

**SALINE AREA SCHOOLS
Superintendent's Agreement**

This **AGREEMENT** is made by and between the **Saline Area Schools** ("Employer") and **Scot A. Graden** ("Employee").

1. Employment

Employer hereby employs Employee, and Employee hereby accepts employment by Employer upon the Terms and Conditions set forth in this Agreement.

2. Duties and Obligations

- a. Employee shall serve as Superintendent for Employer, reporting in such capacity directly to the Board of Education of the Employer ("Board"), and the Employee's duties and powers in such capacity as Superintendent shall be as determined, from time to time, by the Board or persons designated by the Board.
- b. Employee's duties shall include, but are not limited to, the day-to-day administration of the Employer in accord with the policies and directives of the Board.

3. Extent of Services

Employee agrees to devote his talents, skills, efforts and abilities toward competently and proficiently fulfilling all duties and responsibilities of the position assigned. Employee agrees to faithfully perform those duties assigned by the Board and to comply with the Directives of the Board with respect thereto. Further, Employee agrees to comply with and fulfill all responsibilities and tasks required by state and federal law and regulations and by the Board to carry out the educational programs and policies of the School District during the entire term of this Agreement. Employee pledges to use his best efforts to maintain and improve the quality of the operations of the School District and constantly promote efficiency in all areas of his responsibility.

4. Duration of Agreement

- a. The term of this Agreement shall commence January 1, 2014, and extend through June 30, 2019 unless terminated earlier as provided in this Agreement.
- b. The term of this Agreement and the Employee's employment with the Employer may be earlier and automatically terminated as follows:
 - i. Upon the death of the Employee;
 - ii. Upon resignation of the Employee, at any time after thirty (30) days' written notice to the Employer at the Employer's principal office;
 - iii. Upon the Employee's disability so as to be unable to perform the Employee's essential duties for a period in excess of three (3) consecutive months. The obligation of the Employer to pay the Long-Term Disability premium as defined in Schedule A, Section 5c., shall survive automatic termination and will be paid until the end of this Agreement.
- c. The Board of Education shall, not later than August 31 of each year during the term of this Agreement, consider the extension of the contract for an additional one-year period.

5. Continued Service

The Employee waives and relinquishes any tenure rights as provided by law as Superintendent of Saline Area Schools or in any other administrative capacity for the Employer, and in that capacity, shall not have continuing tenure. The Employee further agrees that in no event shall the failure of the Employer to continue or to reemploy him in any capacity other than as classroom teacher be deemed a breach of this Agreement, or a discharge, or a demotion within the provisions of the *Teachers' Tenure Act*, MCLA 38.71, *et seq.*

6. Termination

The Board shall be entitled to terminate the Employee's employment at any time during the term of this Agreement for acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetence, inefficiency, if Employee materially breaches the Terms and Conditions of the Agreement, or for any other reason which is not arbitrary or capricious. The foregoing standards for termination of this Agreement during its term shall not be applicable to non-renewal of this Agreement at the expiration of its term, which decision is discretionary with the Board of Education.

In the event that the Board undertakes to dismiss Employee during the term of this Agreement, he shall be entitled to written notice of charges and an opportunity for a hearing before the Board. In the event of termination of employment during the term of this Agreement, this Agreement shall automatically terminate and the Board shall have no further obligation hereunder.

7. Representations

The Employer relies upon the Employee's representation that the Employee:

- i. Is competent to serve the Employer;
- ii. Holds and maintains all certificates and credentials required by law and by the Board to serve the Employer in the position assigned;
- iii. Will commence and perform all assigned duties, obey and fulfill all policies, directives, decisions, rules, and regulations of the Employer issued by the Board or its designee;
- iv. Will faithfully serve and protect the interests of the Employer during the term of this Agreement;
- v. Will not take any action or acquire any interest adverse to that of the Employer;
- vi. Will not withhold from the Board, and will promptly report to the Board, any information that may affect the business of the Employer;
- vii. Shall not at any time engage in acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetence, inefficiency, material breach of the terms of the agreement, failure to follow instructions, or any other acts or conduct detrimental to the business of the Employer, or for other good cause, as determined by the Board.

8. Compensation and Benefits

Schedule A, attached hereto, is made part of this Agreement, detailing compensation and benefits for all services rendered by Employee.

9. **Liability Insurance**

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 Two Million Dollars (\$2,000,000). 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 omissions 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 such 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 the Employee as is authorized under MCLA 691.1408 and MCLA 380.11a(3)(d).

10. **Entire Agreement**

This Agreement supersedes and cancels all prior Agreements, whether verbal or written, between Employer and Employee and constitutes the entire Agreement. The Employee further acknowledges that neither Employer nor any other person or entity has made any representation to the Employee, which has not been expressly stated in this Agreement. There are no understandings or Agreements with Employee, which are not included in this document. Any Agreement or Agreements supplemental hereto shall not be binding upon either party unless executed in writing by the President of the Board as authorized and directed by the Board on behalf of Employer, and by the Employee.

11. **No Estoppel/Waiver**

The parties agree that the legal doctrines of estoppel or waiver, based on any alleged failure by Employer to enforce all or any part of this Agreement, or any other Agreement, at any time shall not be asserted by Employee to avoid the requirements of this Agreement.

12. **Binding Effect**

This Agreement shall be binding upon and inure to the benefit of the Employer, its successors and assigns, and to the Employee, the Employee's heirs, executors, and personal representatives.

13. **Use of Michigan Law**

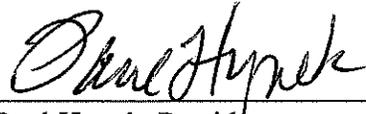
The validity, construction, interpretation, and performance of this Agreement will be governed by the laws of the State of Michigan. Any part of this Agreement prohibited by the laws of the State of Michigan shall, as to that part only, be ineffective without invalidating the remaining parts of this Agreement, and as to the affected part, shall be interpreted to carry out the intent of the parties consistent with the laws of the State of Michigan.

14. **Principal Office**

For purposes of any notice provided by this Agreement:

- i. The principal office of the Employer is 7265 Saline-Ann Arbor Road, Saline, Michigan 48176.
- ii. The principal office of the Employee is 7265 Saline-Ann Arbor Road, Saline, Michigan 48176.

By:  10/27/15
Scot A. Graden (Employee) Date

By:  10/27/2015
Paul Hynek, President Date
Saline Area Schools Board of Education

By:  10/27/2015
Karen Delhey, Secretary Date
Saline Area Schools Board of Education

**SALINE AREA SCHOOLS
SCHEDULE A**

**July 1, 2015 through June 30, 2019
Superintendent's Agreement – Scot A. Graden**

Schedule A attached to, and made reference in Agreement between Employer and Employee:

1. Base Compensation

Employee shall receive an annual salary of One Hundred Thirty Eight Thousand Five Hundred Dollars (\$138,500) for January 1, 2014, to and including June 30, 2019.

2. Variable Performance Compensation

Employee shall have the ability to be compensated each school year by meeting the performance goals set forth by the Employer. Goals may be weighted and payouts made in increments if the total goal attainment is not achieved. If any goal has less than 75% attainment the payout shall be zero for that goal.

Example: Variable performance compensation amount is set by the Employer at \$5,000. If a goal is weighted at 50% (\$2,500) and in determination of the Employee's goal attainment was 80%, then the payout shall be: $\$2,500 \times .80 = \$2,000$.

It is the desire of the Employer to align the Variable Performance Compensation to the school year calendar (July 1 to June 30). The goals review and calculation of payout shall be completed by September 1st of each year. Within 90 days of the end of the school year the Employee shall be evaluated by the Board and payout determined. During this period, goals for the forth coming school year must also be determined as well as the variable compensation amount. The payout shall be made no later than September 15th of each year of Agreement.

In the event that the per pupil foundation rate (including performance dollars) provided by the state of Michigan drops by 5% or more, Employer reserves the right and may suspend or reduce the Variable Performance Compensation portion of this Agreement.

The goals and total variable performance compensation amount for each school year covered under this agreement shall be detailed as an addendum to Schedule A below.

3. Administrative Stipend

The Employer shall provide an annual Stipend of Six Thousand Five Hundred Dollars (\$6,500.00) to the Employee for each year of 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019. Each year, the stipend shall be added to the Employee's annual salary.

4. Compensation Adjustments

Employee shall receive adjustments in annual base salary as the Board determines for the term of this Agreement.

5. Vacation and Holidays

Employee is employed on the basis of fifty-two (52) weeks of work per contract/fiscal year (July 1 through June 30) as scheduled by the Board. Employee shall be granted vacation time of fifteen (15) days per fiscal year. Vacation days should be used within the fiscal year for which they are made available and Employee shall not receive any additional compensation in lieu of use of vacation days, but eight (8) days may be carried over to the following year with Board approval. Employee shall schedule use of vacation days in a manner to minimize interference with the orderly operation and conduct of business of the School District. All scheduling of vacation is subject to approval by the Board.

The Employee is granted the following twenty-one (21) holidays.

Independence Day – 2 days
Labor Day and the Friday immediately preceding Labor Day
Thanksgiving Day and the Friday immediately following Thanksgiving Day
Winter Break – 5 days
Martin Luther King Day
Great American Patriots Day and the Friday immediately preceding that Monday
Good Friday
Spring Break – 5 days
Memorial Day

6. Sick Days

Annual Sick Day allowance is fifteen (15) days per year, to be added to whatever number of accumulated sick days Employee has as of July 1, 2014. Sick Days may accumulate up to a maximum of one hundred thirty (130) days. Long Term Disability coverage is provided by the District for qualifying absences in excess of twenty-six (26) weeks.

7. Insurance

Pursuant to the authority, as set forth in Michigan School Code, Section 380.632 and 380.1255, the Board agrees to provide the following fringe benefits upon submission of written application.

A. Health Insurance

1. The Board shall provide, without cost to all full-time Administrators, the Saline Area Schools Health Plan Insurance benefits as allowed by PA 152. Benefits for part-time Administrators will be pro-rated. The insurance will be for a 12-month period for each Administrator who completes a full fiscal year of employment and his/her family and any other single eligible dependents as defined by the U.S. Internal Revenue Service. SASAA members may be included in the insurance plan selection process per the Letter of Agreement fashioned during Collective negotiations.

2. Administrators newly hired by the Board shall be eligible for Board-paid insurance premiums upon acceptance of written application by the insurance carriers on the first day of the month following the month work commenced.
3. Deductibles, co-pays and prescription drug co-pays will be determined according to the health care plan selected by the Administrator.
4. Changes in family status shall be reported by the employee to the human resources office within thirty (30) days of such change. The employee shall be responsible for any overpayment of premiums made by the Board in his/her behalf for failure to comply with this paragraph.
5. An Administrator eligible for Medicare benefits within thirty (30) days of his/her first eligibility date. The Administrator shall be held responsible for any overpayment of insurance premiums made by the Board for failure to comply with this paragraph.
 - a. Administrators eligible for Medicare benefits must notify the Board of Education, in writing, of their primary program election. Administrators can either elect Medicare or the school-provided plan as their primary program (as required by T.E.F.R.A.).
 - b. The Board of Education shall not be liable for any penalties against the employee by the insurance carrier (including Medicare) as the result of his/her election.
 - c. To the extent permitted by law, premiums for medicare supplement and Medicare premiums shall be paid on behalf of the Administrator's spouse and/or qualified dependents eligible for Medicare.
6. The Board agrees to provide the mentioned benefit programs within the underwriting rules and regulations as set forth by the carrier(s) in the Master Contract held by the policyholder.
7. To be eligible for coverage (or increase in coverage), Administrators must be able to perform the "at work requirements" with this employer before benefits are effective.
8. Administrators working less than a full contract year shall have benefits terminated on the first day of the month following termination of employment.
9. An open enrollment period shall be provided annually.
10. A "Flexible Spending Account" Plan will be implemented for Management Members. Both Dependent Care and Unreimbursed Medical Expenses will be included in the Plan.

B. Wellness Participation:

1. Non-participation fee \$5,000 annually for full family or 2 person, (80% employee, 20% spouse) or \$2,500 annually for single person coverage.
2. High Deductible Plan / HSA Wellness Incentive – If the Administrator selects a High Deductible Plan with a qualifying HSA and the Administrator participates in an annual health maintenance screening, the district will contribute \$1,000 annually to the HSA for single person coverage or

\$2,000 annually to the HSA for two-person or family coverage, (80% contingent upon the employee, 20% contingent upon the spouse).

C. Term Life Insurance

Each Administrator (if insurable) shall receive a term life insurance policy in an amount equal to two times the nearest thousand as each Administrator's base salary is rounded up to the nearest thousand.

1. The beneficiary shall be designated by the Administrator.
2. Administrators who have Board-provided term life insurance have a thirty (30) day conversion right upon termination of employment. Any Administrator electing his/her right of conversion in order to keep life insurance in force must contact the insurance carrier within thirty (30) days of the last day of employment with the Saline Area Schools.
3. The sole authority for the selection of the term life and accidental death and dismemberment insurance carrier shall be with the Board, subject to the commonly accepted rules governing competitive bidding. The Board may change insurance carriers provided the benefits afforded hereby shall not be diminished.
4. The accidental death and dismemberment rider shall be attached to each Administrator's term life insurance policy providing double the face value of the insurance policy at death resulting from specified causes in the accidental death and dismemberment rider.

D. Dental Insurance

The Board shall pay full premium costs for the Administrator, spouse, and eligible dependents for a Saline Area Schools Self Funded Plan, including incentive rider, which provides 80% coverage for preventive care, etc., with a cap of \$1,500.00 on an orthodontic rider.

E. Long-Term Disability Income Protection

All wages shall be paid by the Board during the qualifying period of twenty-six (26) weeks; thereafter all benefits of the long-term disability insurance will provide a long-term disability plan that provides for 70% of the monthly income replacement as per the Terms and Conditions of the employer's contract with the carrier.

F. Vision Insurance

The Board shall pay full premium costs for the Administrator, spouse, and eligible dependents of the Saline Area Schools Self Funded Plan, Ultra-Vision Plan III.

8. Professional Development

Employer will pay the Employee's expenses to attend conferences and conventions approved by the Employer. Employer will pay for the Employee's professional development, education expenses (tuition, fees, books and/or other electronic media required by a class) at the time of enrollment. Employee's education expenses will only be covered for successful completion (B or better) of each class. Employer will pay the Employee's annual professional dues of up to four (4) state or national professional organizations.

Professional development expenses contained in this section shall be approved by the Employer.

9. Expenses

The Employer will reimburse Employee for reasonable out-of-pocket expenses incurred while performing official functions as Superintendent. The Employee is expected to be visible and maintain relationships within the Saline community. In such capacity, Employee and his family are expected to attend various Saline events, such as, but not limited to, fundraisers, dinners, golf benefits. The Employer shall reimburse the Employee for out-of-pocket expenses incurred to attend said functions up to \$2,000 annually.

10. Medical Examination

At the Board's request, the Employee may be required to submit to a physical and/or psychological examination by a licensed physician as named by the Board of Education. Should the medical insurance coverage provided by the Board of Education not cover the cost of such examination, the Board of Education shall cover all costs of such examinations.

**SALINE AREA SCHOOLS
SCHEDULE A – Addendum 1**

September 1, 2015 through June 30, 2016

Superintendent's Agreement – Scot A. Graden

2. Variable Performance Compensation

This addendum defines the Variable Performance Compensation amount and goals for the 2015-2016 school year. All other details of the Variable Performance Compensation program are the same as outlined in Schedule A above.

Employee shall have the ability to be compensated up to Eight Thousand Dollars, (\$8,000.00) for the 2015-2016 school year by meeting the performance goals set forth by Employer below.

The goals for September 1, 2015 to June 30, 2016 are as follows:

1. Develop and implement effective bond proposal campaign. **Goal Weighting 25%.**
2. Implement structure for capital planning and project management to allow work to commence following November 3, 2015. **Goal Weighting 25%.**
3. Revise the 5-year plan and secure Board approval to achieve the Strategic Framework goals. The Board approved plan is to include objectives and tactics to achieve the five Strategic Framework goals with major milestones for each goal. Responsibilities and accountabilities are to be assigned and a projected financial analysis for each goal shall be completed. If this goal has not been 100% achieved during the bonus period, the major milestones will be used to determine percentage of goal attained during the bonus period. **Goal Weighting 50%.**



Scot A. Graden (Employee)

10/27/15
Date

**SALINE AREA SCHOOLS
BOARD OF EDUCATION**



By: Paul Hynek, President

10-27-2015
Date



By: Karen Delhey, Secretary

10/27/2015
Date