

**FARMINGTON PUBLIC SCHOOLS
SUPERINTENDENT'S CONTRACT OF EMPLOYMENT
FOR 2010-2014**

THIS AGREEMENT is made at Farmington, Michigan, on January 25, 2011 between Farmington Public Schools, a Michigan general powers school district (Farmington), and Susan H. Zurvalec (Zurvalec), and is effective upon execution by both parties.

In consideration of the parties' mutual promises and obligations, the parties agree as follows:

1. **EMPLOYMENT**

Farmington employs Zurvalec as Superintendent of Schools and Zurvalec agrees to work for Farmington in the capacity of Superintendent.

2. **TERM**

The term of this Agreement is four (4) years commencing on July 1, 2010 and ending on June 30, 2014; however nothing shall preclude Farmington from renewing or extending this Agreement sooner. It is understood and agreed that Zurvalec is employed in the capacity of Superintendent so long as this Agreement is in effect.

3. **DUTIES**

Zurvalec will serve Farmington and perform the duties of Superintendent as directed by the Board of Education for Farmington and as required by the laws of the State of Michigan. Zurvalec shall act in a competent and professional manner and shall obey and fulfill the policies, rules and regulations as established by the Farmington Board of Education and will carry out its programs and policies during the term of this Agreement. Zurvalec shall devote her time, skill, labor and attention to this employment and will faithfully perform the duties of Superintendent for Farmington as directed by the Board of Education, as required by law and the dictates of prudent judgment as an educator and administrator. Zurvalec shall consult the Board before undertaking any activity which would significantly limit the performance of the duties set forth here and in Paragraph 7. The Superintendent's goals for each school year shall be adopted by the Board of Education and are incorporated in this Agreement.

Zurvalec shall be entitled to:

A. Present her recommendations to the Board of Education on any subject under consideration by the Board;

B. Serve as an ex-officio member of each committee as agreed upon by the Board of Education. Zurvalec shall have the responsibility to organize, re-organize or arrange the administrative or supervisory staff, including instruction and business affairs, which in her judgment best serves the interest of the District.

4. **BASE SALARY**

Farmington will pay Zurvalec the annual base salary of \$180,853.89 during each year of this Agreement for the period July 1, 2010 through June 30, 2014:

Zurvalec's base salary may be renegotiated but, in the absence of mutual agreement, will not be less than her base salary of \$180,853.89. In the event the contract with the Farmington Education Association (FEA) provides for an increase in the FEA salary schedule, the same percentage increase will be added to Zurvalec's base salary for the 2010 through 2013 school years. In the event the FEA negotiates a salary schedule reduction, Zurvalec and Farmington agree to re-open this Agreement. Farmington shall pay Zurvalec's salary by installments at the same intervals other employees are paid.

5. **DEFERRED COMPENSATION**

In addition to the base salary set forth in Paragraph 4, in the 2010-11 school year Farmington will provide Zurvalec with 14.9% of her base salary, to be used for her § 403b tax sheltered annuity and/or her § 457 deferred compensation plan, as she directs. The contribution to Zurvalec's § 403b tax sheltered annuity and/or her § 457 deferred compensation plan shall increase 1.5% each year thereafter during the term of this Agreement to a maximum of 19.4%.

6. **COMPENSATION**

Zurvalec and Farmington intend that all items listed in paragraphs 4 and 5 above will be treated as "compensation" under the Michigan Public School Employees Retirement Act and will be included in the Superintendent's Final Average Compensation.

7. **WORK YEAR**

Zurvalec will perform her duties over the full twelve (12) months of Farmington's fiscal year, being July 1 through June 30, less applicable vacation, leave and holidays. Zurvalec will attend meetings of the Board of Education and its Committees, as requested by the Board of Education, and will attend activities related to Farmington's interest inside and outside the community serviced by Farmington. The time expended in attending such meetings, activities and functions has been taken into account in setting Zurvalec's salary so that no additional compensation will be paid for such activities.

8. **TENURE**

This Agreement does not confer tenure upon Zurvalec in the position of Superintendent or any other administrative position with Farmington.

9. **EVALUATION**

Annually, but no later than June 15 of each year, the Board of Education will review and evaluate Zurvalec's employment performance. The results of such evaluation may be considered by the Board of Education in connection with any employment-related issues. The Board of

Education is entitled to evaluate employment performance more often as it sees fit. The Board of Education, in its discretion, will endeavor to set goals and objectives with Zurvalec at the beginning of each school year.

10. **REPRESENTATIONS**

Zurvalec represents that she meets all Michigan requirements and holds all certificates required by law for employment by the Board of Education as Superintendent of Schools.

11. **CONFLICT OF INTEREST**

Zurvalec will faithfully serve Farmington and its best interests to the extent required by this Agreement and by law. Zurvalec will not, directly or indirectly, act, acquire or otherwise possess any interest adverse to Farmington. In the event a given act or interest even appears to conflict with the interests of Farmington, Zurvalec shall make full disclosure to the Board of Education for its review and disposition, which disposition shall be controlling and complied with by Zurvalec.

12. **PROFESSIONAL ACTIVITIES**

Zurvalec is encouraged to attend and participate in appropriate professional activities at the local, state and national levels. Within budget constraints, as approved by the Board of Education, the costs of attendance shall be paid by Farmington. In addition, Zurvalec shall attend a continuing education course or professional growth program regarding management or education issues one week each year or two weeks every other year. The Board shall pay Zurvalec's salary and all reasonable expenses associated with her attendance.

13. **MEDICAL EXAMINATION**

At least once a year, during the term of this Agreement, Zurvalec shall have a medical examination and Farmington shall pay for the portion not covered by insurance. Zurvalec shall report to the President of the Board of Education any health issues which she believes would affect her satisfactory performance of this Agreement.

14. **BOARD MEETINGS**

Among her other duties, Zurvalec shall prepare the agendas for each Board of Education meeting, in consultation with the President of the Board or the President's designee. She shall forward copies to each member of the Board, along with her recommendations and supporting documentation on each agenda item, sufficiently in advance of the meeting, so that each member can review such information, when possible, prior to the meeting.

15. **AUTOMOBILE AND RELATED EXPENSES**

Farmington shall lease an automobile for the exclusive use of Zurvalec during the term of this Agreement at a cost not to exceed \$500 per month. Farmington shall pay the cost for the gas, license and mechanical maintenance of such vehicle and shall maintain in force customary

insurance. Periodic cleaning shall be the responsibility of the Superintendent. When possible, all mechanical maintenance shall be performed at Farmington's service facility. The vehicle may be used by Zurvalec for both business and personal travel, subject to Zurvalec's making appropriate reports for tax purposes to Farmington's Business Office and declaring the value of personal use on her Michigan and U.S. Income Tax returns. Upon termination of this Agreement, Zurvalec shall promptly return the vehicle to Farmington's service facility.

16. **LIFE INSURANCE**

Farmington shall provide Zurvalec with term life insurance in an amount equal to two times her current annual base salary.

17. **LIABILITY INSURANCE AND INDEMNIFICATION**

Farmington represents that it currently maintains School Board Legal Liability Errors and Omissions Insurance which covers employees, including the Superintendent, subject to the policy's terms, exclusions and limits which are all subject to modification from time to time. Farmington also represents that it currently maintains general liability insurance which covers all employees, including the Superintendent, subject to the policy's terms, exclusions and limits, which are subject to modification from time to time.

The District agrees to indemnify Zurvalec to the full extent permissible under Michigan law in accordance with MCL 380.11a(3)(d), except as to allegations of criminal misconduct for which no indemnification is authorized.

18. **ADDITIONAL FRINGE BENEFITS**

Zurvalec will annually be provided with the following benefits provided for in the Executive Administrative Unit Personnel Manual applicable to the Superintendent, subject to the policy limits and other constraints in negotiated group plans or other restrictions in the benefit at the time it is due:

- A. Hospitalization Insurance
- B. Dental Insurance
- C. Long-term Disability Coverage
- D. Vision Care
- E. Sick Leave Days
- F. Personal Leave Days
- G. Holidays
- H. Retirement Contribution
- I. Retirement Benefit
- J. Bereavement Leave
- K. Retirement Life Insurance

However, Zurvalec's level of benefits for items A (Hospitalization Insurance), B (Dental Insurance) and D (Vision Care) shall be identical to the benefits provided in the FEA contract. If the FEA contract reduces benefits in A, B and/or D during the term of this Agreement, Zurvalec

will be provided the identical reduced benefits in A, B and/or D, or greater reductions if she chooses to reduce them further voluntarily.

19. **DISABILITY PAY**

If Zurvalec qualifies for, and receives, disability insurance benefits under paragraph 18C, Farmington will reimburse Zurvalec for 60% of her salary lost during the first 120 days of disability, following the exhaustion of Zurvalec's accumulated sick leave days.

20. **VACATION DAYS**

The Superintendent is granted 25 vacation days per year. Vacation days must be used in the contract year in which they are earned except that a maximum 10 days may be carried over from one year to the next. Annually, Zurvalec may elect, upon notice to the Human Resources Department, to have up to five (5) vacation days paid off at her daily rate. Zurvalec shall obtain the approval of the President of the Board of Education before taking a vacation of more than two (2) weeks. Such approval shall not be unreasonably withheld.

21. **TERMINATION OF CONTRACT**

A. Should Zurvalec be unable to perform the duties and obligations of this Agreement due to illness, accident or other cause for a period of more than 120 calendar days, the Board of Education, at its option, may terminate this Agreement, and the respective rights, duties and obligations of the parties shall terminate except for the disability benefits provided in this Agreement. Likewise, if it is determinable in less than 120 days that such illness, injury or other cause is permanent, irreparable, or of such nature as to make Zurvalec's continued performance of the Superintendent's duties improbable, the Board, at its option, may terminate this Agreement and the respective rights, duties and obligations of the parties shall terminate except for the disability benefits provided in this Agreement.

B. In addition to any other rights Farmington may have, by law or under this Agreement, this Agreement may be terminated at any time during its term by Farmington for just cause, including but not limited to acts of misconduct, moral turpitude, or if Zurvalec violates any laws of the United States, the State of Michigan, any of the terms or covenants of this Agreement or if she is convicted of a crime. Upon such termination, the respective rights, duties and obligations of the parties shall terminate, except for the disability benefits provided in this Agreement for disabilities arising prior to termination of this Agreement.

22. **RETIREMENT INCENTIVE OR BUYOUT**

Except as otherwise agreed by the parties in writing, Zurvalec shall not be eligible to accept early retirement incentives or buyouts extended by Farmington to other employees during the term of this Agreement.

23. **NON-RENEWAL OF CONTRACT**

The decision whether or not to renew or extend this Agreement is solely within the

discretion of the Farmington's Board of Education. Zurvalec acknowledges that she has no expectation of employment by Farmington beyond the expiration date established in this Agreement. However, in the event the Board of Education shall decide not to renew this Agreement, prior written notice of such non-renewal shall be given to Zurvalec in conformity with Section 1229 of the School Code of 1976, as amended.

24. **BREACH OF CONTRACT AND ARBITRATION**

The parties waive the statutory six year statute of limitations for breach of contract and must raise any such claim by written notification to the other within one year of the parties learning of the breach of this Agreement, or within one year of the termination of this Agreement, whichever is later. The parties shall submit to final and binding arbitration any and all claims, demands, suits or causes of action arising from or relating to Zurvalec's employment, or the termination of her employment with Farmington, including any claim for breach of this Agreement. The arbitrator shall be selected and the arbitration proceeding shall be conducted in accordance with the American Arbitration Association Rules for Voluntary Labor Arbitration. The parties shall equally share the reasonable costs and expenses of the arbitration proceeding, except that the parties shall bear all of their own costs for witnesses, attorneys and the like. The arbitrator's decision and award shall be final, binding and not subject to appeal. Either party may take appropriate action for entry of judgment on the award in the Oakland County Circuit Court. Any statutory modifications to the arbitration rules not incorporated in writing within this Agreement are understood to be incorporated if applicable.

25. **OPTIONS**

Zurvalec hereby grants Farmington three 1 year options to extend this Agreement on the terms and conditions stated in it. At Farmington's sole and exclusive discretion, it may exercise the options to extend this Agreement on a year-by-year basis. In the event Farmington decides to exercise the first option, it must notify Zurvalec of the intent to do so no later than November 30, 2013. If Zurvalec agrees to continue as Superintendent for the 2014-2015 school year after being notified of Farmington's decision to exercise the option, she must notify Farmington of that decision by December 31, 2013. If Zurvalec fails to notify Farmington of her decision to continue as Superintendent for the 2014-2015 school year by December 31, 2013, Farmington shall be entitled to proceed with the understanding that Zurvalec intends to retire as of June 30, 2014. The same procedure and deadlines, adjusted year to year, shall apply for the second and third options as well.

26. **TOTALITY OF TERMS**

This Agreement contains all of the terms agreed to by the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, arrangements and communications between the parties concerning such subject matter whether oral or written.

27. **SEVERABILITY**

If any provision or segment of this Agreement shall be determined by a court of

competent jurisdiction to be unlawful and/or unenforceable, then such provision or segment shall be deemed to be severed from the remainder of the Agreement and the Agreement shall otherwise be in full force and effect.

1-25-11
Date

1-25-11
Date

1-25-11
Date

FARMINGTON PUBLIC SCHOOLS
Howard I. Wallach
By: Howard I. Wallach, President

Deborah L. Brauer
By: Deborah L. Brauer, Secretary

Susan H. Zurvalec
Susan H. Zurvalec, Superintendent