

**NORTHVILLE PUBLIC SCHOOLS SCHOOL DISTRICT
Northville, Michigan**

SUPERINTENDENT- EMPLOYMENT CONTRACT

This Agreement, made and entered into this 28th day of June 2016, by and between the NORTHVILLE PUBLIC SCHOOLS SCHOOL DISTRICT, hereinafter called the "School District," and MARY KAY GALLAGHER, hereinafter referred to as the "Superintendent"

WITNESSETH:

It is agreed by and between the parties hereto as follows:

- 1) The School District hereby hires the Superintendent and the Superintendent agrees to work for the School District for a three (3) year term commencing on July 1, 2016 and ending on June 30, 2019, subject to the further provisions of this Agreement.
- 2) The Superintendent agrees that she shall not be deemed to be granted continuing tenure in such capacity as the Superintendent of the School District, and in no event shall the failure of the School District to continue or re-employ her in any capacity be deemed a discharge or demotion within the provisions of Act 4, Michigan Public Acts of 1937, Extra Session, as amended.
- 3) The Superintendent agrees to serve the School District and perform her assigned duties, and to abide by all policies and decisions as established by the School District's Board of Education (the "Board"). The Superintendent further agrees to maintain certification as a fully qualified administrator under the laws of the State of Michigan.
- 4) The Superintendent warrants, represents and affirms to the School District:
 - a) That she is competent to perform the duties for which she is hired and possesses the requisite skill and knowledge to enable her to do so;
 - b) That she will faithfully serve and be regardful of the interests of the School District during the term of this Agreement and will undertake no other employment without the express written permission of the Board;
 - c) That she shall perform the duties of the Superintendent of the School District, including the duties proscribed by Board policies and those set forth in the School Code of 1976, as revised, together with such other assigned duties as may be established by the Board;
 - d) That she will perform all duties in accordance with law and with such care and skill as is necessary to prevent injury to the property, good will, and interests of the School District; and

- e) That she will not acquire any interests adverse to that of the School District.
- 5) As the Chief Administrative Officer, the Superintendent may, with the approval of the Board, organize, reorganize, or arrange the departments within the School district, including the assignments/reassignments of administrative and supervisory staff, which in her judgment, best serves the School District and/or provides increase efficiency of operation. The actions of the Superintendent, however, shall not contravene the policies or directives of the Board.
- 6) The School District shall provide the Superintendent with the following Annual Compensation:
 - a) For the 2015/16 school year, subject to receipt of a year end evaluation rating of effective or higher, the Superintendent shall receive a 3% salary increase. The 2015/16 total salary amount is \$185,895.
 - b) For the 2016/17 school year, in the event that the Board adopts a budget for the 2016/17 school year that projects a General Fund balance of 15% of the General Fund budgeted expenditures or higher (including the amount by which the Health Care Reserve Fund exceeds \$1.2 million, and the cost of the contingent increase in compensation detailed below), the School District shall pay the Superintendent a total salary amount of \$189,613, which is a 2% increase over the 2015/16 total salary amount. In the event that the 2016/17 budget cannot sustain a 15% General Fund balance inclusive of the 2% increase, said increase will be adjusted downward to allow the District to maintain a 15% General Fund balance. If the Board adopts a General Fund budget for 2016/17 that projects less than a 15% General Fund balance, there will be no wage increase of any kind for 2016/17.

This increase is subject to the Superintendent receiving a 2015/16 year end evaluation rating of effective or higher, and shall apply only to the 2016/17 school year, not beyond; the Superintendent salary shall revert back to the 2015/16 salary of \$185,895 on June 29, 2017.

Further, in the event that the final audit for the 2016/17 school year confirms a General Fund balance of 18% or higher (including the amount by which the Health Care Reserve Fund exceeds \$1.2 million), the Board will allocate to the Superintendent (pending a 2016/17 year end evaluation rating of effective or higher) an amount equal to her proportional percentage of the amount in excess of an 18% General Fund balance ("bonus pool"). The bonus amount paid to the Superintendent shall not exceed the lesser of a) a bonus amount paid to the average NEA member or b) \$2,500.

- c) Base salary for each succeeding year under this Agreement shall be established by the Board, after discussion with the Superintendent, on or before June 30th preceding the beginning of each succeeding school year. Increases in compensation or additional pay shall be based in significant part upon job performance and job accomplishments. For the 2016/17 school year, any amount of increase in the base salary of the Superintendent over the base salary in effect for the 2015/16 school year shall be attributed to services performed by the Superintendent during the 2016/17 school year after this Agreement has been approved by the Board. Subject to and in accordance with generally applicable limits and other restrictions imposed by law, the Superintendent, out of the compensation provided under this, may arrange for elective pre-income tax salary reduction contributions to a tax sheltered annuity arrangement under Internal Revenue Code section 403(b) and/or a qualified state and local government deferred compensation plan under Internal Revenue Code section 457. The District will make such arrangements available to the Superintendent in accordance with applicable law.
- 7) The School District will provide the Superintendent with the following employment benefits during the term of this Agreement:
- a) The Superintendent shall be entitled to take up to twenty (20) days of Paid Time Off (PTO) per school year (July 1st through June 30th). PTO may be used for personal days or vacation days. The Superintendent shall not be compensated for unused PTO and unused PTO may not be carried over past October 31 of the subsequent school year. Subject to annual approval of the Board President, this provision may be modified to permit up to five (5) days of unused PTO to be compensated annually at the Superintendents' per diem rate if at least ten (10) days of PTO are unused as of June 30.
 - b) The Superintendent shall be entitled to have her salary continued during absences from work due to disability or sickness up until she becomes eligible to receive long-term disability benefits under the School District's long-term disability plan.
 - c) Paid holidays, including: New Year's Day, Good Friday, Memorial Day, the Friday before Labor Day, Labor Day, Fourth of July, Thanksgiving and the day after, the day before Christmas, Christmas Day, and the weekdays between Christmas and New Year's Day.
 - d) Medical, dental, term life insurance, disability insurances, and other fringe benefit programs at the same or similar levels as those provided beginning January of 2015~~6~~. The Board may substitute or modify these programs from time to time as applicable to the Superintendent and other Central Office Administrators.

- e) Payment of annual professional dues for membership in pertinent professional organizations. Payment of professional dues for professional organizations shall be subject to the approval of the Board President.
 - f) The Superintendent shall be reimbursed for reasonable and necessary expenditures, including for travel, meals, mileage, conferences, and workshops held in the State of Michigan and national conferences approved by the Board, which expenditures are incurred in acting on the business of the School District. Aside from registration/lodging expenses associated with approved conferences, reasonable and necessary expenses shall not exceed a total of \$3000 per year without approval of the Board President. Such expenditures will be reimbursed upon presentation by the Superintendent of an itemized and detailed accounting of such expenditures and receipts relating thereto in the form customarily required by the Board and in conformity with the applicable rules and regulations of the Internal Revenue Service.
- 8) The School District agrees to indemnify and hold the Superintendent harmless from and against all claims, suits, judgments, damages, liabilities, cost, and expenses arising from actions taken or decisions made within the scope of her employment while she is/was the Superintendent. The Superintendent shall give the Board notice of the nature of any claim for indemnification hereunder promptly upon receipt of notice of any claim or action against her. The Board shall provide the Superintendent with legal representation with respect to such claims or actions against him. The Board shall have the right to conduct the defense of any such claim and the Superintendent shall fully cooperate with the Board in the defense. This clause shall survive the expiration and termination of this employment agreement.
- 9) Commencing in the 2016/17 school year, the Superintendent will annually evaluate the Superintendent performance no later than June 30th. The Superintendent will notify the Board of this deadline in writing no later than May 1st of each year of this Agreement. The Superintendent's evaluation will include consideration of her compensation and fringe benefits for the following year of her employment as Superintendent of Schools, unless such consideration is postponed by mutual agreement. The assessment of the Superintendent shall, as least in part, be based upon data on student growth as measured by assessments and other objective criteria. The Board may also at any time, upon reasonable notice to the Superintendent, conduct an evaluation or assessment of the Superintendent's performance overall or with respect to particular duties, projects or assignments. Commencing in the 2016/17 school year, if the Board does not provide written notice of nonrenewal of the Agreement to the Superintendent by August 1st of each year, the Agreement will automatically renew for an additional one-year period. Notice of nonrenewal hereunder shall satisfy the requirements of MCLA 380.1229(1).

- 10) The Superintendent agrees to submit to such comprehensive medical and/or mental examinations by a Board-approved physician, hospital, or clinic, when, in the Board's judgment, such examination is necessary to determine if the Superintendent can perform the essential job duties of her position, or to determine reasonable accommodations necessary to permit her to perform the essential job duties, or when such examination is otherwise job-related, consistent with business necessity and in accordance with the applicable law. The cost of the physical and/or mental examination shall be borne by the School District and the Superintendent shall sign such medical release forms, and other documents, which are necessary to permit the Board President to receive a report limited to the results of the examination(s) for the purposes provided for in this paragraph. The Board agrees that any such reports and their contents shall remain confidential and not disseminated unless a broader disclosure is required by applicable law.
- 11) Any provision of this Agreement prohibited by the laws of the United States or the State of Michigan shall be ineffective to the extent of such provision only without invalidating the remaining provisions of this Agreement.
- 12) The Board may terminate this Agreement for cause without any liability for compensation, fringe benefits, or damages of any kind. As used herein, the term "cause" shall mean:
 - a) any intentional act involving moral turpitude;
 - b) any willful violation of a material term of this Agreement, any act of willful misconduct, or the intentional failure or refusal to satisfactorily perform her duties, which if capable of being cured, is not cured to the reasonable satisfaction of the Board within a reasonable time after the Superintendent receives written notice of conduct described in this subparagraph b); or
 - c) in the event the Superintendent is no longer qualified to serve or if she becomes physically or mentally disabled. The Superintendent shall not be considered disabled under this subparagraph c) unless she is unable to perform the essential job duties and functions of her position with or without accommodation for an extended period of time. A termination for cause under this subparagraph c) shall not terminate the Superintendent's entitlement to continue to receive long-term disability benefits which shall be determined in accordance with the School District's long-term disability plan.

The parties agree that any liability for a breach of this Paragraph 12 including subparagraphs a) through c) shall be limited to the lesser of: (a) one year of the Superintendent base salary; or (b) the amount of annual base salary the Superintendent would have earned under this Agreement if it had not been terminated.

- 13) The School District's waiver of a breach of any provision of this Agreement by the Superintendent shall not operate or be construed as a waiver of any subsequent breach by the Superintendent. No waiver shall be valid unless in writing and approved by the Board.
- 14) This Agreement contains the entire agreement of the parties hereto, and may not be altered, modified, or rescinded by any prior or contemporaneous statement or understanding of either such party, or any person on their behalf; this Agreement may be amended, modified, rescinded, or otherwise altered during its term only by an express written "Modification," denominated as such, and signed by each of the parties hereto.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

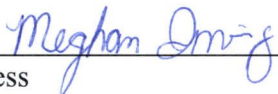
NORTHVILLE PUBLIC SCHOOLS
SCHOOL DISTRICT



Mary K. Gallagher

by: 

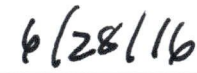
President, Board of Education



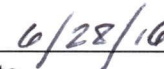
Witness

And: 

Secretary, Board of Education



Date



Date