

**CONTRACT OF EMPLOYMENT**

## School Administrator

This Contract is entered into by and between the Board of Education of the Ovid-Elsie Area School District (hereinafter "Board") and Ryan Lee Cunningham (hereinafter "Administrator"). The Board in accordance with its action found in the minutes of its meeting held on the 18<sup>th</sup> day of April, 2016, hereby employs Ryan Lee Cunningham for a five (5) year period commencing on July 1, 2016 and ending on June 30, 2021, according to the following terms and conditions.

1. Administrator shall perform the duties of Superintendent as prescribed by the Board and as may be established, modified and/or amended from time to time by the Board. Administrator acknowledges the ultimate authority of the Board with respect to his responsibilities and directions related thereto. Administrator is subject to assignment and transfer to another administrative position of employment in the School District at the discretion of the Board.

2. Administrator represents that he possesses, holds and will maintain all certificates, credentials and qualifications required by law, including the provisions of Sections 1246 and 1536 of the Revised School Code, the regulations of the Michigan Department of Education, and those required by the Board to serve in the position assigned. Administrator agrees, as a condition of his continued employment, to meet and maintain all certification and continuing education requirements for the position assigned, as are and may be required by law and/or by the State Board of Education. If at any time Administrator fails to maintain all certificates, credentials, continuing education requirements and/or qualifications for the position assigned as required herein, this Contract shall automatically terminate and the Board shall have no further obligation hereunder.

3. Administrator agrees to devote his talents, skills, efforts and abilities toward competently and proficiently fulfilling all duties and responsibilities of the position(s) assigned. Administrator agrees to faithfully perform those duties assigned by the Board and to comply with the directives of the Board with respect thereto. Further, Administrator agrees to comply with and fulfill all responsibilities and tasks required by state and federal law and regulations and by the Board to carry out the educational programs and policies of the School District during the entire term of this Contract. Administrator agrees that he will diligently and competently discharge his duties on behalf of the School District to enhance the operation of the School District and will use his best efforts to maintain and improve the quality of the programs and services of the School District.

4. Administrator shall be paid at an annual (twelve month) salary rate of not less than One Hundred Twenty-Seven Thousand Three Hundred Eighty-Two Dollars (\$127,382) in consideration of his performance of the duties and responsibilities of the position assigned as Superintendent in conformance with the requirements and expectations of the Board. As part of his remuneration for services provided under this contract, the Administrator shall also be paid longevity equivalent to 1% of the base salary. The annual base salary and longevity shall be compounded at the rate of one percent (1%) when calculating subsequent year's salary for each of the five years of this contract. The annual salary, inclusive of the base salary and longevity, shall be paid in twenty-six (26) equal bi-weekly installments beginning with the commencement of the fiscal/contract year (July 1 - June 30).

In recognition of the fact Ryan Lee Cunningham (Administrator) has assumed and will continue to perform the primary functions and responsibilities for associated with the position of Fiscal Services

Coordinator for the District, he shall be paid an additional annual salary of no less than Eighteen Thousand Dollars (\$18,000) plus longevity of one percent (1%). The annual salary and longevity shall be compounded at a rate of one percent (1%) when calculating subsequent year's salary for each of the five years of this contract.

In addition, and in remuneration for the services provided by the Administrator under this Contract, the Board shall contribute on behalf of the Administrator with a Board paid annuity of Four Hundred Dollar (\$400) per month toward a 403b annuity selected by the Administrator in accordance with the Board's policies governing the administration of annuity contributions.

5. Administrator's performance shall be evaluated by the Board not less than annually.

6. As part of his remuneration for service under this Contract, should the Administrator's performance be determined by the Board to be "effective" or "highly effective" (or equivalent) in the student growth category, as measured by on the Administrator's year end evaluation, the Administrator shall be entitled to a one-time merit payment of five percent (5%) of his annual base salary, payable prior to June 30.

Should Administrator be assigned or transferred to another administrative position, the salary paid shall be as established by the Board for that position.

The Board hereby retains the right to increase the annual salary of Administrator during the term of this Contract. Any such increase shall be reflected in a written amendment to this Contract.

7. Administrator is employed on the basis of fifty-two (52) weeks of work per contract/fiscal year (July 1 through June 30). Administrator shall be granted vacation time of twenty (20) days per contract/fiscal year. Administrator shall schedule use of vacation days in a manner to minimize interference with the orderly operation and conduct of business of the School District. A maximum of ten (10) vacation days not used within the fiscal year will be rolled over to the Administrator's leave bank. The leave bank will include accumulated vacation days, sick days and/or leave days, including those accumulated under previous administrative titles held within the District.

8. The Board shall be entitled to terminate the Administrator's employment at any time during the term of this Contract when it determines that Administrator has engaged in acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetency, inefficiency, if Administrator materially breaches the terms and conditions of this Contract, or for other causes that are not arbitrary or capricious, as determined by the Board.

The foregoing standards for termination of this Contract during its term shall not be applicable to non-renewal of this Contract at the expiration of its term, which decision is discretionary with the Board.

In the event that the Board undertakes to dismiss Administrator during the term of this Contract, he shall be entitled to written notice of charges and an opportunity for a hearing before the Board. In the event of termination of employment during the term of this Contract, this Contract shall automatically terminate and the Board shall have no further obligation under this Contract.

9. In the event of Administrator's mental and/or physical incapacity to perform the duties of his office, he shall be granted an initial leave of ninety (90) work days for purpose of recovery. The Administrator shall first exhaust any accumulated leave and accrued vacation time, with the balance of the

ninety (90) work day period to be unpaid. Upon utilizing leave under this provision, Administrator shall furnish medical certification to the Board (or its designee) respecting the necessity for the leave.

If the Board (or designee) has reason to doubt the validity of the medical certification supplied by Administrator, it may require a second opinion, at Board expense.

Administrator may request a ninety (90) work day unpaid leave extension in the event of his/her physical and/or mental inability to return to work at the expiration of the initial leave interval, as described above, provided that there is a verified prognosis that Administrator will be able to resume his duties at the conclusion of the extended leave interval. Medical certification shall be supplied by Administrator as a condition to any leave extension. Any extensions of leave for this purpose shall be at the discretion of the Board.

If Administrator is unable to or does not resume work at the conclusion of a leave taken under this paragraph (or any extension thereof), his employment and this Contract may be terminated at the option of the Board. However, no such termination shall occur where restoration after leave is required by the Family and Medical Leave Act.

Prior to resumption of duty after an unpaid leave of absence for a serious health condition, Administrator shall provide to the Board a fitness for duty certification from Administrator's health care provider. A second opinion may be required by the Board, at its expense, unless the securing of the second opinion in this context is precluded by the Family and Medical Leave Act.

10. Administrator agrees that he shall not be deemed to be granted continuing tenure in the position initially assigned or to which he may be assigned or transferred or in any capacity other than that of a classroom teacher, should the probationary period required for tenure as a teacher be fulfilled, by virtue of this Contract or any employment assignment (requiring certification) with the School District. Nor shall the decision of the Board not to continue or renew the employment of Administrator for any subsequent period in any capacity, other than as a classroom teacher, as may be required by the Teachers' Tenure Act, be deemed a breach of this Agreement or a discharge or demotion within the provisions of the Michigan Teachers' Tenure Act.

11. Administrator shall submit to such medical examinations, supply such information and execute such documents as may be required by any underwriter, policyholder or third party administrator providing insurance programs specified under this Contract. Additionally, upon request of the Board, Administrator shall authorize the release of medical information necessary to determine if Administrator is capable of performing the essential job functions required by his assignment, with or without reasonable job accommodation(s). Any physical or mental examination or disclosure of such information required of administrator by the Board shall be job related and consistent with business necessity. Any medical or psychological examination under this section shall be at Board expense. Any information obtained from medical or psychological examinations or inquiries shall be considered and treated as confidential.

12. Upon proper application and acceptance for enrollment by the appropriate insurance underwriter, policyholder and/or third party administrator, the Board shall make medical benefit cost payments and premium contributions, as specified below, on behalf of Administrator and his eligible dependents for enrollment in the following insurance programs (same as teachers):

1. BCBS \$1,300/\$2,600 deductible with employee contributed H.S.A.
2. BCBS \$2,000/\$4,000 deductible with employee contributed H.S.A.

3. BCBS \$3,000/\$6,000 deductible with employee contributed H.S.A.
4. SET SEG Dental Insurance (80/20)
5. SET SEG Vision Insurance – Ultra Vision Plan III
6. Term Life Insurance at two (2) times the Administrator’s annual salary
7. Long-Term Disability
  - a. 60% of Administrator’s current wage
  - b. 90 calendar days modified fill
  - c. Social Security freeze

Administrator agrees that the Board has the right to allocate to Administrator responsibility for a portion of the medical benefit plan costs and premiums for the plans and products specified above, as may be determined by the Board. The contributions required of Administrator shall not be less than the amount determined by the Board to be necessary to comply with the Publicly Funded Health Insurance Contribution Act, 2011 PA 152. The Board will notify Administrator of the amounts for which he is responsible in excess of the Board contributed medical benefit plan costs and premiums. To the extent that the medical benefit plan costs and premiums associated with the above plans and products exceed the level of the Board’s contributions, Administrator hereby authorizes payroll deduction for all excess medical benefit plan costs and premium amounts required to maintain enrollment.

If Administrator makes a voluntary written election not to avail himself of the health /medical coverage offered by the Board, he will instead receive cash in lieu at the same rate as teachers, on a monthly basis, under a qualified Section 125 plan, on the further condition that Administrator furnishes written evidence that he is enrolled in another health/medical benefits plan that meets the minimum value and coverage requirements of the Affordable Care Act.

13. The Board reserves the right to change the identity of the insurance carrier, policyholder or third party administrator for any of the above coverages, provided that comparable coverage, as determined by the Board, is maintained during the term of this Contract. The Board shall not be required to remit medical benefit plan costs or premiums for any insurance coverages for Administrator and his eligible dependents if enrollment or coverage is denied by the insurance underwriter, policyholder or third-party administrator. The terms of any contract or policy issued by any insurance company or third-party administrator shall be controlling as to all matters concerning benefits, eligibility, coverage, termination of coverage, and other related matters. Administrator is responsible for assuring completion of all forms and documents needed to receive the above-described insurance coverage. The Board, by remitting the medical benefit costs and premium contributions required under this Contract to provide the above-described plans and products, shall be relieved from all liability with respect to insurance benefits.

14. The Administrator is entitled to the following holidays for which no service to the School District is required: New Year’s Eve Day, New Year’s Day, Good Friday, Memorial Day, July Fourth, Friday before Labor Day, Labor Day, Thanksgiving Day, Friday following Thanksgiving Day, Christmas Eve Day, Christmas Day.

15. If Administrator is absent from duty on account of personal illness or disability, he shall be allowed full pay for a total of twelve (12) days per contract year with accumulative carried over from previous year into the leave bank. Upon retirement or separation from the district, the Administrator shall be entitled to a severance payment calculated at fifty percent (50%) of the Administrator’s concurrent daily rate of pay, as of the effective date of separation, for each eligible day in the Administrator’s leave bank, as follows:

16-20 total years with District 55 percent of accumulated leave bank  
 21-25 total years with District 65 percent of accumulated leave bank  
 26 + total years with District 75 percent of accumulated leave bank

16. Administrator shall be eligible to be reimbursed for travel, meals and lodging in accordance with per diem expense and reimbursement standards and procedures established by the Board. Any expense to be incurred by Administrator for out-of-district travel shall be submitted in advance for review and approval by the Board. Administrator shall be required to present an itemized account of his reasonable and necessary expenses in accordance with direction of the Board or its designee.

17. The Board encourages continuing professional growth of the Superintendent through his participation in professional seminars, programs, and conferences sponsored by local, state, and national school administrator and school board associations, as well as seminars and courses offered by public or private education institutions.

In addition, the Board will provide as part of the Administrator's fringe benefits:

- a) Technology (computer and cell phone) use equivalent to Ovid-Elsie Administrators or up to Thirty (\$30) dollars per month for reimbursement of personal cell phone;
- b) Travel allowance for the current fiscal year is \$3,600.00 to be paid not later than August 31<sup>st</sup>, for travel within Clinton County RESA, Shiawassee RESD, Gratiot-Isabella ISD, and/or for Tri-Valley Conference functions.
- c) Annually, the Board shall budget a professional allowance of at least \$3,600.00, which may be increased at the Board's discretion, to be paid directly to a specified company.
- d) For each year of service as Superintendent of Ovid-Elsie Area Schools beginning July 1, 2016, the Board shall deposit a severance amount of not less than Two Thousand Dollars (\$2,000) to be deferred for the Superintendent's Eleventh (11<sup>th</sup>) year of employment as Superintendent. In the Eleventh (11<sup>th</sup>) year of employment (2020-21) the Superintendent will receive the deposited amount. For each additional year of service beyond the June 30, 2021 contract, the severance payment of not less than Two Thousand Dollars (\$2,000) annually shall continue and payment shall be made upon permanent separation from the District as Superintendent.

18. This Contract contains the entire agreement and understanding by and between the Board and Administrator with respect to the employment of Administrator and no prior or concurrent representations, promises, contracts or understandings, written or oral, not contained herein, shall be of any force or effect. All prior contracts or other agreements (written or oral) pertaining to the terms of this contract are cancelled and are superseded by the terms of this contract.

No amendment to or modification of this Contract shall be valid or binding unless it is in writing, approved by official action of the Board reflected in its minutes, and signed by Administrator and the President and Secretary of the Board. No valid waiver of any provision of this Contract, at any time, shall be deemed a waiver of any other provision of this Contract at such time or at any other time.

19. In the event of any dispute between the parties relating to discharge of Administrator during the term of this Contract, the parties hereby agree to submit such to binding arbitration. Selection of the

arbitrator and the arbitration proceedings shall be conducted under the National Rules for the Resolution of Employment Disputes of, and administered by, the American Arbitration Association. Arbitration under this provision shall be conducted pursuant to the terms of the Michigan Uniform Arbitration Act, MCL 691.1681 *et seq.*

The parties intend that this process of dispute resolution shall be inclusive of all contract and statutory claims advanced by Administrator arising from Administrator's discharge during the term of this Contract, including (but not limited to) claims of unlawful discrimination and all claims for damages or other relief. However, this agreement to arbitrate does not restrict Administrator from filing a claim or charge with any state or federal agency (such as the Equal Employment Opportunity Commission or the Michigan Department of Civil Rights), and does not apply to any claims for unemployment compensation or workers' compensation which may be brought by Administrator. Instead, this agreement to arbitrate claims applies to those matters which would otherwise be subject to state or federal court proceedings.

This agreement to arbitrate means that Administrator is waiving his/her right to adjudicate discrimination claims in a judicial forum and is instead opting to arbitrate those claims. In any such arbitration proceeding, Administrator shall have the right to representation by counsel of his/her choice, the right to appointment of a neutral arbitrator, the right to reasonable discovery and the right to a fair hearing. However, Administrator, through this agreement to arbitrate such claims, does not waive any statutory rights or remedies in the context of such arbitration proceedings.

The arbitrator's fees and the costs imposed by the American Arbitration Association shall be shared equally by the Board and Administrator, subject to the right of Administrator to seek to tax such fees as costs against the Board.

Any claim for arbitration under this provision must be filed with the American Arbitration Association, in writing, and served on the Board within one hundred eighty (180) days of the effective date of Administrator's discharge during the term of this Contract. The Decision and Award of the arbitrator shall be final and binding and judgment thereon may be entered in the Circuit Court for the Judicial Circuit of Michigan (Clinton County), pursuant to applicable provisions of the Michigan Uniform Arbitration Act.

20. If any provision of this Agreement becomes or is declared by a Court of competent jurisdiction to be illegal, unenforceable or void, this Contract shall continue in full force and effect without said provision(s).

21. Administrator agrees that any claim or suit arising out of Administrator's employment with the Board must be filed no more than six (6) months after the date of the employment action that is the subject of the claim or suit. Administrator understands that the statute of limitations for claims arising out of an employment action may be longer than six (6) months, but agrees to be bound by the six (6) month period of limitation set forth herein and waives any statute of limitations to the contrary. Should a court of competent jurisdiction determine that this provision allows an unreasonably short period of time to commence a law suit, it is the intent of the parties that the court enforce this provision to the extent possible and declare the law suit barred unless it was brought within the minimum reasonable time within which the suit should have been commenced.

22. This Contract is executed on behalf of the Ovid-Elsie Area School District pursuant to the authority granted as contained in the resolution of the Board adopted on April 18, 2016, the same being incorporated herein by reference.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first above written.

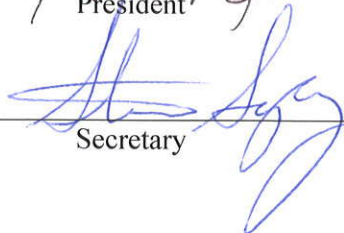
Date: 5/17/16

  
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RYAN LEE CUNNINGHAM - ADMINISTRATOR

OVID-ELSIE AREA SCHOOLS  
BOARD OF EDUCATION

Date: 5/16/16

By   
\_\_\_\_\_  
President

By   
\_\_\_\_\_  
Secretary