

**TROY SCHOOL DISTRICT
Troy, Michigan**

Superintendent of Schools Employment Agreement

WITNESSETH

WHEREAS, the TROY SCHOOL DISTRICT is a duly organized School District, and its Board is authorized to employ a Superintendent; and,

WHEREAS, Dr. Richard M. Machesky is desirous of being employed by the Board as Superintendent of Schools in accordance with the terms hereof;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

This Employment Agreement (hereinafter referred to as "Agreement") entered into on August 20, 2019 is between the Board of Education (hereinafter referred to as the "Board") of the Troy School District (hereinafter referred to as the "District"), and Dr. Richard M. Machesky (hereinafter referred to as the "Superintendent").

1. EMPLOYMENT TERM - The Board agrees to employ Superintendent for the period commencing on July 1, 2019 and terminating on June 30, 2024 subject to the provisions of this Agreement. This Agreement may be renewed at any time prior to its expiration date of June 30, 2024 by a duly authorized written agreement between the Board and the Superintendent.

2. QUALIFICATIONS - The Superintendent shall possess and maintain, throughout the duration of this Agreement, the educational qualifications required by Section 1246 of the Michigan School Code of 1976 (Public Act 451 of

1976), as may be amended from time to time, and/or otherwise as required by law.

3. DUTIES AND RESPONSIBILITIES - The Superintendent agrees to serve the District and perform the duties in his capacity as a Superintendent as directed by the Board and as required by the laws of the state of Michigan. The Superintendent further agrees to obey and fulfill the policies, rules and regulations as established from time to time by the Board and to carry out its programs and policies during the entire term of this Agreement.

4. PERFORMANCE EVALUATION - The Board shall provide the Superintendent with a written evaluation of his performance no later than June 30th of each calendar year. The instrument and evaluation format used by the Board shall be made known to the Superintendent by November 1 of the immediately prior calendar year.

5. SALARY - The Superintendent shall be paid an annual salary during the term of this Agreement as follows:

2019-2020: \$210,907

2020-2021: \$221,452

2021-2022: \$232,525

2022-2023: \$244,151

2023-2024: \$256,358

The Board retains the right to adjust the Superintendent's annual salary during the continuation of this Agreement on a prospective basis only, but such adjustment shall not reduce the annual salary below the figure specified in this paragraph. The District agrees to provide the Superintendent with a board-

funded, tax-sheltered 403(b) annuity annually of six percent (6%) of base salary. This amount is intended as additional compensation and/or remuneration for services performed by the Superintendent and shall be paid as a lump sum in the last payroll of June in the respective year services were rendered.

6. WORK YEAR - The Superintendent shall perform his duties over the full fifty-two weeks (52-weeks) of the District's fiscal year (July 1 through June 30), less applicable vacation, leave, and holidays. The Superintendent shall be expected to attend meetings of the Board and its committees and to attend and participate in District functions or, on occasion, other civic activities having relation to the District's interests within the Troy community. The time expended in attending such meetings and activities has been taken into account in setting the aforesaid salary and thus no additional compensation shall be forthcoming for such attendances.

7. FRINGE BENEFITS - During the term of this Agreement the Superintendent shall receive the fringe benefits set forth in the Fringe Benefit Supplement attached to this Agreement and made a part hereof. Fringe benefits shall be subject to an annual review for modification by the Board.

8. OUTSIDE EMPLOYMENT - The Superintendent agrees not to engage in other employment or self-employment during the term of the contract without the prior consent of the Board.

9. CONFLICT OF INTEREST - The Superintendent will faithfully serve the District and be regardful of its interest during the term of this Agreement, and thereafter to the extent required by this Agreement and by law. The Superintendent will not directly or indirectly acquire or otherwise possess any

interest adverse to that of the District. In the event that a question arises as to whether a given interest is in conflict with the interests of the District, the Superintendent shall make a full disclosure of same to the Board for their review and disposition, which disposition shall be controlling and complied with by the Superintendent. The Superintendent represents that he does not directly or indirectly possess any interest adverse to that of the District.

10. RESIDENCY - The Board prefers that the Superintendent be a resident in the District, however, the parties understand that it is not required.

11. DISCIPLINE & TERMINATION- The Superintendent may be disciplined, suspended, or terminated at any time during the term of this Agreement for reasonable and good cause. In the event of discipline or termination, the Superintendent shall receive notice and a fair hearing.

In addition to any other rights the District may have by law or under this Agreement, the term "good cause" shall include, without limitation, an act of moral turpitude, any misdemeanor or felony criminal conviction or plea of nolo contendere, violation of this Agreement or disability as provided for in Paragraph F. of the Fringe Benefit Supplement. In the event of a claim of violation of this Agreement, the Board shall give the Superintendent thirty days (30 days) written notice and opportunity to cure any curable violation, as well as the opportunity to attend any Board meeting at which a vote is taken on the issue of termination of employment. Upon the discharge of the Superintendent, this Agreement shall be terminated.

12. ARBITRATION - The Board and the Superintendent agree to arbitrate any and all disputes arising out of this contract under the Employment Rules of

the American Arbitration Association. Any arbitration shall be conducted in Oakland County, Michigan. The parties shall equally share the cost of the arbitrator's fees and any hearing room rental fees. Any award or decision arising out of such arbitration shall be enforceable in a court of competent jurisdiction in the state of Michigan. In the event of an arbitration arising out of a termination of this Agreement by the Board, the arbitrator's opinion shall be limited to determining whether the Board had good cause under the terms of this contract for terminating the Superintendent's employment.

13. NON-RENEWAL OF AGREEMENT – The decision whether to renew or not to renew the Agreement with or without cause is solely within the discretion of the Board. However, in the event that the Board decides not to renew this Agreement, prior written notice of such non-renewal shall be given to the Superintendent at least ninety days (90-days) prior to its expiration date.

The Superintendent may terminate this Agreement by providing at least a ninety- day (90-day) written notice to the Board. At its option, the Board may waive all or part of the requirement for the Superintendent to give the Board notice.

14. TENURE EXCLUSION – It is expressly agreed that the Superintendent shall not be deemed to be granted continuing tenure under the Teachers' Tenure Act, Act 4 of the Public Acts of 1937 (Extra Session), as amended, or any other applicable statutes in the capacity of Superintendent, or any other administrative capacity by virtue of this Agreement, or any extension or renewal hereof.

15. MEDICAL EXAMINATION – Annually, the Superintendent shall have a medical examination. A written statement from the examining licensed medical physician certifying the fitness of the Superintendent for the essential duties of

his position shall be provided to the President of the Board as soon as it is available following the examination. Physical examination costs not covered by insurance will be reimbursed to the Superintendent. The Board reserves the right to direct the Superintendent to an examining physician for a medical report if, in its judgment, there are circumstances which warrant a verification of either the physical or psychological competence of the Superintendent. The reports from both the annual examination and the latter examination shall be shared by the Board President with the other trustees, but shall otherwise be maintained in confidence.

16. INDEMNIFICATION. The Board agrees that it shall defend, hold harmless and indemnify the Superintendent from any and all demands, claims, suits, administrative proceedings, actions, judgments, damages, liabilities and/or legal proceedings (including attorney fees, costs and expenses) brought against the Superintendent in his individual capacity or in his official capacity as agent and employee of the District. The Board agrees to indemnify the Superintendent as stated herein, provided the incident arose while the Superintendent was acting within the scope of his employment and excluding criminal proceedings at the sole discretion of the Board, and claims or actions of the District. It is understood that the indemnity given shall not extend to any demands, claims, suits, administrative proceedings, actions, judgments, damages, liabilities and/or legal proceedings arising out of the alleged intentional tortious actions or inactions (as opposed, for example, to alleged acts of negligence) of the Superintendent. The Superintendent shall give the Board notice of the nature of any claim of indemnification hereunder promptly upon receipt of notice of any claim or action.

The Board shall have the right to conduct the defense of any such claim and Superintendent shall fully cooperate with the Board in defense. The Superintendent may, at his own cost and expense, employ counsel to assist in such defense. The Board shall provide public liability insurance at a reasonable cost for the Superintendent to cover legal expenses in defense of claims and payment of judgments resulting from his functioning as Superintendent and will reimburse him for any portion of such expense and judgments not covered by insurance. In no case will individual Board members be considered personally liable for indemnifying the Superintendent against such demands, claims, suits, actions and legal proceedings.

17. ENTIRE AGREEMENT - This Agreement and the Fringe Benefit Supplement 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. Without limiting the generality of the foregoing, it is specifically understood and agreed that the Administrative Handbook of the Troy School District is not applicable to the Superintendent, and that no part of said Handbook is in this Agreement between the Superintendent and the Board.

18. APPLICABLE LAW - This contract is subject in all respects to all of the laws of the state of Michigan and shall be governed by and interpreted in accordance with the laws of the state of Michigan. 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.

IN WITNESS WHEREOF, the President and Secretary of the Board of Education of the District and the Superintendent have hereunto set their hands on the day and year first written above.

In the Presence of:

TROY SCHOOL DISTRICT

By: _____

Karl Schmidt
Board of Education President

Gary Hauff
Board of Education Secretary

Dr. Richard M. Machesky
Superintendent

FRINGE BENEFIT SUPPLEMENT

A. **HEALTH, DENTAL, AND VISION INSURANCE** - The Board shall provide the Superintendent the same single, two-person, or full family insurance on the same basis as it provides said insurances to other administrators in the District. The Superintendent acknowledges that the insurance provisions for administrators may be modified or changed from time to time, and that such modifications or changes will correspondingly alter the insurance benefits in this paragraph.

B. **LONG-TERM DISABILITY INSURANCE** - The Board shall provide the Superintendent with a long-term disability insurance plan on the same basis it provides said insurance to other administrators in the District. Such long-term disability insurance shall provide benefits of sixty-six and two-thirds percent (66-2/3%) of the monthly earnings to the Superintendent who is unable to work due to extended sickness or injury. These benefits shall be payable until the Superintendent reaches age seventy (70).

For the purpose of long-term disability coverage, monthly earnings shall include the Superintendent's compensation subject to Board-paid retirement contributions to the Michigan Public School Employees Retirement System (MPSERS) at the time of disability divided by twelve (12) months. The long-term disability coverage shall have a one hundred-eighty (180) day waiting period.

The amount received from the insurance company will be reduced by any primary remuneration received during the benefit period from the Board, the Michigan Public School Employee's Retirement Fund, and the Federal Social Security Act, and is subject to such other provisions of the long-term disability policy currently in effect.

C. **LIFE INSURANCE** - The Board shall provide the Superintendent a group term life insurance policy on the same basis that it provides said insurance to other administrators in the District that shall pay a sum equal to three (3) times annual earnings up to a maximum of \$650,000 payable to the Superintendent's designated beneficiary at the time of death.

D. **ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE** - The Board shall provide the Superintendent with a group accidental death and dismemberment insurance policy on the same basis as it provides said insurance to other administrators in the District that shall pay a sum equal to three (3) times annual earnings up to a maximum of \$650,000 payable to the Superintendent's designated beneficiary at the time of death.

E. **WORKER'S COMPENSATION** - In the event of any on-the-job injury, the Superintendent must notify the business office as soon as possible after the occurrence. He shall be required to execute and submit to the business office all forms necessary in connection with such injury. The business office shall make any necessary determinations concerning the on-the-job injury.

In the event the Superintendent is absent from work due to a job-related accident, the Superintendent will be paid, for a period not to exceed sixty days (60-days) from the date of the accident, the difference between the Superintendent's full salary and such monies as may be received from the Worker's Compensation benefits.

Any benefits beyond the entry into the long-term disability insurance coverage shall be payable only under the terms of the Worker's Compensation Act and long-term disability insurance coverage of the District. No District supplement will be made after entry into the long-term disability coverage.

F. INCOME PROTECTION - During the term of this contract, the Superintendent's salary will be continued by the District for any period of temporary incapacity due to illness or other disability but not beyond any continuous period of one hundred and eighty (180) calendar days. (Any amounts received by Superintendent through Board-paid disability insurance or statutory Worker's Compensation will be credited against this salary obligation.) At any time the Superintendent has been incapacitated by illness or otherwise for a continuous period exceeding twelve (12) calendar months, the Board may terminate this Agreement by furnishing written notice of termination to the Superintendent. Thereafter, the Superintendent shall be entitled to continue insurance benefits for the remainder of the first year period that he receives long-term disability benefits. The Superintendent shall be deemed eligible to continue long-term disability insurance benefits for the period of disability as if he were still employed by the District, provided he meets the other eligibility requirements under the applicable insurance policy. As used herein, the term "incapacity" means inability to perform full-time duties as Superintendent. The District reserves the right to require satisfactory proof of any such incapacity and, in this connection, to have the Superintendent examined by a physician of its choice and at its expense.

G. PROFESSIONAL DUES AND DEVELOPMENT - The Board shall provide payment for one state, one local and one national association dues selection of the Superintendent's discretion. The Superintendent, with prior Board approval, shall be eligible annually to attend any national recognized executive leadership conference that relates to his role as Superintendent. Further, the Superintendent shall be reimbursed tuition and registration fees for required professional development activities or leadership conferences on the same basis as other employees are reimbursed.

H. BUSINESS EXPENSES - The Superintendent is eligible to receive reimbursement for reasonable and appropriate business-related expenses in accordance with the Internal Revenue Code, Internal Revenue Guidelines, Guidelines established by the Michigan Department of Treasury, and provided that valid receipts and expense reports are provided to the District.

I. **VACATION DAYS** – The Superintendent will be entitled to twenty-eight (28) vacation days per school year, of which 10 can be carried forward to the next school year. The Superintendent may cash out a maximum of three (3) unused vacation days at the end of the fiscal year.

In the event of termination of this Agreement prior to the expiration thereof, or in the event of non-renewal of this Agreement, the Board agrees to pay the Superintendent for the prorated unused earned vacation time at his pro-rata daily rate (Salary, as identified in paragraph 5 ÷ 365 days) specified for the fiscal year in which said payment is made. For purposes of this Section, the following formula shall apply:

Number of Total Vacation Days ÷ 12 x Number of months worked minus used vacation time equals the prorated unused earned vacation time.

J. **HOLIDAYS** – The Superintendent shall have twelve (12) paid holidays. The paid holidays are the following: July 4, Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve, Christmas Day, New Year’s Eve, New Year’s Day, Good Friday, Memorial Day, and two floating holidays during the winter recess. Pay for these holidays is included in the Superintendent’s salary.

K. **TAX-DEFERRED ANNUITY-** As added compensation, the Board may provide Superintendent with a tax-sheltered annuity. The Superintendent may direct the investment of said funds to an approved carrier in the District.

M. **PERFORMANCE BASED PAY-** The Superintendent shall be eligible to receive performance based pay, consistent with the applicable Board Policy and Administrative Procedures, if any. The Superintendent acknowledges that the district retains the right to amend any performance-based pay plan, which amendment, if any, shall apply to the Superintendent.

N. **MINIMUM DISTRICT FUND BALANCE-** It is expressly agreed upon that in the event the Board of Education’s year end audited fund balance drops below 12% in any given year, the Board of Education reserves the right to make unilateral reductions in total compensation effective the succeeding January 1st of the given year so long as the reduction made to this contract is consistent with the percentage reductions required by other bargaining units or classes of employee groups within the District.

END OF FRINGE BENEFIT SUPPLEMENT