

**EMPLOYMENT CONTRACT  
BETWEEN  
JOSEPH PASSALACQUA  
AND THE BOARD OF EDUCATION  
OF THE BEAVERTON RURAL SCHOOL DISTRICT**

This Agreement is made and entered into this 10<sup>th</sup> day of September 2019, by and between the Beaverton Rural School District, with offices at 468 S. Ross, Beaverton, Michigan 48612, hereinafter called the "School District" and Joseph Passalacqua, as Superintendent, hereinafter called the "Employee."

1. ACTIVE EMPLOYMENT. The School District hereby employs Employee and the Employee hereby accepts employment under the terms and conditions set forth in this agreement.

2. TERM. The School District hires and employs the Employee for a period commencing on the 10<sup>th</sup> day September 2019, and ending on the 30<sup>th</sup> day of June 2022. This is expressly subject to the provisions of Paragraph 3.

3. RENEWAL

a. This Agreement may be renewed or extended by the School District for one additional year, upon satisfactory evaluation by the Board.

b. The District shall comply with the School Code, M.C.L.A. 380.1229, which is incorporated herein. At least ninety (90) days prior to the expiration date of the Contract, the District shall provide notice of nonrenewal. The Employee shall be given an opportunity to meet with the Board to discuss the nonrenewal.

c. This Contract is for the period set forth. Any renewal or extension or continuance is expressly at the will of either party. During the term of the Contract, this Contract may be terminated for "good cause" as generally set forth in the policies and guidelines of the District. Termination for cause may be provided, including for, but not limited to, acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetency, or if the Employee materially breaches the terms or conditions of this Contract, or materially violates Board Policy or Bylaws. 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 in accordance with requirements of the revised School Code. The determination to renew or not renew lies within the sole discretion of the Board, so long as such decision is not arbitrary or capricious pursuant to Section 1229.

4. COMPENSATION

a. The School District hereby agrees to pay to the Employee based upon an annual salary of \$105,000, prorated for the 2019-2020 school year. Said salary shall be paid in twenty-six (26) (pro-rated in the first year) equal bi-weekly installments by the School District to the Employee with said salary being effective at the commencement of the employment pursuant to this agreement.

b. The Employee's base salary is established on 223 work days per year, which will be prorated to 210 working days for the 2019-2020 school year and additional days may be compensated at a per diem rate or as mutually agreed upon by the Employee and Board. Such additional days shall be approved by Board action or Board designee.

c. Annuity. The District agrees to provide a \$2,000 annuity contribution annually, prorated for the 2019-2020 school year.

5. DUTIES. The Employee hereby accepts employment as Superintendent for the term set forth, subject to all the terms, conditions, promises, agreements and salary as herein provided, including the responsibilities and provisions of Paragraph 7, and further subject to applicable law, statutes, rules, regulations, administrative procedures and policies of the School District, and agrees to faithfully perform and apply his/her best efforts to the duties of the position designated herein for the term of this Contract.

6. MEETINGS AND CONFERENCES. The Employee may, upon the prior approval of the Board, attend appropriate professional meetings, conferences, workshops, or speaking engagements at the local, state and national level on behalf of the School District and which may require the Employee to be absent from the School District during normal work hours or days. Reasonable expenses as set out by the School District and incurred while attending meetings, conferences, or workshops as a representative or agent of the School District will be paid directly by the School District or will be reimbursed to the Employee upon presentation of an itemized accounting of such expenses in accordance with Board Policy and applicable law.

7. RESPONSIBILITIES. The responsibilities of this position are defined in the job description position of Superintendent and/or as otherwise directed by the Board of Education. Employee is subject, during the term of this Contract, to assignment and transfer to another position of administrative employment in the School District at the discretion of the Board. The Board, in its sole discretion, reserves the right to assign such other duties or additional responsibilities as they may direct and may add to, delete from and/or to amend such job description, rules, regulations and the administrative procedures, policies, or organization structure, at any time.

8. EVALUATION. The School District shall evaluate the performance of the Employee, not less than annually, in accordance with the School Code/policies, procedures, guidelines, objectives and goals as adopted by the School District, and which are provided to the Employee. The Employee shall remind the Board, in writing, of this responsibility no later than March 1 of each year. An annual evaluation of the

Employee shall be scheduled prior to April 1 of each year.

9. BENEFITS. During continuance of this Agreement, the School District will provide:

a. Professional Memberships. Membership dues for the Employee in professional educational organizations or additional educational or professional memberships as may be approved by the Board if in the best interests of the School District.

b. Sick Leave. Sick leave applies only to absences resulting from illness or injury to the employee. The amount of sick leave accumulates at the rate of twelve (12) days per year, prorated for the 2019-2020 school year, these days can accumulate up to one hundred forty (140) days maximum. The Employee shall be entitled to these twelve (12) sick days, to be used in advance, if necessary, for the first year. A maximum of twelve (12) days per year for illness in the immediate family living in the same household may be chargeable against sick leave allowances. If the Employee has been on staff for ten (10) years, a payment for unused accumulated sick days, payable for up to 140 unused days, payable at 50% of the current daily rate paid to substitute teachers, shall be paid upon separation from employment.

c. Personal Days. Application for personal business days will be made to the Board or its designee at least twenty-four (24) hours in advance. This shall be three (3) days annually, prorated for the 2019-2020 school year. If the urgency of the leave is of such a nature that the request in writing is not practical, verbal notice to the Board President will be sufficient, and the written request will be submitted to the Board or its designee upon return from leave. The decision of the Board on the justification of personal days will be final and not subject to the appeal procedure.

d. Insurance. Insurance listed below is subject to change with 60 days' notice of the Board and should be similar and at least comparable to that of other administrators and supervisors within the district.

- (1) Health insurance
- (2) Vision
- (3) Dental
- (4) Long Term Disability Insurance.
- (5) \$100,000 Term Life Insurance.

The Board reserves the right to change the identity of the insurance

carrier, policyholder or third party administrator for any of the above coverage's, provided that comparable coverage, as determined by the Board, is maintained during the term of this Agreement. The Board shall not be required to remit premiums for any insurance coverage for Employee, and his/her 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. Employee is responsible for assuring completion of all forms and documents needed to receive the above described insurance coverage. The Board, by remitting the premium payments required to provide the above described insurance coverage(s), shall be relieved from all liability with respect to the insurance benefits.

For Administrators enrolled in a Health Savings Account (HSA) the District contribution to HSA accounts will be a monthly contributions occurring on the first banking day of the month. (subject to IRS limitations).

Administrators that terminate employment during the plan/benefit year will have a final summary of PA 152 compliance. Any shortfall will be adjusted with the final HSA contribution. Any overpayment to the administrator will be due to the District on the 10<sup>th</sup> day of the month following their termination date.

e. Work Schedules. Each employee's work schedule shall be based upon a 12 month/52 week work year beginning July 1 and ending June 30 of each year. The administrator shall work, at a minimum, the designated schedule for his/her position as follows:

	<u>Work Days</u>	<u>Holidays</u>	<u>Vacation Days</u>	<u>Personal Days</u>
Employee	223	14	20	3

Unused vacation days may be carried over with Board permission, but shall not be allowed to accumulate more than thirty (30) days. Upon separation from employment, unused vacation time shall be provided for in accordance with District policy for all employees.

f. Holidays. Fourteen (14) paid holidays, prorated for the 2019-2020 school year, including the following: Independence Day, Labor Day (and Friday before Labor Day), Thanksgiving Day, day after Thanksgiving, Christmas Eve Day, Christmas Day, day after Christmas, New Year's Eve Day, New Year's Day, Good Friday, and Memorial Day. If the holiday falls on the weekend, the day

shall be taken in accordance with the District holiday schedule (see, attached schedule).

g. Work Coverage. Employees shall be present at work covering no less than the period when the classes in the facility for which they are responsible are in session and their staff is present, unless preapproved by the Board. Employees shall also be present at school related and/or sponsored programs, activities, conferences, meetings, events, and other functions outside of the regular school day as reasonably requested by the Board.

h. Bereavement. Three (3) paid days shall be allowed for leave in the event of a death in the immediate family. Immediate family will be defined as parent, guardian, husband, wife, child, sister, brother, father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparent, grandchild, brother-in-law, sister-in-law, or dependent of the immediate household. One (1) paid day will be allowed for aunt or uncle, except where the employee has legal and family responsibilities connected with said death. If needed, additional time may be granted at the discretion of the Board or its designee.

i. Travel. The Employee shall be reimbursed for actual expenses, including meals, travel and other allocated expense relating to his/her duties. These expenses are subject to IRS reporting and documentation requirements and must be documented in writing and as required by Board Policy.

10. PROFESSIONAL LIABILITY. The Board agrees to pay the premium amount for errors and omissions insurance coverage for Employee while engaged in the performance of a governmental function and while the Employee is acting within the scope of his authority. The policy limits for this coverage shall be not less than \$1,000,000. The terms of the errors and omissions insurance policy shall be controlling respecting defense and indemnity of Employee. The sole obligation undertaken by the Board shall be limited to the payment of premium amounts for the above errors and omission coverage. In the event that such insurance coverage cannot be purchased in the above amounts and/or at a reasonable premium rate, the Board shall have the right to discontinue said coverage and shall so notify Employee. In that event, the Board agrees, on a case-by-case basis, to consider providing legal defense and/or indemnification to Employee as is authorized under M.C.L.A. 691.1408 and M.C.L.A. 380.11a(3)(d).

11. TENURE. This position shall not be deemed subject to tenure benefits, and the Employee shall not be entitled to tenure in this or any other administrative capacity with the District, other than that of classroom teacher, if eligible, consistent with the terms of the Michigan Teacher Tenure Act. Any decision of the Board to not continue or renew the employment of the Employee, in any capacity, other than that of a classroom teacher (if eligible under the Michigan Teacher Tenure Act), shall not be deemed a breach of this Agreement, or a discharge or demotion within the provisions of the Tenure Act.



12. EARLY TERMINATION BY EMPLOYEE. In the event that the Employee shall resign to accept another position, prior to the expiration date of this Agreement, the Employee acknowledges that the District will incur significant expenses of replacement, including likely expenses of providing for an interim superintendent, costs of search for a suitable replacement and other related expenses, and therefore, Employee agrees to reimburse the District toward the estimated costs of such inconvenience and expense in the amount of Seven Thousand Five Hundred (\$7,500) Dollars, as liquidated damages for such early termination. Such amount shall be paid and reimbursed to the District prior to the last day of employment. This provision shall expire after the initial three (3) year period of employment and shall not be applicable to any extension period unless agreed to by both parties.

13. AMENDMENT AND ENTIRE AGREEMENT. This Agreement contains all the agreements and conditions made between the parties hereto, supersede any prior agreements and may not be modified orally or in any other manner than by an agreement in writing signed by the parties.

14. DISPUTE RESOLUTION. In the event of any dispute between the parties relating to discharge of Employee 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 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 Arbitration Act.

The parties intend that this process of dispute resolution shall be inclusive of all contract and statutory claims advanced by Employee arising from Employee'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 Employee 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 Employee. 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 Employee 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 proceedings, Employee shall have the right to representation by counsel of his/her choice, and at his/her expense, the right to appointment of a neutral arbitrator, the right to reasonable discovery and the right to a fair hearing. However, Employee, through this agreement to arbitrate such claims, does not waive any statutory rights or remedies in the context of such arbitration proceeding.

The arbitrator's fee and the costs imposed by the American Arbitration

Association shall be shared equally by the Board and Employee, subject to the right of the prevailing party to tax such fees as costs against the non-prevailing party.

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 Employee'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 55th Judicial Circuit of Michigan (Gladwin County).

15. NOTICES. All notices to be given hereunder by either party shall be in writing and given by personal delivery or certified mail to the parties at the addresses as hereinafter set forth. For purposes of calculating time periods, under the provisions of this Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

16. USAGE. When applicable, pronouns and relative words shall be read as plural, feminine, masculine or neutral, respectively.

17. DUPLICATE ORIGINAL COPIES. This Agreement is executed in duplicate original copies, one of which shall be retained by the School District and one by the Employee, each of which shall be deemed to be an original but all of which shall be construed as one document.

18. GOVERNING LAW. This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Michigan.

19. ACKNOWLEDGMENT AND TIME OF THE ESSENCE. Each party acknowledges that they have read this Agreement and agree to the terms and conditions herein contained and further agree that time shall be deemed of the very essence of this Agreement.

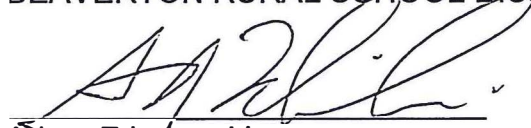
20. PARAGRAPH HEADING

a. The paragraph headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to, and

shall not be deemed to define, limit or extend the scope or intent of the paragraph to which they appertain.

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

BEAVERTON RURAL SCHOOL DISTRICT:



Adam Zdrojewski  
President, Board of Education



Bob Frei  
Secretary, Board of Education

EMPLOYEE:



Joseph Passalacqua

Dated: 8-26-2019