

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made on the 21st day of September 2018, by and between the Charter Township of East China, a municipal corporation, hereinafter referred to as the "Township" and Cynthia Paparelli, hereinafter referred to as the "Executive."

As the Township desires to retain the Executive as its Township Manager and the Executive desires to serve the Township as its Township Manager; the Township and the Executive agree as follows:

SECTION 1. PERIOD OF EMPLOYMENT

This Agreement shall be effective as of October 15, 2018, and shall continue until midnight on September 30, 2022, and may be terminated subject to the provisions of Section 12 of this Agreement.

SECTION 2. EXECUTIVE'S DUTIES

During the period of employment with the Township, the Executive shall perform the duties of the Township Manager as set out in the applicable statutes of the State of Michigan, the Charter of the Charter Township of East China, all ordinances and resolutions lawfully enacted, and other such duties as the Board of Trustees of the Charter Township of East China may lawfully assign to the Executive. The Executive agrees to devote her talents, skills, efforts, and abilities toward competently and proficiently fulfilling all duties and responsibilities of the position assigned. The Executive agrees to faithfully perform those duties assigned by the Township Board of Trustees, and to comply with the directives of the Township Board of Trustees with respect thereto.

SECTION 3. OTHER EMPLOYMENT

The Executive shall devote her primary attention, knowledge and skills in the interest of the Charter Township of East China, and the Township shall be entitled to full-time benefits arising from incident to the full-time work, services, and advice of the Executive. The Executive may from time to time teach, lecture, consult or make presentations that will not conflict or interfere with her work for the Township. The Executive shall provide written notification to each member of the Township Board of Trustees at least thirty (30) days prior to entering into any agreement to provide consultation services to any municipal corporation or private entity.

Said notification shall provide information sufficient to Board of Trustees to ensure that the retention of the Executive for purposes of such consultation does not conflict or interfere with her work for the Township.

**SECTION 4.
HOURS OF WORK**

The parties realize that the position of Township Manager requires the Executive holding such position to work weekends, evenings, and other irregular hours at locations other than the Township's administrative offices and during hours that said offices are not open. It is understood and agreed that the Executive shall work whatever hours that may be necessary in order for her to fulfill the requirements of the position of Executive, as described herein and otherwise, but in any event, no less than forty (40) hours per week. The parties understand that the Executive shall manage her own time.

**SECTION 5.
EXECUTIVE'S SALARY**

The Executive shall receive a salary at an annual rate of Sixty-Nine Thousand Dollars (\$69,000.00) and that salary shall be payable in bi-weekly installments. The Executive's annual salary may be adjusted from time to time as determined by resolution of the Township Board of Trustees. In no event shall the Executive's annual salary be adjusted to be less than the annual base salary set forth above.

**SECTION 6.
DEFINED CONTRIBUTION RETIREMENT PLAN**

Effective January 1, 2019, the Township shall contribute 6% of Executive's annual base salary (as set forth in Section 5 above) on behalf of the Executive to a defined contribution plan provided through the Municipal Employees Retirement System. The Executive shall contribute 4% of her annual base salary via payroll deduction to this plan. The Executive shall be deemed immediately vested upon participation in this defined contribution plan.

**SECTION 7.
PERSONAL BUSINESS EXPENSE**

The Township shall reimburse the Executive for all reasonable employment-related expenses, subject to the limitations of this paragraph. Such expenses may include, but are not limited to, mileage, travel expenses, professional memberships and subscriptions to municipal organizations, professional development training, and lodging. It is specifically understood that

such activities are to be undertaken by the Executive as may be required by the Township, and shall be considered part of the Executive duties. The Executive shall be reimbursed for such reasonable expenses as the Township shall approve by resolution passed by the Township Board of Trustees. Expenses that exceed \$200.00 shall not be reimbursed, unless the Executive receives prior approval of the Township Board of Trustees through Board Resolution. Further, the Township shall provide the Executive with a cell phone.

**SECTION 8.
PAID TIME OFF**

Upon ratification of the Agreement, the Executive shall receive 5 days of Paid Time Off. Effective April 1, 2019, the Executive shall receive an additional 5 days of Paid Time Off. Effective July 1, 2019, the Executive shall receive an additional 5 days of Paid Time Off. On October 1, 2019 and on each succeeding October 1, the Executive shall receive 20 days of Paid Time Off. The Executive shall take no more than 10 Paid Time Off days in a row without prior approval of the Township Board of Trustees. The Executive shall receive no sick days and will use Paid Time Off instead of sick days. The Executive is allowed to accumulate a maximum of 25 Paid Time Off days. Upon retirement or voluntary termination with the Township, the Executive will be paid 50% of her accumulated Paid Time Off at the Executive's pay rate. Paid Time Off days are in addition to the Township holidays as enumerated in the collective bargaining agreement of the clerical employees unit. In the event of death of her spouse, mother, father, brother, sister, child, grandparent, father-in-law, mother-in-law, sister-in-law, brother-in-law, or stepchild, the Executive shall receive three days of paid funeral leave, which is separate from PTO.

**SECTION 9.
NON-PARTICIPATION IN RETIREMENT SYSTEM AND RETIREE HEALTH CARE**

The Executive shall not be a member of the Charter Township of East China Retirement System as provided in the East China Township Ordinances. She shall not accrue pension benefits for services rendered to the Township pursuant to this Agreement under the Township's Defined Benefit Plan. Further, the Executive shall not be eligible for Township-provided retiree healthcare.

**SECTION 10.
HEALTH INSURANCE OPT-OUT**

Instead of receiving Township-provided health insurance, the Executive shall receive \$600.00 per month, less applicable taxes, made payable in bi-weekly installments. This health

insurance opt-out payment shall not be included in the Executive's annual base salary when calculating the Township's contribution amount under the defined contribution plan under Section 6.

**SECTION 11.
PUBLIC OFFICIAL LIABILITY INSURANCE
AND REPRESENTATION BY LEGAL COUNSEL**

The Township shall provide the Executive with public official liability insurance in accordance with that provided other officers in the Township. In addition, the Township shall provide the Executive legal representation as otherwise provided for other Township officials and as provided by ordinance, except for malicious, wanton criminal conduct arising from the Executive's action or conduct and/or unless the Township Board of Trustees determine that the Executive was clearly acting outside of the scope of her duties when engaged in the actions or conduct which form the basis for such charges or claims.

**SECTION 12.
TERMINATION**

The Township or the Executive may terminate this Agreement at any time with or without cause.

1. In the event the Executive terminates this Agreement, he shall give no less than thirty (30) days prior written notice to the Township Supervisor and in said notice advise the Township of the date of termination. If the Executive terminates this Agreement, all rights of the Executive to compensation and the further accrual of benefits pursuant to this Agreement shall cease as of the effective date of such termination. In the event that the Executive does not provide the thirty (30) days prior written notice as set forth above, then the Executive shall forfeit her accumulated Paid Time Off under Section 8.

2. In the event the Township terminates the Executive's employment under provisions of this Agreement for just cause, all rights of the Executive to compensation and the further accrual of benefits pursuant to this Agreement shall cease as of the effective date of such termination. Just cause shall include, but is not limited to, any of the following:

- (a) ~~Fraud, dishonesty, or other intentional misconduct either:~~
 - 1. in the performance of Executive's duties and responsibilities pursuant to this Agreement, or
 - 2. which has a material adverse impact on the Township, its officials, administrators or the Executive.
- (b) The use by Executive of alcohol, drugs, or any other intoxicant or controlled substance, in such a manner as to impair her ability to perform her duties and responsibilities pursuant to this Agreement in a competent

and diligent manner or in a manner which harms the reputation of the Township.

- (c) The Executive's arrest and binding over for trial or a plea of guilty or nolo contendere to a crime providing for a term of imprisonment (other than traffic violations and crimes not requiring the knowing involvement of the Executive in the commission thereof).
- (d)
 - (i) A pattern of neglect or persistent failure to perform the duties herein contained with respect to duties previously communicated to the Executive in writing by the Township Board but only after the Executive has been provided notice by the Township Board of its dissatisfaction with the performance of said duties and Executive has been provided a reasonable opportunity to correct her performance;
 - (ii) Otherwise willful misconduct in connection with the performance of her duties hereunder.

3. If the Township terminates the Executive's employment under the provisions of Section 12, paragraph 2, all rights of the Executive to compensation and further accrual of benefits shall cease as of the effective date of such termination unless a final termination is thereafter made pursuant to the arbitration provisions hereof that the Township did not have just cause to terminate the Executive, in which case the provisions of Section 12, Paragraph 4 below shall apply.

4. The Township shall also have the right to terminate the Executive's employment without cause. In the event that the Township terminates the Executive's employment before October 1, 2019 without just cause, as defined above, and the Executive is willing, able, and ready to perform the duties as Township Manager, the Township shall provide severance pay to the Executive equivalent to 4 Months of her annual base salary, not including fringe benefits, as full satisfaction of the Township's obligation under this Agreement. From October 1, 2019 through September 30, 2022, the Township's obligation under this provision shall be fully satisfied by the payment to the Executive of 3 months of her annual base salary, not including fringe benefits. The Township shall not, however, be required to pay said sum to the Executive until such time that she executes a full and complete release of any and all potential claims against the Township and its representatives in a form acceptable to the Township Attorney.

SECTION 13. ARBITRATION

It is mutually agreed between the Executive and the Township that arbitration shall be the sole and exclusive remedy to redress any grievance which includes, but is not limited to any dispute, claim or controversy involving the interpretation of this Agreement, the terms, conditions or termination of this Agreement; and any and all disputes, claims or controversies arising as a result of the Employment of the Executive by the Township, including claims under

federal, state or local civil rights statutes such as Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Elliott-Larsen Civil Rights Act and the Persons with Disabilities Civil Rights Act. It is the intention of the parties that the arbitration decision will be final and binding and that any and all grievances shall be disposed of as follows:

1. Any and all grievances must be submitted in writing by the aggrieved party within thirty (30) days from the date of termination of this Agreement;
2. Within thirty (30) days following the submission of the written grievance, the party to whom the grievance is submitted shall respond in writing. If no written response is submitted within thirty (30) days, the grievance shall be deemed denied;
3. If the grievance is denied, either party may, within thirty (30) days of such denial, refer the grievance to arbitration in East China, Michigan. The arbitrator shall be chosen in accordance with the Voluntary Labor Arbitration Rules of the American Arbitration Association then in effect, and the expense of the arbitration shall be shared equally by the Township and the Executive.
4. Any grievance shall be deemed waived unless presented within the time limits specified above. The arbitrator shall not have jurisdiction or authority to change, add to or subtract from any of the provisions of this Agreement. The arbitrator's sole authority shall be to interpret or apply the provisions of this Agreement. The parties hereby acknowledge that since arbitration is the exclusive remedy with respect to any grievance hereunder, neither party has the right to resort to any federal, state or local court or administrative agency concerning breaches of this Agreement and that the decision of the arbitrator shall be a complete defense to any suit, action or proceeding instituted in any federal, state or local court or before any administrative agency with respect to any dispute which is arbitrable as herein set forth. The arbitration provisions hereof shall, with respect to any grievance, survive the termination or expiration of this Agreement.

SECTION 14. COMPLETE AGREEMENT

This written Agreement embodies the whole agreement between the parties and there are no inducements, promises, terms, conditions or other obligations in this Agreement. Any amendments to this Agreement shall be in writing and executed by both the Township and the Executive.

SECTION 15. GOVERNING LAW

This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan.

SECTION 16.
SURVIVING PROVISIONS

All provisions, which by their terms or by reasonable implication may be performed after termination of this Agreement, shall survive termination of this Agreement.

SECTION 17.
REPRESENTATIONS AND WARRANTIES

Executive represents and warrants to the Township that she is free to enter into this Agreement and that she has no prior or other obligations or commitments of any kind to anyone that would in any way hinder or interfere with her acceptance of, or the full, uninhibited and faithful performance of, her employment under or the exercise of her best efforts as an employee of the Township.

SECTION 18.
WAIVERS

The failure of either party hereto at any time or from time to time to require performance of any of the other party's obligations under this Agreement shall in no manner affect the right to enforce any provision of this Agreement at a subsequent time, and the waiver of any rights arising out of any breach shall not be construed as a waiver of any rights arising out of any subsequent breach.

SECTION 19.
SURVIVAL

If any of the provisions, terms or clauses of this Agreement are declared illegal, unenforceable or ineffective in a legal forum or by the operation of law, those provisions, terms and clauses shall be deemed severable and all other provisions, terms and clauses shall remain valid and binding.

**SECTION 20.
WARRANTIES**

The individuals signing this Agreement represent and warrant that they, and each of them, are duly authorized and empowered to act on behalf of and to sign for the parties for whom they have signed respectively.

IN WITNESS WHEREOF, the parties have caused this Employment Agreement to be executed.

EXECUTIVE

CHARTER TOWNSHIP
OF EAST CHINA,
a Michigan municipal corporation

By: Cynthia Paparelli
Cynthia Paparelli

Cynthia Paparelli

By: Larry J. Simons
Larry J. Simons,
Township Supervisor

By: Donald K. Beaudua
Donald K. Beaudua,
Township Treasurer

Endorsed on Date 11/5/2018

Camela J. Mace
Witness