

**CHELSEA SCHOOL DISTRICT
CONTRACT OF EMPLOYMENT
SUPERINTENDENT**

This contract of employment (the "Contract") is entered into on June 9, 2025, between the Board of Education (the "Board") of the **Chelsea School District** (the "District") and **Michael Kapolka** (the "Superintendent") in accordance with the Board's action found in minutes of its meeting held on June 9, 2025, approving the employment of the Superintendent in accordance with the terms and conditions of this Contract. The parties in consideration of the mutual promises contained in this Contract, agree to the following:

1. **TERM.** This Contract shall take effect on July 1, 2025, and continue in force through June 30, 2030, subject to the extension and termination provisions as provided in this Contract. The terms "year", "Contract year", "annual" or "annually" as used in this Contract, refer to a period commencing on July 1 and ending on June 30. The Superintendent shall be employed to work for a period of fifty-two (52) weeks each year, as scheduled and directed by the Board.
2. **QUALIFICATIONS.** The Superintendent represents that he will obtain and 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 Department of Education, and those required by the Board to serve in the position assigned. Additionally, the Superintendent agrees, as a condition of his continued employment, to meet all continuing education requirements for the position assigned as may be required by the State Board of Education, and to maintain current training on the evaluation tool for administrators if evaluating administrators is an assigned function of the Superintendent's position. The Superintendent shall supply copies of all current certificates, credentials, and continuing education credits to the Board at least thirty (30) days prior to the first day of employment and supply copies of future certificates, credentials, and continuing education credits to the Board within thirty (30) days of completion. If, at any time, the Superintendent fails to maintain all certificates, credentials, requirements and/or qualifications for the position of superintendent or fails to satisfy any continuing education and training requirements, as required herein, this Contract shall automatically terminate and the Board shall have no further obligations hereunder.
3. **DUTIES.** The Superintendent agrees to perform his duties in a faithful, diligent, competent and professional manner in compliance with the laws applicable to the District and the policies and directives of the Board. He also agrees to devote his talents, skills, efforts and abilities toward the performance of his duties and assigned responsibilities, which may be established or amended by the Board and will comply with the directives and policies of the Board. The Superintendent will recommend policies to the Board, will use his best efforts to maintain and improve the quality of the District, will promote efficiency in all areas of his responsibility, and will administer the District's instructional, personnel, and business affairs, subject to Board direction. The Superintendent acknowledges the ultimate authority of the Board with respect to his responsibilities and related duties.
4. **EVALUATION.** The Board of Education shall evaluate the Superintendent annually, no later than May 15, consistent with MCL 380.1249b using the MASB Superintendent Evaluation Instrument tool. The Superintendent may appeal the evaluation process and rating received to the Board of Education. The appeal must be submitted in writing to the Board President within thirty (30) calendar days after the Superintendent is informed of the rating. Within fifteen (15) days after the appeal is submitted, the Board of Education shall provide the Superintendent with written notice that a hearing

shall be scheduled, in closed or open session at the election of the Superintendent, as permitted by the Open Meetings Act, to consider the appeal and for the Superintendent to present witnesses, information, and evidence. The hearing shall be scheduled for a date mutually acceptable to the Board and Superintendent within forty-five (45) days after the appeal is submitted, unless extended by mutual agreement. The Superintendent may be represented by counsel at the hearing at their own expense. The Board's decision is final and is not subject to arbitration.

5. CONTRACT REVIEW & EXTENSION CONSIDERATION. In the third year of the contract, the Board's Personnel Committee and Superintendent will review the terms of compensation, benefits, and other provisions outlined in this Contract. As part of this review process, the parties may consider adjustments to the Contract's duration, including the possibility of an extension. The goal of this review is to establish a standard practice of evaluating and aligning the Superintendent's Contract with the District's priorities. Absent an affirmative decision of the Board, this Contract will not be extended.

6. TENURE EXCLUSION. This Contract does not confer tenure upon the Superintendent in the position of superintendent of schools or in any other administrative position in the District.

7. COMPENSATION. In consideration of his performance of the duties and responsibilities in conformance with the Board's requirements and expectations, the Superintendent will be paid at an annual base salary rate of not less than reflected in the Board's salary schedule for the superintendent position for each year specified in this Contract (*see affixed salary schedule, which is included as Appendix "A"*). Consistent with the superintendent salary schedule, for the 2025-2026 year, the District will pay the Superintendent an annual base salary of one hundred eighty-six thousand dollars (\$186,000.00). The Superintendent's base salary shall increase annually in an amount equal to two and a half percent (2.5%) of their base salary in the immediately preceding year, unless otherwise agreed by the parties in writing. The annual salary will be paid in twenty-four (24) equal bi-weekly installments beginning with the commencement of the Contract year (July 1 - June 30). This sum will be prorated based upon actual time worked if the Superintendent does not work the entire Contract year.

- a. Merit Pay. As further compensation for services performed pursuant to this Contract, the Board shall pay a lump sum payment for merit pay prior to July 1 of each Contract year, if the Board rates the Superintendent with an overall performance evaluation rating of "effective." Merit pay shall be an amount equal to three percent (3%) of the Superintendent's then current base annual salary
- b. Annuity. As further compensation for the Superintendent's services, the District shall make a contribution to a Section 403(b) tax-sheltered annuity on behalf of the Superintendent in the amount of eight percent (8%) of the Superintendent's base annual salary, payable in equal installments at the same time the Superintendent's salary is paid under subparagraph a) above. There shall be no option to receive the amount by payroll check as additional salary or compensation. The Superintendent shall be allowed to select the financial provider to which the contribution shall be paid from the approved list of providers maintained by the District for its 403(b) program. This percent amount shall increase by one percent (1%) every year following the 2025-2026 Contract year with a cap of nine percent (9%) for the term of this Contract. In no event shall the contributions be made in excess of the Internal Revenue Service limit. This sum shall be prorated based upon actual time worked if the Superintendent does not work the full

regularly scheduled Contract year. The Board makes no representations as to the advisability or impact of these allocations for purposes of the Superintendent's tax, retirement, or financial planning.

- c. Longevity. As further compensation for services performed pursuant to this Contract, the Board shall, during each year of this Contract, beginning with the 2023-2024 school year, pay Superintendent a longevity supplement in an amount equal to one percent (1%) of the Superintendent's then current base annual salary, payable in equal installments at the same time the Superintendent's salary is paid under Paragraph 7. This longevity supplement shall be increased annually by one percent (1%) every year following the 2023-2024 Contract year. This sum shall be prorated based upon actual time worked if the Superintendent does not work the full regularly scheduled Contract year.
- d. Retirement. The Board and Superintendent agree that all items under the "Compensation" Section of this Contract are direct compensation for services the Superintendent provides to the District and the Board in the role of Superintendent. The Board makes no guarantee that any compensation identified in this Contract will be recognized by the Office of Retirement Services (ORS) under the Michigan Public School Employees' Retirement System as a form of countable compensation for purposes of computing the Superintendent's retirement benefits, nor does the Board make any guarantee or assurance as to the Superintendent's eligibility for or receipt of retirement benefits. The parties also agree that the salary schedule for the superintendent position is illustrative only and is not a guarantee of future compensation.
- e. Salary Adjustment. Upon separation or unpaid leave of absence of Superintendent during any Contract year, his salary shall be adjusted to reflect payment, on a per diem basis, for the number of days on which services were actually and physically rendered during the Contract year. Any amounts due to Superintendent upon separation or commencement of unpaid leave shall be remitted by Board to Superintendent as soon as such amounts can diligently be determined. Any salary amounts received by Superintendent in excess of days actually worked during the Contract year shall be deducted from Superintendent's remaining wages and Superintendent, by executing this Contract, gives his written consent for such deduction. Any wage overpayments not recoverable by Board through wage deduction shall be remitted to Board by Superintendent within three (3) business days of separation from employment. If not paid in this manner, the Superintendent agrees that judgment may be entered against him in any Michigan court of competent jurisdiction for such amount(s). Any such salary adjustment shall not reduce the annual base salary below the minimal base salary, unless reassigned to another administrative position or for a decrease in salary where such reduction is part of an overall reduction in wages due to economic conditions.

8. INSURANCE. Except as otherwise specifically designated in this Contract, the Superintendent shall receive the insurance benefits with the same conditions provided by the District to full-time, professional administrative staff on the same basis as available to those staff members in accord with Board policy, which are subject to change at any time on the same basis as changed for full-time, professional administrative staff.

- a. Insurance Carrier. The Board reserves the right to change the identity of the insurance carrier, policyholder, or third-party administrator for any of the above coverages, as determined and maintained by the Board during this Contract. The Board reserves the right to self-fund any of the above benefits. Additionally, the Board shall not be required to remit premiums for any insurance coverages for Superintendent 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. Superintendent is responsible for assuring completion of all forms and documents needed to receive the insurance coverage. District, by payment of the premium payments required to provide insurance coverage, shall be relieved from all liability with respect to insurance benefits.
- b. Premium Contributions. The Superintendent agrees that the Board has the right to allocate to the Superintendent responsibility for a portion of the premium for the insurance coverages, as may be determined by the Board and in its discretion. This contribution 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. If PA 152 is repealed during the term of this Contract, the District's contribution shall remain capped at the previous PA 152 levels, with annual increases requiring the percentage increase in the premium costs up to three (3) percent per year. The Board will notify the Superintendent of the insurance costs including taxes, assessments, and copayments for which he is responsible in excess of Board paid premium contributions, subject to payroll deduction.
- c. Errors and Omissions Insurance. The District may provide errors and omissions liability insurance for the Superintendent to cover the Superintendent while engaged in the performance of a governmental function and while acting within the scope of his authority. The District agrees that it shall defend, hold harmless, and indemnify the Superintendent from any and all demands, claims, suits, actions, and legal proceedings, brought against the Superintendent in his official capacity as an agent and employee of the District, provided the incident arose while the Superintendent was acting within the scope of his employment and in accordance with the applicable laws and the Board's policies, but excluding criminal proceedings and any related legal fees, court costs, fines, other costs or penalties. The monetary limit of the District's obligation under this indemnification agreement shall not exceed three million dollars (\$3,000,000.00) aggregate per year for all claims in the District. In no case will individual Board members be considered personally liable for indemnifying the Superintendent against such demands, claims, suits, actions and legal proceedings.
- d. Life Insurance – the District will pay the premium for life insurance in the amount of three hundred thousand dollars (\$300,000.00) on the Superintendent's life, as long as the Superintendent is eligible for a District approved life insurance policy.

9. FRINGE BENEFITS

- a. Professional Dues and Subscriptions. The District will pay the dues of the Superintendent for membership in the American Association of School Administrators, the Michigan Association of School Administrators, and two (2) additional professional organizations preapproved by the Board.
- b. Professional Growth. The Superintendent may attend professional meetings at local, state, and national levels, at the District's expense and as approved in the District's annual budget. The Superintendent must obtain prior approval from the Board to attend any national or international conferences or meetings.
- c. Continuing Education. The Board shall reimburse Superintendent for the tuition and fees incurred by Superintendent, during the course of his employment, upon his successful completion of postgraduate coursework which is relevant to Superintendent's position and the performance of his job responsibilities, subject to prior approval by the Board or designee. In the absence of Board approval to the contrary, such reimbursement shall be limited to the tuition and fees per course, for not more than two (2) courses per Contract year. Such reimbursement shall be further limited to the level of current in-state tuition and fees charged by an accredited university, or at another rate as determined by the Board. The Board reserves the right to set grade point average (GPA) requirements, and other standards and conditions for the payment or reimbursement of tuition and fees.
- d. Reimbursement for District Business and Travel. The Superintendent will be reimbursed for travel, meals, and lodging in accordance with reimbursement policies adopted by the Board. Mileage reimbursement for in-district travel will not be reimbursed. The Superintendent must present an itemized account of reasonable and necessary expenses prior to reimbursement. Superintendent shall request and obtain prior Board or designee approval for any national or international event.
- e. Community Relations Expenses. The Superintendent is expected to establish and maintain good relationships with persons and organizations that are in a position to advance the interests of the District. To support this expectation, the District will pay for, or reimburse the Superintendent, up to one thousand dollars (\$1,000.00) annually to cover the cost of membership in a service club(s).
- f. Paid Time Off (PTO). The Superintendent is entitled to twenty-five (25) days of paid time off annually, exclusive of holidays. PTO should be requested by the Superintendent during periods of time least disruptive to the operation of the District. The Superintendent is entitled to carry forward not more than ten (10) days of unused PTO per year into the next Contract year. In lieu of carrying forward ten (10) unused PTO days, the Superintendent may elect to be paid on a per diem basis for up to five (5) PTO days, and carry the remaining days over as PTO days into the next Contract year up to a maximum of thirty-five (35) days.

For the purposes of calculating the Superintendent's per diem rate, the total annual compensation package (base salary, annuity, merit pay and longevity) shall be divided

by 260 workdays. The compensation package is defined as the total of all contractual salary components recognized as reportable compensation by the Michigan Office of Retirement Services (ORS). This per diem rate shall apply to any adjustments, prorations, or additional compensation determinations required under this Contract.

- g. Holidays. Annually, the Superintendent is entitled to the following paid holidays: 4th of July, 5th of July, Labor Day, Thanksgiving Day, the Friday after Thanksgiving Day, Christmas Eve Day, Christmas Day, New Year's Eve Day, New Year's Day, MLK Day Memorial Day and Juneteenth.
- h. Sick Days. The Superintendent is granted fifteen (15) days per Contract year with full pay for use during personal or family illness or disability. Sick days may accumulate to a maximum of two hundred sixty (260) days. Accrued sick days revert to the District upon termination of employment. For each District Earned Sick Time Act (ESTA) benefit year, the first 72 hours of any paid leave may be used for any ESTA purpose. If any of those 72 hours of paid leave are used for an ESTA purpose, then ESTA applies to the use of that paid time off.

Beginning with the 2025–2026 school year, and each year thereafter, the Superintendent may sell back up to five (5) unused sick days per year at their per diem rate. The request to sell back days must be submitted no later than August 31 of the Contract year in which the days are being sold.

10. COMMUNICATIONS. The Superintendent shall possess a cell phone for District business purposes and provide the number to the Board. All costs related to the cell phone shall be at the expense of the Superintendent.

11. MEDICAL EXAMINATION. Superintendent 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. The Employer reserves the right to require the Employee to submit to a fitness-for-duty evaluation by a licensed occupational medical professional selected by the Board, at the Board's expense, when there is a reasonable belief—based on objective evidence—that the Employee may be unable to perform the essential functions of their job safely or effectively. The results of such an evaluation shall be used solely to determine the Employee's ability to perform their duties and any necessary accommodations.

Refusal to submit to a required evaluation or failure to maintain fitness for duty, as determined through appropriate procedures, may be grounds for disciplinary action, up to and including termination, consistent with applicable law and collective bargaining agreements.

12. DISABILITY LEAVE. In the event of the Superintendent's mental and/or physical inability to perform the essential functions of his job, the Superintendent shall be granted an initial leave of ninety (90) workdays for the purpose of recovery. Superintendent shall first exhaust any accumulated sick leave and accrued vacation time, with the balance of the ninety (90) workday period to be unpaid. Health plan premium payments shall be made on behalf of the Superintendent during this interval to the extent required by law. Upon using leave under this provision, Superintendent shall furnish medical certification to the Board (or its designee) for the leave's necessity.

- a. At the expiration of the initial leave, Superintendent may request an additional ninety (90) workday unpaid leave extension due to the mental and/or physical inability to perform the essential functions of his job, provided that the Board receives a written prognosis and medical certification from Superintendent's health care provider that Superintendent will be able to perform the essential functions of his job at the end of the extended leave. The decision about the extended leave request is at the Board's sole discretion.
- b. If the Board (or designee) has reason to doubt the validity of the medical certification supplied by Superintendent, the Board may require a second opinion, at Board expense.
- c. If the Superintendent is unable to or does not resume work at the conclusion of a leave taken under this paragraph (or any extension), his employment and this Contract may be terminated at the Board's option. No such termination shall occur when restoration after leave is required by the Family and Medical Leave Act.
- d. Before resumption of duty after a leave of absence for a serious health condition, Superintendent shall provide to the Board a fitness for duty certification from Superintendent'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.

13. FAMILY AND MEDICAL LEAVE. Superintendent shall be eligible for family and medical leave per Board policy and the Family and Medical Leave Act (FMLA). Applicable paid leave shall be used concurrently with FMLA leave calculated annually using the District method for administrative employees. Military caregiving leave shall be calculated on a rolling forward basis consistent with law.

14. TERMINATION

- a. The Superintendent may be discharged for misconduct, dishonesty, fraud, insubordination, incompetency, ineffectiveness, conviction or commission of a felony, if Superintendent materially breaches the terms and conditions of the Contract, or for other reasons that are not arbitrary or capricious, as determined by the Board. If the Board acts to terminate the Superintendent during this Contract, there will be written notice of charges and the Superintendent will be given not less than ten (10) calendar days' written notice of the time and place of a hearing before the Board.

The Superintendent shall have the right to a public or private hearing, at their discretion, consistent with the Open Meetings act and applicable state and federal law. The Superintendent may be represented by legal counsel at their own expense.

- b. Severance. Upon termination under this Contract, the parties will agree to execute a mutually agreed upon severance and release agreement.
- c. Resignation. The Superintendent may terminate this Agreement by providing the Board with at least ninety (90) days' written notice of resignation. In the event of an unforeseen medical condition, family emergency, or other extenuating circumstance that

reasonably prevents the Superintendent from fulfilling this notice period, the Board agrees to consider a mutually acceptable alternative timeline for separation.

15. NONRENEWAL. As required by Revised School Code Section 1229, the Board shall provide notice of nonrenewal to the Superintendent at least ninety (90) days before the Contract's expiration. The Board's decision not to continue or renew Superintendent's employment for any subsequent period in any capacity (other than as a classroom teacher as may be required by the Michigan Teachers' Tenure Act) is not a breach of this Contract or a discharge or demotion under the Michigan Teachers' Tenure Act.

17. DISPUTE RESOLUTION. If a dispute arises between the parties relating to discharge of Superintendent during this Contract, the parties 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 Arbitration Act, MCL 691.1681 *et seq.* and MCR 3.602. The parties intend that this dispute resolution shall be inclusive of all contract and statutory claims advanced by Superintendent arising from his discharge during 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 Superintendent 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 Superintendent. This agreement to arbitrate claims applies to those matters which would otherwise be subject to state or federal court proceedings. Superintendent acknowledges he is waiving his right to adjudicate discrimination claims in a judicial forum and is instead opting to arbitrate those claims. In any such arbitration proceeding, the Superintendent shall have the right to representation by counsel of his choice, the right to appointment of a neutral arbitrator, the right to reasonable discovery and the right to a fair hearing. However, the Superintendent, 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 Decision and Award shall be final and binding, and judgment thereon may be entered in a state court with competent jurisdiction. The Decision and Award of the arbitrator shall be final and binding, and judgment thereon may be entered in the Circuit Court for the 22nd Judicial Circuit of Michigan (Washtenaw County).

Notwithstanding the fact that the AAA National Rules for the Resolution of Employment Disputes may have a different arrangement for payment of the arbitrator's fees and costs, the parties expressly state their intent that the arbitrator's fee and the costs imposed by the American Arbitration Association shall be shared equally by Board and Superintendent. Any claim for arbitration under this provision must be filed with the American Arbitration Association, in writing, and served on Board within one hundred eighty (180) days of the effective date of Superintendent's discharge during the term of this Contract and to enforce award.

18. PERIOD OF LIMITATION. Superintendent agrees that any claim or suit arising out of Superintendent's employment with the Board must be filed no more than 180 days after the date of the employment action that is the subject of the claim or suit. Superintendent understands that the statute of limitations for claims arising out of an employment action may be longer than 180 days, but agrees to be bound by the 180 day 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 lawsuit, it is the intent of the parties that the court enforce this provision to the extent possible and declare the lawsuit barred unless it was brought within the minimum reasonable time within which the suit should have been commenced.

19. SEVERABILITY. If any provision of this Contract is declared by a court of competent jurisdiction to be invalid, illegal, void, or unenforceable, the remaining provisions of this Contract shall remain in full force and effect.

20. ENTIRE AGREEMENT. This is the entire agreement between the parties with respect to the employment of the Superintendent and shall be interpreted in accordance with the laws of the State of Michigan. This Contract may be amended, revised, renewed, or extended only by a written instrument duly adopted and executed by the parties.

21. AUTHORIZATION. This Contract is executed on behalf of the Board of Education of Chelsea School District pursuant to the authority contained in the Board motion adopted on June 9, 2025, the same being incorporated by reference.

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

SUPERINTENDENT:

BOARD OF EDUCATION:

Michael J. Kapolka, Superintendent

Erin Hunt-Carter, President

Date: _____

Date: _____

Sara Tracy, Secretary

Date: _____

Appendix “A”
Superintendent Salary Schedule

Superintendent Salary Schedule 2025 - 2030				
2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Contract Year	Contract Year	Contract Year	Contract Year	Contract Year
<u>Base Salary</u> \$186,000.00	<u>Base Salary</u> \$190,650.00	<u>Base Salary</u> \$195,416.25	<u>Base Salary</u> \$200,301.65	<u>Base Salary</u> \$205,309.19
<u>Annuity</u> 5%	<u>Annuity</u> 6%	<u>Annuity</u> 7%	<u>Annuity</u> 8%	<u>Annuity</u> 9%
<u>Longevity</u> 3%	<u>Longevity</u> 4%	<u>Longevity</u> 5%	<u>Longevity</u> 6%	<u>Longevity</u> 7%
<u>Merit</u> 3%	<u>Merit</u> 3%	<u>Merit</u> 3%	<u>Merit</u> 3%	<u>Merit</u> 3%
<p>***This salary schedule is issued for the purpose of ensuring that compensation increases for the superintendent of schools job classification is included in final average compensation. See MCL 38.1303a(3)(f). The Superintendent's base salary shall increase annually in an amount equal to two and a half percent (2.5%) of their base salary in the immediately preceding year, unless otherwise agreed by the parties in writing. Compensation increases are governed by the applicable individual employment agreement, consistent with this salary schedule. Depending on the individual employment agreement, an employee's actual compensation increases for a particular year may be above or below the amounts listed above for that particular year. To the extent compensation increases pursuant to an individual employment agreement exceed the amounts listed above for the applicable year, the Michigan Office of Retirement Services (ORS) may determine whether those increases count toward final average compensation.</p> <p>This salary schedule is illustrative only and is not a guarantee of future compensation and reflects maximum compensation increases for purposes of MCL 38.1303a(3)(f). The Board will annually review, update, and approve this salary schedule as necessary.</p>				