to perform any or all of his duties by reason of illness, accident or other cause beyond his control, and if the disability continues for more than 180 days during any school year, or if it is permanent, irreparable or of such a nature as to make the performance of the Superintendent's duties impossible, the Board may, in its discretion, terminate this agreement, and all the duties, rights and obligations of both parties shall end.

D. Professional Development: The District will support the Superintendent's professional development by reimbursing him for membership charges for professional, and civic, health or welfare organizations proposed by the Superintendent and approved by the Board.

E. Expenses: The District will reimburse the Superintendent for reasonable and necessary expenses incurred on District business, including mileage reimbursement at the Board-Policy rate for all mileage driven for the purpose of conducting District business. The Superintendent will submit itemized expense statements, on a monthly basis, to the Board President for review and approval.