

CONTRACT OF EMPLOYMENT

School Administrator

It is hereby agreed by and between the Board of Education ("Board") of Fulton Schools ("District") and Thomas J. Torok ("Administrator") that pursuant to Section 1229(1) of the Revised School Code, the Board, in accordance with its action found in the minutes of its meeting held on the 25th day of October, 2021, has and does hereby employ Mr. Torok for a two-year and 8-month period commencing on November 1, 2021 and ending on June 30, 2024, according to the terms and conditions as described and set forth in this Contract of Employment ("Contract") as follows:

1. Duties. Administrator shall perform the duties of Superintendent (which shall include responsibilities previously performed by the District's Special Education Director) as prescribed by the Board and as may be established, modified and/or amended from time to time by the Board. Administrator acknowledges the ultimate authority of the Board with respect to his responsibilities and directions related thereto. Administrator is subject to assignment and transfer to another administrative position of employment in the District at the discretion of the Board.

2. Qualifications. Administrator represents that he possesses, holds and will 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 Michigan Department of Education, and those required by the Board to serve in the position assigned. Administrator agrees, as a condition of his continued employment, to meet and maintain all certification and continuing education requirements for the position assigned, as are and may be required by law and/or by the State Board of Education. If at any time Administrator fails to maintain all certificates, credentials, continuing education requirements and/or qualifications for the position assigned as required herein, this Contract shall automatically terminate and the Board shall have no further obligation hereunder.

3. Faithful Performance. Administrator agrees to devote his talents, skills, efforts and abilities toward competently and proficiently fulfilling all duties and responsibilities of the position assigned. Administrator agrees to faithfully perform those duties assigned by the Board and to comply with the directives of the Board with respect thereto. Further, Administrator 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 District during the entire term of this Contract. Administrator agrees that he will diligently and competently discharge his duties on behalf of the District to enhance the operation of the District and will use his best efforts to maintain and improve the quality of the programs and services of the District.

4. Compensation.

a. Salary Administrator shall be paid at an annual (twelve month) salary rate of not less than One Hundred and Nine Thousand and no/100 Dollars (\$109,000.00) for 2021-2022 (pro-rated

for the term of service) in consideration of his performance of the duties and responsibilities of the position assigned in conformance with the requirements and expectations of the Board.

b. Merit Pay. If Administrator is rated effective or highly effective on his 2021-2022 annual, year-end evaluation, the annual (twelve month) salary rate will increase to One Hundred and Twelve Thousand and no/100 Dollars (\$112,000.00) beginning with the 2022-2023 school year. The Board hereby retains the right to further prospectively increase the annual salary of Administrator during the term of this Contract. Consistent with the provisions of Section 1250 of the Revised School Code, Administrator's job performance and job accomplishments will be significant factors in determining any adjustment to Administrator's compensation. Any increase in salary made during the term of this Contract shall be in the form of a written amendment and when executed by Administrator and the Board, shall become a part of this Contract.

c. Annuity. The District also shall annually contribute Five Thousand and no/100 Dollars (\$5,000) (pro-rated for 2021-2022) on Administrator's behalf to a tax-deferred annuity plan of Administrator's choosing (Annuity Plan). The payments to the Annuity Plan will be made on a pro rata monthly basis for each month actually worked. All payments under this Paragraph 4 are intended as remuneration payable to Administrator for services actually performed by Administrator under this Contract of Employment. Administrator has requested that his compensation be allocated, in part, in the manner provided in this paragraph 4, to an Annuity Plan of his choosing. By including this requested provision in this Agreement, the District makes no representations as to the advisability of this arrangement for Administrator's financial, retirement, or tax purposes. Administrator represents that he has not relied upon any representations by the District with regard to this provision and, instead, has consulted with such tax, legal, or accounting experts as he deemed appropriate in requesting that this provision be included in this Agreement.

d. Transfer/Reassignment. Should Administrator be assigned or transferred to another administrative position, the salary paid shall be as established by the Board for that position. The annual salary shall be paid in twenty-six (26) equal bi-weekly installments beginning with the commencement of the fiscal/contract year (July 1 - June 30).

5. Fiscal Year/Vacation. Administrator 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. Administrator shall be granted vacation time of twenty (20) days per fiscal year. Vacation days must be used within the fiscal year for which they are made available and Administrator shall not receive any additional compensation in lieu of use of vacation days. Administrator shall schedule use of vacation days in a manner to minimize interference with the orderly operation and conduct of business of the District. All scheduling of vacation is subject to the approval of the Board.

6. Evaluation. Administrator's performance shall be evaluated at least annually using multiple rating categories that take into account data on student growth as required by Sections 1249 and 1249b of the Revised School Code (or successor provisions).

7. Termination and Non-Renewal. The Board shall be entitled to terminate the Administrator's employment at any time during the term of this Contract when it determines that Administrator has engaged in acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetency, inefficiency, if Administrator materially breaches the terms and conditions of this Contract, or for other causes that are not arbitrary or capricious.

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.

In the event that the Board undertakes to dismiss Administrator during the term of this Contract, 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 Contract, this Contract shall automatically terminate and the Board shall have no further obligation hereunder.

8. Incapacity. In the event of Administrator's mental and/or physical incapacity to perform the duties of his office, he shall be granted an initial leave of ninety (90) workdays for the purpose of recovery. The Administrator shall first exhaust any accumulated sick leave and accrued vacation time, with the balance of the ninety (90) workday period to be unpaid. Upon utilizing leave under this provision, Administrator shall furnish medical certification to the Board (or its designee) respecting the necessity for the leave.

If the Board (or designee) has reason to doubt the validity of the medical certification supplied by Administrator, it may require a second opinion, at Board expense.

Administrator may request a ninety (90)-workday unpaid leave extension in the event of his physical and/or mental inability to return to work at the expiration of the initial leave interval, as described above, provided that there is a verified prognosis that Administrator will be able to resume his duties at the conclusion of the extended leave interval. Medical certification shall be supplied by Administrator as a condition to any leave extension. Any extensions of leave for this purpose shall be at the discretion of the Board.

If Administrator is unable to or does not resume work at the conclusion of a leave taken under this paragraph (or any extension thereof), his employment and this Contract may be terminated at the option of the Board. However, no such termination shall occur where restoration after leave is required by the Family and Medical Leave Act ("FMLA").

Prior to resumption of duty after an unpaid leave of absence for a serious health condition, Administrator shall provide to the Board a fitness for duty certification from Administrator'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 FMLA.

9. Tenure Exclusion. Administrator agrees that he shall not be deemed to be granted continuing tenure in the position initially assigned or to which he may be assigned or transferred or in any capacity other than that of a classroom teacher, should the probationary period required for tenure as a teacher be fulfilled, by virtue of this Contract or any employment assignment (requiring certification) with the District. Nor shall the decision of the Board not to continue or renew the employment of

Administrator for any subsequent period in any capacity, other than as a classroom teacher, as may be required by the Teachers' Tenure Act, be deemed a breach of this Contract or a discharge or demotion within the provisions of the Michigan Teachers' Tenure Act.

10. Physical or Mental Examination. Administrator 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. Additionally, upon request of the Board, Administrator shall authorize the release of medical information necessary to determine if Administrator is capable of performing the essential job functions required by his assignment, with or without reasonable job accommodation(s). Any physical or mental examination or disclosure of such information required of administrator by the Board shall be job related and consistent with business necessity. Any medical or psychological examination under this section shall be at Board expense. Any information obtained from medical or psychological examinations or inquiries shall be considered and treated as confidential.

11. Health/Medical/Disability Insurance. Upon proper application and acceptance for enrollment by the appropriate insurance underwriter, policyholder and/or third party administrator, the Board shall make premium payments on behalf of Administrator and his eligible dependents for enrollment in the Health/Medical Insurance, Dental Insurance, Vision Insurance, Term Life and AD&D Insurance (Administrator Only; 2 x salary, up to a maximum benefit in the amount of \$175,000.00), and Long Term Disability Insurance (Administrator Only; 66 2/3% x salary, up to a maximum monthly benefit in the amount of \$5,000) that are provided to other administrative staff, along with the opportunity to participate in Flexible Spending Accounts, if offered by the District.

If Administrator makes a voluntary written election not to avail himself of the health/medical coverage offered by the Board, he will instead receive Cash in Lieu, on a monthly basis, under a qualified Section 125 plan, on the further condition that Administrator furnishes written evidence that he is enrolled in another health/medical benefits plan that meets the minimum value and coverage requirements of the Affordable Care Act.

Administrator agrees that the Board has the right to allocate to Administrator responsibility for a portion of the premium for the insurance coverages specified above, as may be determined by the Board, in its discretion. However, 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. The Board will notify Administrator of the premium amount for which he is responsible in excess of the Board paid premium contributions. Administrator agrees that the amount of premium contributions designated by the Board as Administrator's responsibility shall be payroll deducted from Administrator's compensation.

12. Insurance Carrier/Administrator. The Board reserves the right to change the identity of the insurance carrier, policyholder or third party administrator for any of the above coverages, provided that comparable coverage, as determined by the Board, is maintained during the term of this Contract. The Board shall not be required to remit premiums for any insurance coverages for Administrator 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. Administrator 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 insurance benefits.

13. **Holidays.** Administrator is entitled to the following twelve (12) holidays for which no service to the District is required: New Year's Eve Day, New Year's Day, Good Friday, Memorial Day, Independence Day (July 4th), Friday before Labor Day, Labor Day, Opening Day of Deer Firearm Season (November 15th), Thanksgiving Day, Friday after Thanksgiving Day, Christmas Even Day, and Christmas Day.

14. **Paid Sick Leave and Emergency Personal Leave.** If Administrator is absent from duty on account of personal illness or disability, he shall be allowed full pay for a total of twelve (12) sick days per contract year. If Administrator is absent from duty on account of a personal emergency, he shall be allowed full pay for a total of three (3) personal days per contract year. In the event the Superintendent resigns or does not complete a full fiscal year, leave days shall be pro-rated. Unused personal days shall convert to sick days at the end of each year. Unused paid sick leave days shall be cumulative to a maximum of 110 days for absence due to personal illness or disability of Administrator.

15. **Travel Expenses and Membership Fees.** Administrator shall be eligible to be reimbursed for travel, meals and lodging in accordance with per diem expense and reimbursement standards and procedures established by the Board. Any expense to be incurred by Administrator for out-of-district travel shall be submitted in advance for review and approval by the Board. Administrator shall be required to present an itemized account of his reasonable and necessary expenses in accordance with direction of the Board or its designee.

Subject to express approval by the Board, the fees or dues for membership in appropriate professional organizations (e.g., Michigan Association of Superintendents and Administrators (MASA)) shall be paid by the Board. Subject to prior approval by the Board, the Administrator may attend appropriate professional meetings at the local, state and national levels and shall be reimbursed for any registration fees, tuition, travel, lodging and/or reasonable meal expenses for himself in relation thereto not prepaid by the Board.

16. **Errors and Omissions Insurance.** The Board agrees to pay the premium amount for errors and omissions insurance coverage for Administrator while engaged in the performance of a governmental function and while the Administrator is acting within the scope of his authority. The policy limits for this coverage shall be not less than One Million and no/100 Dollars (\$1, 000,000.00). The terms of the errors and omissions insurance policy shall be controlling respecting defense and indemnity of Administrator. 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 said coverage and shall so notify Administrator. In that event, the Board agrees on a case-by-case basis to consider providing legal defense and/or indemnification to Administrator as is authorized under MCL 691.1408 and MCL 380.11a(3)(d).

17. Entire Agreement. This Contract contains the entire agreement and understanding by and between the Board and Administrator with respect to the employment of Administrator and no prior or concurrent representations, promises, contracts or understandings, written or oral, not contained herein, shall be of any force or effect. All prior contracts or other agreements (written or oral) pertaining to the terms of this contract are cancelled and are superseded by the terms of this Contract. Provided, that this Contract is voidable pursuant to the provisions of the Revised School Code pertaining to criminal records and criminal history checks.

No amendment to or modification of this Contract shall be valid or binding unless it is in writing, approved by official action of the Board reflected in its minutes, and signed by Administrator and the President and Secretary of the Board. No valid waiver of any provision of this Contract, at any time, shall be deemed a waiver of any other provision of this Contract at such time or at any other time.

18. Arbitration. In the event of any dispute between the parties relating to discharge of Administrator 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 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 600.5001 *et seq* and MCR 3.602.

The parties intend that this process of dispute resolution shall be inclusive of all contract and statutory claims advanced by Administrator arising from Administrator'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 Administrator 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 Administrator. 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 Administrator 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, Administrator 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, Administrator, 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 fee and the costs imposed by the American Arbitration Association shall be shared equally by the Board and Administrator, subject to the right of Administrator to seek to tax such fees as costs against the Board.

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 Administrator'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 21st or 29th Judicial Circuits of Michigan (Isabella County or Gratiot County), pursuant to MCL 600.5001.

19. Severability. If any provision of this Contract becomes or is declared by a Court of competent jurisdiction to be illegal, unenforceable or void, this Contract shall continue in full force and effect without said provision(s).

20. Period of Limitations. Administrator agrees that any claim or suit arising out of Administrator's employment with the Board must be filed no more than six (6) months after the date of the employment action that is the subject of the claim or suit. Administrator understands that the statute of limitations for claims arising out of an employment action may be longer than six (6) months, but agrees to be bound by the six (6) month 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 law suit, it is the intent of the parties that the court enforce this provision to the extent possible and declare the law suit barred unless it was brought within the minimum reasonable time within which the suit should have been commenced.

21. Board Approval. This Contract is executed on behalf of the Fulton Schools pursuant to the authority granted as contained in the resolution of the Board adopted on October 25, 2021, the same being incorporated herein by reference.

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

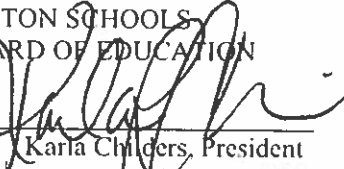
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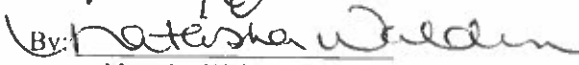
ADMINISTRATOR

Thomas J. Torok

Date: 11-02-21

FULTON SCHOOLS
BOARD OF EDUCATION

By: 
Karla Childers, President

By: 
Natasha Walden, Secretary

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