

CONTRACT OF EMPLOYMENT

RECEIVED AUG 27 2012

Superintendent/Administrator

It is hereby mutually agreed by and between the Stephenson Area Public Schools Board of Education (hereinafter "Board") and Stephen F. Paliewicz (hereinafter "Superintendent/Administrator") that, pursuant to Section 1229 of the Revised School Code of the State of Michigan, MCL 380.1229 (Public Act 289 of 1995), the Board has and does hereby employ the said Stephen F. Paliewicz as its Superintendent of Schools/Administrator from July 1, 2012 through June 30, 2015, according to the terms and conditions as described and set forth herein as follows:

1. Superintendent/Administrator shall perform the duties of Superintendent/Administrator as prescribed by the Revised School Code of the State of Michigan, by the rules and regulations of the State Board of Education and as may be established, modified and/or amended from time to time by the Board.

2. Superintendent/Administrator represents that he/she possesses, holds, maintains, and will maintain all certificates, credentials and qualifications required by law to serve in the position of Superintendent of Schools/Administrator. If, at any time, the Superintendent/Administrator fails to maintain all certificates, credentials and qualifications for the position of Superintendent of Schools/Administrator as required herein, this contract shall automatically terminate and the Board shall have no further obligations.

3. The Superintendent/Administrator agrees during the period of this contract to faithfully perform his/her duties and obligations in such capacities for the school district including, but not limited to, those duties required by the School Code. He/she will act as an advisor to the Board on matters pertaining to the school administration or the school district and he/she will inform the Board as to administrative action taken on its behalf.

4. The Superintendent/Administrator shall recommend, effect, or cause to be effected, the policies and programs of the Board of Education as may be adopted. He/she will faithfully and diligently fulfill all duties and obligations incumbent upon him/her as the executive head of the school system and school district. Further, the Superintendent/Administrator pledges to use his/her best efforts to maintain and improve the quality of the operation of the school district and consistently promote efficiency in all areas of his responsibility. The Board recognizes that the Superintendent/Administrator is expected to shoulder his/her share of professional responsibilities outside of the district on behalf of the educational community at large. This would in no way be construed as a conflict with his/her duties as Superintendent/Administrator.

5. Superintendent/Administrator shall be paid an annual salary of not less than Ninety Thousand (\$90,000) in consideration for his/her performance of the duties and responsibilities of the position of Superintendent of Schools/Administrator in conformance with the requirements and expectations of the Board as set forth herein. The annual salary shall be paid in twenty six (26) installments during the applicable twelve (12) month period July 1 through June 30. The Board hereby retains the right to adjust the salary of the Superintendent/Administrator during the term of this contract and that any such salary adjustment shall not reduce the annual salary below the minimum annual salary prescribed herein above. Any adjustment in salary made during the

term of this contract shall be in the form of a written amendment and, when executed by the Superintendent/Administrator and the Board, shall become a part of this contract.

6. Superintendent/Administrator is employed for a period of fifty-two (52) weeks of work per year, July 1 through June 30, as scheduled by the Board. Superintendent/Administrator shall be granted vacation time of Twenty (20) days per fiscal year which shall not accumulate for use in any subsequent fiscal year without the expressed written consent of the Board. Vacation days must be used within the fiscal year for which they are made available and Superintendent/Administrator shall not receive any additional compensation in lieu of use of vacation days without the express agreement of the Board. Superintendent/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.

7. Superintendent/Administrator's performance shall be evaluated by the Board annually and presented to the Superintendent in writing no later than March 1 in any given school year. As such evaluations, are to be based in part on goals and objectives, said goals and objectives will be presented to the Superintendent/Administrator in writing prior to the year of evaluation.

8. The Board shall be entitled to terminate this contract during its term in the event of the Superintendent/Administrator's inability to perform this position responsibilities for a period of ninety (90) consecutive days due to mental or physical disability.

9. The Board shall be entitled to terminate the Superintendent/Administrator's employment at any time during the term of this contract for good and just cause, but the Board shall not arbitrarily and capriciously dismiss him/her. No discharge shall be effective until written charges have been served upon him/her and he/she shall have an opportunity for a fair hearing before the Board after ten (10) days' notice in writing. Said hearing shall be public or private at the option of the Superintendent/Administrator. At such hearing, he/she may have legal counsel at his/her own expense.

10. 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 of Education. Non renewal shall be as prescribed under Section 1229 of the Revised School Code. MCL 380.1229.

11. In the event of any dispute between the parties including, but not limited to, non renewal or discharge of Superintendent/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 rules of, and administered by, the American Arbitration Association. The parties intend that this process of dispute resolution shall be inclusive of all contract and statutory claims advanced by Superintendent/Administrator arising from Superintendent/Administrator's discharge during the term of this Contract, non renewal or other alleged violations, claims of unlawful discrimination and all claims for damages or other relief. The arbitrator's fee and the costs imposed by the American Arbitration Association shall be shared

equally by the Board and Superintendent/Administrator. Any claim for arbitration under this provision must be filed with the American Arbitration Association, in writing, and served on the Board within ninety (90) days of the effective date of Superintendent/Administrator's discharge, non renewal or alleged violation. The parties are entitled to have legal or other representation of their own designation, and each party shall be responsible for its own costs incurred in connection with such representation. The Decision and Award of the arbitrator shall be final and binding and judgment thereon may be entered in the County Circuit Court.

12. Superintendent/Administrator's agrees that he/she shall not be deemed to be granted continuing tenure in the position of Superintendent of Schools/Administrator by virtue of this contract or any employment assignment of this school district. The Superintendent/Administrator shall be deemed to have been granted continuing tenure as an active classroom teacher in accordance with the provisions of the Michigan Teacher Tenure Act.

13. Superintendent/Administrator's shall submit to such medical examinations, supply such information, and execute such documentation as may be required by any underwriters, policyholders, or third party administrators providing insurance programs specified under this contract. Additionally, the Board may request release of medical information necessary to determine if the Superintendent/Administrator is capable of performing the duties required in his/her assignment. The Board may require the Superintendent/Administrator to have a comprehensive medical examination as may be deemed necessary. If such an examination is required, a statement shall be filed with the Secretary of the Board certifying to the physical fitness and mental capacity of the Superintendent/Administrator to perform his duties. Medical information provided under this agreement shall be treated as confidential by the Board. Should the Board exercise its prerogative to this provision, the cost of services for said examination shall be borne by the school district.

14. The Board shall provide the Superintendent/Administrator and his eligible dependents the following insurances or as determined by the Board;

- A. Health insurance with the Stephenson School District providing \$15,500 toward the cost of the family insurance plan. Currently through MESSA PAK A -233 EF Administrators
- B. Long term disability at 70% of the monthly salary with a sixty (60) day calendar waiting period.
- C. Dental insurance – 100/90/50 with 2 cleanings rider with \$3,000 per year maximum on Class I and Class II benefits and a \$3,000 lifetime benefit on Class III benefits.
- D. Term life insurance in the amount of \$100,000 with AD & D benefits.
- E. Vision insurance: VSP-3.

15. The Board will provide a cash dividend of \$2500 per year, which may be used toward a tax sheltered annuity or deferred compensation plan.

16. The Board reserves the right to change the identity of the insurance carrier, policyholder, or third party administrator for any of the above coverage provided that comparable coverage is maintained during the term of this contract. The terms of any contracts or policies issued by any insurance company or third party administrators shall be controlling as to all matters concerning benefits, eligibility, coverage, termination of coverage, and other related matters. The Superintendent is responsible for assuring completion of all forms and documents needed to receive the above described insurance coverage. The School District, by payment of the premium required to provide the above described insurance coverage, shall be relieved from all liability with respect to insurance benefits.

17. The Superintendent/Administrator is entitled to the following holidays for which no services to the School District are required: New Year's Eve ½ day, New Year's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve ½ day, Christmas Day.

18. The Board shall provide the Superintendent/Administrator with twelve (12) sick days per contract year, cumulative to one-hundred twenty five (125 days). The Board shall provide a total of five (5) non-cumulative personal days to be used by the Superintendent/Administrator at his discretion.

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

20. The Board shall pay the dues of the Superintendent/Administrator for membership in the American Association of School Administrators, Michigan Association of School Administrators, Michigan School Business Officials Association, National School Public Relations Association, Michigan School Public Relations Association, the Association for Supervision and Curriculum Development, and the National School Personnel Association. The Board shall also pay dues for one local service club.

21. The Superintendent/Administrator shall establish and maintain his/her family residence within a Twenty (20) mile radius of the Stephenson Area Public School District border for the duration of the agreement.

22. This contract of employment contains the entire agreement and understanding by and between the Board and Superintendent/Administrator with respect to the employment of the Superintendent/Administrator and no representations, promises, contracts or understandings, written or oral, not contained herein shall be of any force or effect. All prior agreements

pertaining to, connected with, or arising in any manner out of employment of the Superintendent/Administrator by the Board is hereby terminated and shall hereafter be of no force or effect whatsoever. No change or modifications of this contract of employment shall be valid or binding unless it is in writing and signed by the Superintendent/Administrator and by the Board. No waiver of any provisions of this contract shall be valid unless it is in writing and signed by the Superintendent/Administrator and 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.

23. If any provision of this agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this agreement shall continue in full force and effect without said provisions; provided, however, that no such severability shall be effective if it materially changes the economic benefit of this agreement to any party.

24. This agreement is executed on behalf of the School District pursuant to the authority granted under the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed on the day and year noted.

8-20-12
Date

Stephen Paliewicz
Superintendent/
Administrator

**STEPHENSON AREA PUBLIC SCHOOL DISTRICT
BOARD OF EDUCATION**

8/20/12
Date

Ronald B. John, President

8/20/12
Date

Kate A, Secretary

Addendum

The Board will also pay the superintendent an additional seven thousand five hundred dollars (\$7500) for serving as principal of Stephenson Elementary School for the 2012-13 school year. In the event the district is restructured and this responsibility is assigned to another, this additional payment will be discontinued.