

CONTRACT

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

It is hereby agreed by and between the Board of Education of the School District of the City of East Lansing (*hereinafter* "Board") and **Richard Pugh** (*hereinafter* "Director") that pursuant to Section 1229 (2) of the Revised School Code of the State of Michigan, the Board employs the said **Assistant Superintendent for Finance and Operations** for a period commencing on July 13, 2026 and ending on June 30, 2027, according to the terms and conditions as described and set forth herein as follows:

A. TERM

The Director shall perform the duties of **Assistant Superintendent for Finance and Operations** as prescribed by the Board pursuant to the School Code of the State of Michigan as may be established and as described in the job description for said position as may be modified and/or amended from time to time by the Superintendent. The Director agrees to faithfully perform those duties assigned by the Board and under the supervision and direction of the Superintendent. The Director acknowledges the ultimate authority of the Board and Superintendent with respect to their responsibilities and directions related thereto.

The Director is subject, during the term of this Contract, to assignment and transfer to another position of administrative employment in the School District at the discretion of the Board or its Superintendent.

B. QUALIFICATIONS

The Director represents that they possess, hold and will maintain all certificates, credentials and qualifications required by law, including the regulations of the Department of Education, and those required by the Board to serve in the position assigned.

1. As a condition of their continued employment, the Director also agrees to meet all continuing education requirements for the position assigned, as may be required by the State Board of Education.
2. If at any time the Director 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 obligations hereunder.

C. DUTIES

1. The Director agrees to devote their talents, skills, efforts and abilities toward competently and proficiently fulfilling all duties and responsibilities of the position assigned.
2. The Director agrees to faithfully perform those duties assigned by the Board and Superintendent and to comply with the directives of the Board and Superintendent with respect thereto.

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

3. The Director agrees to comply with and fulfill all responsibilities and tasks required by state and federal laws and regulations and by the Board and Superintendent to carry out the educational programs and policies of the School District for which they are responsible during the entire term of this Agreement.

D. COMPENSATION

The Director shall be paid at an annual salary rate of **One Hundred Seventy-Five Thousand One Hundred Dollars (\$175,100)** for Contract Year 2026-27.

If the Director has received a PhD or EdD they shall receive an additional Four Thousand dollars (\$4,000) per Contract year.

Should the Director 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 equal bi-weekly installments beginning with the commencement of the fiscal/contract year (July 1-June 30).

The Board hereby retains the right to adjust the annual salary of the Director during the term of this Contract. Any adjustment in salary made during the term of this Contract shall be in the form of a written amendment and when executed by the Director and the Board, shall become a part of this Contract.

Tax Annuity: The Director shall begin to receive an annuity payment based on years of service with the School District of the City of East Lansing in an administrative assignment upon successful completion of the required years of service as a director or administrator. This payment will be placed into a tax deferred annuity of their choosing by June 30th of each year based on the schedule below:

1 to 5 years of service	\$8,000
6 to 10 years of service	\$9,000
11 or more years of service	\$10,000

Upon separation of the Director during the term of this Contract, the Director's salary shall be adjusted to reflect payment for the number of work weeks during the contract year during which services were actually rendered by the Director. For purposes of administering this provision, a week shall be regarded as having been worked if the Director performed any work within that week. Any amounts due the Director upon separation shall be remitted by the Board to their as soon as such amounts can diligently be determined and paid. Any amounts received by the Director in excess of weeks worked during the fiscal/contract year shall be deducted from the Director's remaining wages. The Director, by executing this Contract, hereby gives written consent for such deduction. Any wage overpayment not recoverable by the Board through wage deduction shall be remitted to the Board by the Director within three (3) business days of separation from employment. If not repaid in this manner, the Director agrees that judgment may be entered against them in any Michigan court of competent jurisdiction for such amount(s).

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

E. WORK SCHEDULE/VACATION/HOLIDAYS

The Director is employed on the basis of fifty-two (52) work weeks. The Director's assigned position is for Two Hundred Sixty (260) working days during a fiscal/contract year (July 1 - June 30) as scheduled by the Superintendent.

The Director shall be granted paid vacation time of twenty-five (25) days per fiscal/contract year subject to proration for working less than a full contract year. Director 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 the approval of the Superintendent or their designee.

Maximum allowable vacation days to be banked shall not exceed twenty (20) days. The Director shall be allowed up to five (5) vacation days paid out annually except as described below upon separation from employment. All other vacation days not banked at the end of each Contract year shall be transferred to the Director's sick bank.

The Director shall be compensated for unused accrued/banked vacation days up to a maximum of 20 days at the current daily rate upon the cessation of employment with the District. To be eligible for the vacation payout the Director must have a minimum of ten (10) years of service with the district.

The Director shall be entitled to paid leave for the holidays specified in Addendum A to this contract.

F. EVALUATION

The Director's performance shall be evaluated by the Board or its designee annually or biennially as allowed by law, not later than June 30th of each year.

G. TERMINATION

The Board shall be entitled to terminate the Director's employment at any time during the term of this Contract when it determines that Director has engaged in acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetency, inefficiency, or if Director materially breaches the terms and conditions of this Contract.

The foregoing standards for termination of this Contract during its term do not apply to non-renewal of this Contract at the expiration of its term, which decision is discretionary with the Board and are governed by Section 1229 of the Revised School Code, MCL 380.1229.

In the event that the Board undertakes to dismiss the Director during the term of this Contract, they 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.

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

H. SUSPENSION

Whether pending the procedures set forth in Section G or pending an investigation of the conduct of the Director, the Director may be suspended from any and all part of the performance of their responsibilities and the performance of such responsibilities may be assigned to another person or persons. Such suspension shall be without loss of salary or other benefits until the Director is either reinstated or until the Board renders its decision regarding the Director's employment status.

I. DISABILITY or INCAPACITY

In the event of the Director's mental and/or physical incapacity to perform the duties of their office, they shall be granted an initial leave of ninety (90) work days for purpose of recovery. The Director shall first exhaust any accumulated sick leave and accrued vacation time. The balance of the ninety (90) work day period shall be paid under the District's short-term disability plan (60%). Health plan premium payments shall be made on behalf of the Director during this interval to the extent required by law. Upon utilizing leave under this provision, the Director 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 the Director, it may require a second opinion, at Board expense.

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

If the Director is unable to or does not resume work at the conclusion of a leave taken under this paragraph (or any extension thereof), their 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.

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

J. TENURE

The parties agree that the Director is denied tenure in any administrative or non-classroom capacity.

K. OUTSIDE ACTIVITIES

The Director may undertake non-School-District-related activities (e.g., consultative work, speaking engagements, teaching, writings, lecturing) provided prior approval is received from the

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

Superintendent. If the Director receives compensation for such activities, they may be required to use vacation time to cover the time missed from work. The Director, if not using vacation time, must submit the honorarium paid to the Director to the District immediately upon receipt. In the event that the Superintendent, in their sole discretion, determines that any such activity interferes with the Director's satisfactory performance or the time necessary for the Director's satisfactory performance of duties, the Superintendent may require that the Director cease some or all of such outside activities. In no case will the School District be responsible for any expense attendant to the performance of outside activities.

L. MEDICAL EXAMINATIONS

The Director 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.

1. Upon request of the Board or Superintendent, the Director shall authorize the release of medical information necessary to determine if the Director is capable of performing the essential job functions required by their assignment, with or without job accommodation.
2. Any physical or mental examination or disclosure of such information required of the Director by the Board or Superintendent shall be job related and consistent with business necessity.
3. Any medical or psychological examination under this section shall be at Board expense.
4. Any information obtained from medical or psychological examinations or inquiries shall be considered and treated as confidential.

M. INSURANCE PREMIUM PAYMENTS

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 the Director and eligible dependents for the insurance programs as provided in Addendum A.

The Employer will make premium contributions, on behalf of each unit employee and the employee's eligible dependents who works thirty (30) hours or more per week for the following insurance programs:

1. Employer premium and health savings account contributions, as specified in this Article, shall be pro-rated for employees regularly scheduled to work at least seventeen and one-half (17.5) hours per week but less than thirty (30) hours per week.
2. Employees working less than seventeen and one-half (17.5) hours per week are not eligible to participate in any insurance benefit programs at Employer expense.

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

3. All premium or premium equivalent amounts for which the employee is responsible will be payroll deducted.

N. AUTOMOBILE

Mileage for trips outside the Tri-County (Clinton-Eaton-Ingham) boundaries will be paid at the then-current IRS mileage rate upon the submission of documented mileage forms.

O. INSURANCE CARRIERS

The Board reserves the right to change the identity of the insurance carrier, policyholder or third-party administrator for the insurance programs as provided in Addendum A, provided that comparable coverage, as determined by the Board, is maintained during the term of this Contract.

1. The Board shall not be required to remit premiums for any insurance coverage for the Director and eligible dependents if enrollment or coverage is denied by the insurance underwriter, policyholder or third-party administrator.
2. 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.
3. The Director is responsible for ensuring completion of all forms and documents needed to receive the above-described insurance coverage.
4. The Board, by payment of the premium payments required to provide insurance coverage for the programs as provided in Addendum A, shall be relieved from all liability with respect to insurance benefits.

P. EARNED SICK TIME (EST) LEAVE

1. Director will receive 12 days (96 hours) of earned sick time per school year, if working full time per contract year. Director will receive 6 days (48 hours) of earned sick time per school year, if working part time per contract year. If the Director works less than a part time schedule, the accrual of earned sick time will be proportionate to time worked.
2. The Director may access and use Earned Sick Time before it is earned through actual hours worked.
3. If the Director is hired after the contract year begins or is a part-time Director, a prorated amount will be made available to the Director.
4. Sick leave time accrued and unused as of June 30, 2025, will be converted to Earned Sick Time hours and credited to the Directors' Earned Sick Time leave bank.

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

5. A Director that ends employment, prior to the end of the school year, will have to repay district for days used that are not proportionate to the time worked. The Employer may deduct the amount equivalent to any used but unearned Earned Sick Time from the Director's final paycheck, to the extent permitted by law.
6. Earned Sick Time can be used in increments of at least 1 hour. If a substitute is required for the position, the Director must use time off in ½ day increments.
7. Unused earned sick leave days shall accumulate from year to year without limitation.
8. The Director may use earned sick time for any ESTA purpose, and earned sick time is subject to terms and conditions specified in ESTA and the District's ESTA policy, as that policy may be adopted and amended from time to time.
9. Director may use earned sick time for the following reasons:
 - a. The Director's mental or physical illness, injury, or health condition; medical diagnosis, care, or treatment of the Director's mental or physical illness, injury, or health condition; or preventative medical care for the Director;
 - b. for the Director's family member's mental or physical illness, injury, or health condition, medical diagnosis, care, or treatment of the Director's family member's mental or physical illness, injury, or health condition or preventative medical care for a family member of the Director;
 - c. if the Director or the Director's family member is a victim of domestic violence or sexual assault, for medical care or psychological or other counseling for physical or psychological injury or disability, to obtain services from a victim services organization, to relocate due to domestic violence or sexual assault, to obtain legal services, or to participate in any civil or criminal proceedings related to or resulting from the domestic violence or sexual assault;
 - d. for meetings at a child's school or place of care related to the child's health or disability, or the effects of domestic violence or sexual assault on the child; or
 - e. for closure of the Director's place of business by order of a public official due to a public health emergency, for an Director's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or when it has been determined by the health authorities having jurisdiction or by a health care provider that the Director's or Director's family member's presence in the community would jeopardize the health of others because of the Director's or family member's

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

exposure to a communicable disease, whether or not the Director or family member has actually contracted the communicable disease.

10. A Director who is unable to perform their duties due to illness or disability shall notify their supervisor before the start of the workday or as soon as practicable. If an illness or disability extends beyond the first absence day, the Director and the Director's supervisor may decide the notice frequency for the continued illness or disability.
11. If Director's need to use leave is foreseeable, the Director must provide notice to the District of the Director's intent to use earned sick time at least 7 days prior to the date leave is to begin.
12. For leave of more than five (5) consecutive days, upon District request, the eligible Director must provide the District, within 15 days after the request, reasonable documentation that earned sick time was used for an ESTA purpose.
13. A Director who has exhausted earned sick time leave and still not able to return to work may be paid for any unused vacation days.
14. Unused earned sick leave days may accumulate without limit and be compensated as per Addendum A.

Q. PERSONAL BUSINESS DAYS

The Director shall also receive three (3) personal business days annually subject to proration for working less than a full contract year. Those days, if not used, will be added to the earned sick bank at the end of each contract year.

R. BEREAVEMENT LEAVE

The Director shall be entitled to up to five (5) days of paid bereavement leave per occurrence in the event of the death of an immediate family member. For this section, "immediate family" is defined as the Director's current spouse, domestic partner, child, parent, grandparent, grandchild, brother, sister, father-in-law, mother-in-law, daughter-in-law, or son-in-law. This leave will not be charged against Director's earned sick time leave/vacation allowance.

S. JURY SERVICE AND SUBPOENA

1. Absence for jury service or subpoena will not be charged against the Director's earned sick time leave allowance and shall be granted if criteria below is met:
 - a. When a Director is summoned for jury service, compensation for jury service in combination with the Board pay shall not exceed the Director's regular rate of pay.

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

- b. On days in which the employee is required to report for jury service, the Director is not required to report to work.
- c. Substantiation of payment and attendance will be required in accordance with district's processing procedures.
- d. Court appearance as a witness in a case related to employment or the school, or whenever Director is subpoenaed to attend proceedings where they are required to provide information on behalf of the District. However, this shall not apply to any proceeding brought by the Director against the district or in which the Director is testifying against the district.

T. PROFESSIONAL DEVELOPMENT/CONFERENCES

- 1. Participation in work-related professional development activities or conferences shall be subject to prior approval. Upon approval by the Superintendent, the District may authorize attendance and pay for eligible costs.
- 2. Attendance at a work-related professional development activities or conferences will not be charged against Director's earned sick time leave/vacation allowance.

U. WORK INJURY

Any medical appointments related to the Director's on-the-job injury will not be charged against Director's earned sick time leave/vacation allowance.

V. REIMBURSEMENT

The Director shall be eligible to be reimbursed for out-of-district travel, meals, and lodging in accordance with per diem expense and reimbursement procedures established by the Board. Any expense to be incurred by the Director for out-of-district travel in excess of 50 miles shall be submitted in advance for review and approval by the Superintendent. The Director shall be required to present an itemized accounting of their reasonable and necessary expenses.

W. ERRORS AND OMISSIONS COVERAGE

The Board agrees to pay the premium amount for School Board errors and omissions insurance coverage which includes the Director while engaged in the performance of a governmental function and while the Director is acting within the scope of their authority. The policy limits for this coverage shall be not less than \$5,000,000.

- 1. The terms of the errors and omissions insurance policy shall be controlling respecting defense and indemnity of the Director but in no case shall the coverage be extended to any demands, claims, suits, actions and/or legal proceedings brought against the Board or the School District

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

by the Director. The sole obligation undertaken by the Board shall be limited to the payment of premium amounts for the above errors and omissions coverage.

2. In the event that such insurance coverage cannot be purchased in the amounts and/or at a reasonable premium rate, the Board shall have the right to discontinue said coverage and shall so notify the Director. In that event, the Board agrees on a case-by-case basis to consider providing legal defense and/or indemnification to the Director as is authorized under MCL 691.1408 and MCL 38.11a(3)(d).

X. ENTIRE AGREEMENT

This Contract contains the entire agreement and understanding by and between the Board and the Director with respect to the employment of the Director, and no representations, promises, contracts or understandings, written or oral, not contained herein shall be of any force or effect.

1. All prior contracts or other agreements (written or oral), pertaining to, connected with, or arising in any manner out of the employment of the Director by the Board are hereby terminated and shall hereafter be of no force or effect whatsoever. Provided, that this Contract is voidable pursuant to the provisions of the Michigan Revised School Code pertaining to criminal records checks.
2. 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 the Director and the President and Secretary of the Board.
3. 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.

Y. SEVERABILITY PROVISION

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).

Z. LIMITATIONS

The Director agrees that any claim or suit arising out of Director'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. The Director 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.

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

This Contract is executed on behalf of the School District pursuant to the authority granted by the Board of Education of the City of East Lansing.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed in their respective names and in the case of the Board of Education and School District, by its President, Secretary and Superintendent.

Date By: _____
Director

EAST LANSING PUBLIC SCHOOLS

Date By: _____
Superintendent

Date By: _____
President of the Board of Education

Date By: _____
Secretary of the Board of Education

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

ADDENDUM A

Insurance premiums paid by the district on behalf of the Director and their eligible dependents include:

HEALTH INSURANCE

The Director shall have the option to enroll in the available health insurance plans offered by the Board. The annual limit the Board shall contribute for healthcare on behalf of the Director and their eligible dependents shall be eighty percent (80%) of the annual cost for the lowest premium health care plan option and the approved Health Savings Account (HSA) contribution. Should the Director select the lowest premium healthcare plan, they will be responsible for the remaining twenty percent (20%).

Should the Director elect coverage with a premium higher than the Board's eighty percent (80%) contribution, the Director shall be responsible for paying the difference between the Board's contribution and the total cost of their selected plan.

HEALTH SAVINGS ACCOUNT (HSA)

If the Director elects to enroll in a High Deductible Health Plan (HDHP), the Board shall deposit an amount equal to 70% of the minimum annual deductible as established by the IRS for the applicable plan year. This contribution will be based on the coverage level selected by the Director (self-only or family coverage). The Board's contribution shall be deposited into the Director's Health Savings Account (HSA) to assist with eligible medical expenses incurred under the HDHP.

CASH-IN-LIEU (CIL)

If the Director does not elect medical coverage, they shall receive a \$243 monthly CIL benefit, provided the Director signs the district's Waiver of Medical Coverage form and proof that another qualified plan covers them.

DENTAL INSURANCE

The Board shall provide, at no cost during the life of this Agreement, a dental insurance program covering 100% of Class I benefits, 80% of Class II benefits, and 80% of Class III benefits, with an annual maximum of \$1,500. Additionally, the program includes an 80% orthodontics benefit with a lifetime maximum of \$1,500.

VISION INSURANCE

The Board shall provide, at no cost to the Director, the MESSA Vision Services Plan 3 (VSP-3).

TERM LIFE INSURANCE

The District shall provide without cost to the Director group life insurance protection at a rate two (2) times the sum of the administrator's current contracted salary; said insurance policy is payable to the Director's designated beneficiary thereof with provisions for double indemnity in the event of accidental death (AD&D). Group life insurance protection shall not exceed \$225,000.

CONTRACT OF EMPLOYMENT

DIRECTOR/CENTRAL OFFICE ADMINISTRATOR

SHORT TERM/LONG-TERM DISABILITY

The Board shall provide the Director with an insured income continuation plan for disability extending the Director's income from the tenth (10th) working day following the exhaustion of sick days and continuing for ninety (90) calendar days. At this time, the long-term disability (LTD) policy will activate. The benefits of this plan are summarized per MESSA's "Negotiated LTD Plan Highlights" document.

PROFESSIONAL DEVELOPMENT

Each director shall be provided a maximum budget of Two Thousand dollars (\$2,000) per Contract year, toward payment for conference attendance, professional memberships and dues. Conference approval/attendance must appropriately support the Director's role. Further, college coursework may be reimbursed upon completion provided the grade received is a 2.5 or higher and transcript(s) are submitted to Human Resources for processing. Any amount exceeding the Two Thousand dollars (\$2,000) allotment is subject to prior approval by the Superintendent.

PAID HOLIDAYS

Consistent with the District's calendar, the is entitled to the following paid holidays for which no service to the District is required: Independence Day, Labor Day, Thanksgiving and the Day after Thanksgiving, Christmas Eve Day and Christmas (or the two days surrounding December 24 and 25 if they fall on a non-work day), New Year's Eve Day and New Year's, Martin Luther King, Jr. Day, National Presidents' Day, Memorial Day, and Juneteenth.