

EMPLOYMENT CONTRACT

BETWEEN

MICHAEL E. ZALAR

AND

THE BOARD OF EDUCATION OF THE
NORTH OLMSTED CITY SCHOOL DISTRICT

This Employment Contract ("Contract") is made and entered into this 18TH day of June, 2015 by and between the Board of Education of the North Olmsted City School District ("Board"), Cuyahoga County, Ohio, and Michael E. Zalar ("Superintendent"), a person qualified by training and experience to occupy the position of superintendent of an Ohio city school district pursuant to authority contained in a resolution of the Board duly adopted on June 17, 2015 and in accordance with O.R.C. Section 3319.01;

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows (the "Agreement" or the "Contract"):

WITNESSETH:

1. The Board, pursuant to action taken in accordance with the provisions of law, hereby employs Michael E. Zalar as Superintendent of Schools of the North Olmsted City School District ("Superintendent") for a five (5) year term beginning on the 1st day of August, 2015, and ending on the 31st day of July, 2020 for 260 days per Contract Year (August 1 to July 31), including holidays and vacations as specified hereafter.

2. The Board, in consideration of the services to be rendered by the Superintendent, hereby agrees to pay the Superintendent effective August 1, 2015 an annual salary of at least One Hundred Thirty-Seven Thousand Five Hundred Dollars (\$137,500.00) for each twelve (12) months of service. The Board further agrees to review the performance of the Superintendent for the purpose of determining whether an annual salary adjustment should be made by August 1st of each year of this Contract. The salary set forth in this paragraph may be increased but shall not be reduced during the term of this Contract except as part of a uniform plan affecting the entire North Olmsted City School District in accordance with O.R.C. Section 3319.01. Any salary adjustment made during the life of this Contract shall be in the form of an amendment or addendum and shall become part of this Contract. Said compensation will be payable in equal installments at the same time and in the same manner as other administrative employees of the Board employed pursuant to O.R.C. Sections 3313.22 and 3319.02 (unless otherwise provided herein).

3. In addition to the annual salary set forth in Paragraph 2 above, the Superintendent will receive a merit/performance payment of at least Seven Thousand Five Hundred Dollars (\$7,500.00) if he accomplishes/attains three (3) mutually-agreed upon goals during the first six (6) months of each year over the term of this Contract and will receive another

merit/performance payment of at least Seven Thousand Five Hundred Dollars (\$7,500.00) if he accomplishes/attains an additional three (3) mutually-agreed upon goals during the second six (6) months of each year over the term of this Agreement. The goals along with the proposed merit/performance payment date and method will be mutually agreed upon between the Superintendent and the Board no later than August 31, 2015. Any payment made to the Superintendent pursuant to this Paragraph 3 shall be considered part of the Superintendent's "base salary" under this Contract.

4. The Superintendent shall be provided term life insurance coverage equal to three hundred percent (300%) of the annual salary set forth in Paragraph 2 above. Further, in addition to the aforesaid annual salary, the Board shall provide the Superintendent with medical, dental and prescription insurances, travel expenses and other financial fringe benefits at the same level as those afforded other members of the administrative staff of the North Olmsted City School District employed pursuant to O.R.C. Sections 3319.02 and 3313.22, unless otherwise expressly specified in this Contract. Accordingly, unless otherwise expressly specified in this Contract, the terms and conditions of the "Administrators/Administrative Personnel Employment Policies and Benefits Package; August 1, 2012 through July 31, 2016" are incorporated by reference and apply herein. The Superintendent hereby acknowledges receipt of a copy of that document. The benefits in said "Administrators/Administrative Personnel Employment Policies and Benefits Package" may be amended by the Board and the Superintendent only is entitled to the benefits set forth in the most current "Administrators/Administrative Personnel Employment Policies and Benefits Package."

5. In light of the unique nature of his duties and the fact that the Superintendent must travel regularly to insure complete and effective performance of his duties on behalf of the Board, in accordance with the policies of the Board and substantiation requirements of the Treasurer's Office, the Superintendent shall be entitled to mileage reimbursement for all local and non-local automobile use and reimbursement of other non-local travel expenses. The Superintendent also shall be provided with a cellular phone for the conduct of North Olmsted City School District business at Board expense. The Superintendent shall reimburse the Board for all personal calls charged to said cellular phone at a flat rate of Fifteen Dollars (\$15.00) per month.

6. There shall be an evaluation by the Board of the Superintendent at least once per Contract Year. That evaluation will be based on procedures adopted by the Board pursuant to O.R.C. Section 3319.01 and shall be considered by the Board in deciding whether to renew the Superintendent's Contract. The establishment of such an evaluation procedure shall not create an expectancy of continued employment and, as stated in O.R.C. Section 3319.01, nothing in this Paragraph 6 shall prevent the Board from making the final determination regarding the decision to renew or not to renew the Superintendent's Contract. Renewal or nonrenewal of this Contract shall be governed by the terms of O.R.C. Section 3319.01. The Superintendent must provide written notice to the Board President of his desire to seek Board approval to terminate his employment prior to the expiration of the term of this Contract. Such notice must be provided at least three (3) months in advance of the Superintendent's proposed effective date for termination of employment unless the Board agrees otherwise.

7. During the term of this Contract, the Superintendent shall be responsible for a work year consisting of two hundred sixty (260) work days during each Contract Year including twelve (12) holidays as determined by the Board. The Superintendent shall be entitled to a vacation of twenty-five (25) weekdays per Contract Year, exclusive of legal holidays. At the conclusion of each Contract Year, the Superintendent may elect to carry over

no more than fifteen (15) days of unused vacation days to the succeeding Contract Year, and no more than a total of seventy-five (75) days of vacation may be accumulated during the term of this Contract. (In other words, if the Superintendent does not use all twenty-five (25) days of permitted vacation days in any Contract year, he will only be able to carry over up to fifteen (15) of those unused vacation days to the succeeding Contract Year and would forfeit the remaining balance of unused vacation days.) In each Contract Year, the Superintendent may only use twenty-five (25) weekdays of vacation, but any carry-over, up to the annual 15-day maximum limit, may be accumulated over the term of this contract up to the seventy-five (75) day total limit. Upon termination of service from the North Olmsted City School District, the Superintendent will be paid for any such accumulated, unused vacation days, up to a maximum of seventy-five (75) days, at the daily rate then in effect under this Contract. In case of the death of the Superintendent, such unused vacation days shall be paid in accordance with O.R.C. Section 2113.04 or to the estate of the Superintendent. The Superintendent shall be entitled to five (5) days of personal leave per Contract Year. The Superintendent also shall be entitled to sick leave as provided by law and Board policy for professional staff employed pursuant to O.R.C. Section 3319.02. The Superintendent shall be entitled to payment of accrued but unused sick days upon retirement in accordance with Board policy applicable to administrative employees of the Board employed pursuant to O.R.C. Sections 3313.22 and 3319.02.

8. The Superintendent may attend regularly, at Board expense, appropriate professional meetings which will enhance his capacity to deal effectively with the business of the North Olmsted City School District, provided that the Superintendent provides advance notice to the Board President of the purpose and duration of any out of state professional meeting before his attendance. Attendance at appropriate professional meetings must be within the limits of annual appropriations for such purposes as set by the Board. Likewise, the Superintendent may join, at Board expense, BASA, AASA, and other appropriate community and local organizations relevant to the activities of the North Olmsted City School District and beneficial to the Superintendent's direction of those activities. The Board also shall reimburse the Superintendent up to Six Hundred Fifty Dollars (\$650.00) annually for other state, local or national organizational dues not specifically listed. Board reimbursement for dues and expenses associated with such membership participation by the Superintendent must be within the limits of annual appropriations for such purposes as established by the Board.

9. The Superintendent shall be provided the following benefits:

A. Upon request of the Superintendent, and in accordance with Board policy, the Board shall withhold and transfer a portion of the Superintendent's annual salary and merit/compensation payment(s), if any, to an annuity contract or custodial account requested by the Superintendent that is tax-qualified under Section 403(b) of the Internal Revenue Code (a "TSA"). The Superintendent shall select the TSA provider; and, neither the Board nor the Treasurer shall have any responsibility with respect to investment performance of the TSA or any other matter relating thereto, including the insolvency of the TSA provider. The contributions made to a TSA pursuant to this Paragraph 9(A) shall be considered part of the Superintendent's "base salary" under this Contract.

B. If the Board provides an Internal Revenue Code Section 125 plan for administrative employees, the Superintendent shall be eligible to participate in such plan (including any flexible spending account that is a part of such plan) in accordance with the terms of such plan.

C. The Board shall pay on behalf of the Superintendent the full amount of the employee tax that, pursuant to Internal Revenue Code Section 3101, is imposed on all of the Medicare tax "wages" that are paid to the Superintendent. The Superintendent acknowledges that this payment by the Board may be reportable as additional taxable income of the Superintendent and the Board shall not be required to pay on behalf of the Superintendent, or to otherwise reimburse the Superintendent on account of, any such income tax consequences.

D. The Board shall be entitled to withhold from the cash salary, and/or from other cash amounts payable to the Superintendent, all amounts deemed to be necessary or desirable for assuring compliance with all Federal, state and local tax withholding requirements of the law(s). Further, the Board shall report the compensation and withholding of taxes to various tax and other governmental authorities as the Board deems to be required by law.

E. The Superintendent shall be credited with a deferred salary amount of Six Thousand Dollars (\$6,000.00) on July 31 in each year that the Superintendent remains employed by the Board beginning on July 31, 2016 and ending on July 31, 2020. The Superintendent shall become vested in such deferred salary amounts on July 31, 2020 (Vesting Date), provided that he has been continuously employed by the Board from August 1, 2015 through the Vesting Date, otherwise such amounts shall become forfeited. These amounts shall be credited to a bookkeeping account maintained by the Board, on behalf of the Superintendent, and credited with interest at the rate offered by the STAROhio, or its successor or comparable Ohio Subdivision fund, as provided in Section 135.45 of the Revised Code, from time to time. The aggregate amount credited to the account shall be paid to the Superintendent if and only if the Superintendent is employed by the Board pursuant to this Contract continuously through the Vesting Date. If the Superintendent becomes entitled to this payment, it shall be made no more than thirty (30) days after the Vesting Date.

10. The Board agrees that it shall defend, hold harmless, and indemnify the Superintendent from any and all demands, claims, suits, actions and legal proceedings brought against him in his individual or official capacity as agent and employee of the Board, provided that the incident which gives rise to the litigation occurred while the Superintendent was acting within the scope of his employment and provided that such liability coverage is within the authority of the Board to provide under the laws of the State of Ohio. In no case will individual Board members be considered personally liable for indemnifying the Superintendent against such demands, claims, suits, actions and legal proceedings. This duty to defend, indemnify and hold harmless shall not include disputes between the Superintendent and the Board, nor findings for recovery made against the Superintendent in a report of examination by the Bureau of Inspection and Supervision of Public Offices pursuant to O.R.C. Section 117.11. In any event, the Board shall not be required to pay any costs of any legal proceedings where the Board and the Superintendent have adverse interests in such proceedings.

11. The Board agrees to contribute Thirty Thousand Dollars (\$30,000.00) toward the Superintendent's completion of the Executive Master of Organization Development Program ("the Program") at Bowling Green State University pursuant to the following terms:

- a. This payment shall be made upon verification by the Superintendent of his successful completion of each semester of the Program, as follows:

August 1, 2015	\$12,000.00
November 1, 2015	\$ 6,000.00
April 1, 2016	\$ 6,000.00
August 1, 2016	\$ 6,000.00

- b. This Thirty Thousand Dollar (\$30,000.00) contribution toward the Program represents the full and total amount that the Board will pay toward any of Superintendent's continuing education costs, fees, tuition, etc. through July 31, 2020. The Board will not reimburse the Superintendent for any other costs incurred with meeting continuing education requirements associated with the renewal of his certification/licensure; and,
- c. If the Superintendent does not successfully complete the Program by September 30, 2016, he must repay the District, on or before November 30, 2016, any and all contributions made by the District. Further, if the Superintendent's employment with the District ends, whether voluntarily or for cause, before July 31, 2020, he must repay the District, within sixty (60) days of the end of his employment, any and all contributions made by the District. Further, the District at its option may subtract the amount of any such repayment from the payment otherwise due the Superintendent for unused accrued/accumulated vacation days.

12. The provisions of O.R.C. Section 3319.01 and all other sections of the Ohio Revised Code relating to the powers, duties and all qualifications of the Superintendent of Schools and the Board of Education are incorporated into and are made a part of this Contract. Pursuant to that Section, the Superintendent shall direct and assign teachers and all other employees under his supervision. Subject to all provisions of law, he shall have discretion to organize, reorganize and arrange the administrative and supervisory staff so as to best serve the interests of the North Olmsted City School District and to assign and transfer personnel under his supervision. He shall be responsible for recommending to the Board the employment of personnel to work under his supervision and for the administration of instruction. Criticisms, complaints and suggestions concerning operations of the North Olmsted City School District received by the Board or its individual members should be referred promptly to the Superintendent for study and recommendation.

13. This Contract may be terminated pursuant to O.R.C. Section 3319.16 or by mutual agreement of the Board and the Superintendent or disability or death of the Superintendent. The procedural guarantees of O.R.C. Sections 3319.16 and 331.9.161 will be afforded to the Superintendent should termination proceedings pursuant to that Section ensue.

14. In accordance with Internal Revenue Code Section 414(h)(2) and to the extent permitted by law, the Board agrees to pick-up and pay the Superintendent's required contributions to the State Teachers Retirement System ("STRS"). Such a pick-up shall be a "fringe benefit" pick-up of the entire amount of the Employee Contribution which the Superintendent is required to contribute to STRS, based upon his annual salary as set forth in Paragraph 2 of this Contract. In furtherance of the foregoing, the Treasurer is hereby authorized to pay the amount of the fringe benefit pick-up directly to STRS as an employee contribution on behalf of the Superintendent and in lieu of an equal amount of

his annual salary being deducted and paid to STRS as an employee contribution; and the Superintendent shall not have the option of receiving cash in lieu of this fringe benefit. The amount of the fringe benefit pick-up in this Contract shall be considered as compensation of the Superintendent for purposes of O.R.C. Section 3307.01(B); and, the Treasurer shall pay directly to STRS all employer and employee contributions required on account of the inclusion of such fringe benefit pick up as additional compensation.

15. For the term of this Contract, the Board will provide the Superintendent a Board-owned laptop computer, notebook computer, iPad or similar device for him to use in his professional activities on behalf of the Board.

16. In accordance with the provisions and terms of the District's Bylaws and Policies specifically including, but not limited to, Section 6423, the Superintendent shall be provided with and is authorized to use a District credit card.

17. In consideration of the foregoing, the Superintendent hereby agrees with the Board to enter into this Contract for the above-designated term. He further agrees to devote his full-time, skill, labor and attention to said position in faithfully performing his duties as Superintendent of the North Olmsted City School District in accordance with applicable laws for such term, or until such time as this Contract may be terminated as authorized by law. He hereby agrees to abide by, enforce and maintain the policies, rules and regulations adopted by said Board for the governance of the public schools of the North Olmsted City School District.

18. The Superintendent further agrees to maintain a valid and appropriate certificate/license to act as Superintendent of Schools in the State of Ohio and to furnish evidence of said certification/licensure to the Board. The continued certification/licensure of the Superintendent is expressly a condition precedent to the continuation of this Contract to its term or any extension of it.

19. The Superintendent further agrees to submit to periodic comprehensive medical examinations at the expense of the Board by a qualified physician of the Board's choosing. One (1) such examination shall be an executive health physical examination at the Cleveland Clinic. A statement certifying to the physical and mental competency or incompetency of the Superintendent from such examinations shall be filed with the Treasurer and shall be treated as confidential information. If the medical examination report states that the Superintendent is physically or mentally incompetent to perform any or all of the duties of the Superintendent and such incompetency is permanent, irreparable, or of such nature as to make the performance of the duties impossible, the Superintendent shall take medical leave as provided by law and the Board shall, if necessary, replace him in accordance with Board policy.

20. This Contract shall be subject to and construed according to the laws of the State of Ohio. Any provision hereof declared invalid or unenforceable by a court of competent jurisdiction shall be severed and the remaining term continued in full force and effect.

21. This Contract contains the entire agreement between the parties and any purported agreement not herein contained, expressly or by implication, shall not be recognized.

Michael E. Zalar, by affixing his signature hereto, represents that he has been notified as required by O.R.C. Sections 3307.21 and 3307.58 of his duties and obligations under O.R.C. Chapter 3307 pertaining to the State Teachers Retirement System as a condition of this employment.

IN WITNESS WHEREOF, the President of the Board of Education of the North Olmsted City School District and the Treasurer of the North Olmsted City School District, having first been duly authorized, and Michael E. Zalar, have set their hand hereto.

NORTH OLMSTED CITY SCHOOL DISTRICT

Date: 6/18/2015

John J. Lasko, Jr.

By: John J. Lasko, Jr., President

Board of Education

Date: 6/18/2015

Robert J. Matson

By: Robert J. Matson, Treasurer

MICHAEL E. ZALAR

Date: 6/18/15

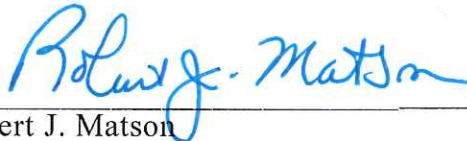
Michael E. Zalar

CERTIFICATE

The undersigned, Treasurer of the North Olmsted City School District, Cuyahoga County, Ohio, (the "District") hereby certifies that the money required to meet the obligations of the Board during Fiscal Years 2016 - 2020 under the aforesaid Contract have been lawfully appropriated by the Board for such purposes and have been received and expended for such purposes or are in the treasury or are in the process of collection to the credit of an appropriate fund, free from any previous encumbrances.

The undersigned, Treasurer of the District and President of the Board of Education of the District, hereby certify that the District has in effect the authorization to levy taxes, including the renewal or replacement of existing levies, which, when combined with the estimated revenue from all other sources available to the District at the time of this certification, are sufficient to provide the operating revenues necessary to enable the District to maintain all personnel and programs during the duration of the aforesaid Contract on all of the days set forth in the adopted school calendars for the current fiscal year and for a number of days in the succeeding fiscal years equal to the number of days instruction was held or is scheduled for the current fiscal year.

This Certificate is given this 18th day of June, 2015 in compliance with O.R.C. Sections 5705.41, 5705.412 and 5705.44.



Robert J. Matson

Treasurer

North Olmsted City School District,
Cuyahoga County, Ohio



John J. Lasko, Jr.

President – Board of Education

North Olmsted City School District,
Cuyahoga County, Ohio