

EMPLOYMENT CONTRACT

between
The Cleveland Heights-University Heights City School District Board of Education
and
A. Scott Gainer

This Employment Contract is made and entered into this 7th day of February, 2017, by and between the Board of Education of the Cleveland Heights – University Heights City School District, Cuyahoga County, Ohio, hereinafter referred to as “Board”, and A. Scott Gainer, hereinafter referred to as “CFO” (Resolution No. 17-02-019).

WHEREAS, the Board desires to provide CFO with a written Employment Contract in order to enhance fiscal responsibility and continuity with the schools; and

WHEREAS, the Board and CFO believe a written Employment Contract is necessary to describe specifically their relationship and to serve as the basis of effective communication between them as they fulfill their governance and administrative functions in the operation of the educational program of the Cleveland Heights – University Heights City School District;

NOW THEREFORE, it is mutually agreed by the parties to this Employment Contract, as follows:

1. ***Term of Employment***

The Board, in consideration of the promises herein contained, hereby employs and the CFO hereby accepts employment as Chief Financial Officer / Treasurer of Schools for a term commencing August 1, 2017 and ending July 31, 2022 for 260 days per contract year.

2. ***Responsibilities of the Chief Financial Officer***

- a. In addition to those duties set forth in Chapter 3313 of the Ohio Revised Code and other related sections, and regulations promulgated by the State of Ohio, CFO shall have charge of the fiscal and related areas of the Cleveland Heights – University Heights City School District (hereinafter the “District”) under the direction of the Board. He shall record the proceedings of each meeting of the Board; shall be the Chief Financial Officer of the Board; shall direct, supervise and assign staff engaged in the day-to-day fiscal operations of the District as designated by the Board; shall organize, arrange and evaluate such staff as best serves the fiscal operations of the District, subject to the approval of the Board; shall direct procedures deemed necessary to the financial security of the District, and in general, perform all duties incident to the office of the CFO.
- b. CFO recognizes the Board will obtain and maintain a bond concerning the performance of the CFO. The CFO covenants to comply with the terms and conditions for maintenance of that bond and not to perform the duties of his office in such a fashion as to cause the bond to be forfeited.

- c. CFO will maintain a valid license to act as a school board treasurer in the State of Ohio. Maintenance of this license is expressly a condition precedent to the continuation of this Employment Contract to its term.

3. *Professional Growth*

In order to maintain necessary professional knowledge and for growth as the chief financial officer for a school district, the Board agrees to pay the costs of membership for the CFO in the following professional organizations: Association of School Business Officials, Ohio School Boards Association, Ohio Society of Certified Public Accountants, and Government Finance Officers Association.

4. *Compensation and Benefits*

- a. The Board shall pay the CFO an annual Base Salary at the annual rate of \$164,401.00 in twenty-six equal installments commencing August 1, 2017. The CFO's "Annual Salary" as used in this Employment Contract shall include the Base Salary and all other compensation subject to the SERS pick-up in paragraph 4(d).
- b. The Board and CFO may mutually agree to increase the Base Salary of the CFO during the term of this Employment Contract as per Ohio Revised Code Section 3313.24 subject to the limitations of required certification of resources, but in no event shall he be paid less than the salary he is presently receiving unless said reduction is in accordance with a uniform plan as provided by statute. The CFO shall receive a Base Salary adjustment in each year of this Employment Contract that shall be no less than the general percentage increase given to the administrators in the EAPSC not later than when the adjustment is given to the EAPSC. If the EAPSC elects pickup of retirement, Medicare tax, or any other form of compensation, in lieu of a salary adjustment or longevity payment, CFO shall receive no less than the same increase in the form of Board contribution to a tax sheltered annuity, which shall be treated as additional compensation.
- c. CFO shall receive all fringe benefits now or hereafter granted to administrators in the District under the EAPSC Master Agreement, including, but not limited to nor reduced from, health care coverage as provided in the EAPSC agreement, with CFO responsible for premiums in the amount of \$1,500 per year (\$125 per month) for family coverage (or if opting for single coverage, \$550 per year/\$46 per month), dental, prescription drug, skilled nursing and vision insurance with no requirement for spousal election of coverage, term life insurance and income continuity policy. In addition, CFO shall receive all other benefits similarly extended to administrators, including provisions for severance pay, longevity, and an early retirement incentive program, if any.
- d. The Board agrees to pick-up and pay the CFO's required contribution to the School Employees Retirement System ("SERS"). The CFO's share of retirement contributions paid by the Board on behalf of the CFO shall be treated as employee contributions for purposes of SERS and the CFO shall have no right to receive such amounts in cash. The amount of the fringe benefit pick-up also shall be considered as compensation of the CFO; and, in accordance with and subject to the foregoing provisions of this paragraph, the District shall pay directly to SERS all employer and employee contributions (in lieu of CFO paying such employee contributions)

required on account of the inclusion of such fringe benefit pick-up as additional compensation. As such, if at any time following the date of Board action authorizing this Employment Contract and/or execution of this agreement, should the Board's authority to provide compensation in the form of either pick-up or pick-up on the pick-up be prohibited or otherwise reduced by state law, the Board agrees to convert the corresponding value of such lost or reduced retirement contribution amounts to salary, which amounts shall be increased to defray any additional tax liability incurred by the CFO resulting therefrom.

- e. The Board shall pay (i.e. "pickup") to the Internal Revenue Service an amount equal to the tax imposed upon the wages of the CFO pursuant to IRC Sections 3101 and 3102 (commonly known as the "Medicare" tax), in lieu of payment by the CFO. CFO acknowledges that such payments by the Board are required to be treated as additional wages for income tax purposes; and agrees that tax withholding and reporting shall be made by the Board to the extent required by law.
- f. In addition to the Base Salary set forth in paragraph 4(a), during the term of this Employment Contract the CFO shall be entitled an allowance of \$500 per month as additional compensation for the CFO which is attributable to the use of his automobile for business purposes. CFO will not be eligible for mileage reimbursement.
- g. During each month of this Contract, the Board shall make a contribution on behalf of the CFO to an annuity contract or custodial account which is tax qualified under IRC Section 403(b) ("a TSA"). The amount of the contribution for each such month shall be one-twelfth (1/12) of fifteen percent of the CFO's Base Salary that is in effect for such Contract Year. The CFO shall select the TSA provider from those generally made available to employees of the District pursuant to the District's Section 403(b) Plan. The Board shall not have any responsibility with respect to its investment performance of or any other matter relating thereto the TSA, including the insolvency of the TSA provider. The CFO acknowledges that payments to a TSA will be treated as salary reduction contributions of the CFO for federal income tax purposes and shall be subject to the maximum annual limitations on salary reduction contributions to a TSA that are described in the federal tax law (e.g. Internal Revenue Code Sections 402(g) and 415(c)) for the calendar year in which the contribution is made; and if the monthly contribution cannot be paid because of such limits, it shall be paid in cash to the CFO. Upon the request of the CFO, and subject to the terms of the Section 403(b) plan of the School District, the Board shall withhold and transfer additional portions of the CFO's salary to a TSA. The payment shall be treated as additional compensation and considered part of the Annual Salary subject to the SERS pick-up in paragraph 4(d).
- h. For all purposes under the Employment Contract where a daily rate is required, the CFO's per diem or daily rate shall be determined by dividing the total annual compensation by two hundred ten (210) days.

5. ***Vacation***

CFO shall be entitled to thirty-two (32) days of vacation each twelve month period commencing August 1, 2017, exclusive of legal holidays, and may carry forward a maximum of ten (10) days into a subsequent contract year. Should the CFO have more

than ten (10) days available for carryover at the end of a contract year, the CFO shall receive a payment equal to his per diem rate on July 31st for each day in excess of ten (10) that he is unable to carry forward into the next contract year. Such payment shall be made in the following August.

6. *Sick Leave/Severance*

The CFO will be entitled to an enhanced severance payment, upon service retirement occurring during or upon expiration of the term of this Employment Contract, in an amount equal to one-third (1/3rd) of all accumulated but unused sick leave days on the date of retirement. Such severance payment will be based upon the CFO's per diem rate at the time of separation of employment and may be paid into a qualified tax-deferred vehicle, if available, at the direction of the CFO.

7. *Expenses*

The Board shall reimburse CFO for actual and necessary expenses approved by the Board and incurred by the CFO in the continuing performance of his duties under this Employment Contract as permitted by State law and as approved by the Board in its annual appropriations measure.

8. *Professional Liability*

- a. The Board agrees that it shall purchase personal liability insurance for CFO as provided by law.
- b. The Board agrees that it shall defend, hold harmless, and indemnify CFO 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 CFO 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 CFO against such demands, claims, suits, actions and legal proceedings. If, in the good faith opinion of the CFO, a conflict exists as regards the defense to such claim between the legal position of the CFO and the legal position of the Board, he may engage counsel, in which event the Board shall indemnify him for the cost of legal defense in a manner consistent with and as permitted by the laws of the State of Ohio. In any event, the Board shall not be required to pay any costs of any legal proceedings where the Board and the CFO have adverse interests in such proceedings.

9. *Evaluation*

There shall be an annual evaluation of CFO and his performance as CFO each year per O.R.C. 3313.22.

10. *Termination of Employment Contract*

- a. This Employment Contract may be terminated by mutual agreement of the parties.

- b. This Employment Contract may be terminated for cause at any time by a two-thirds vote of the entire Board in accordance with the procedures set forth under the Ohio Revised Code.

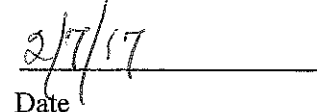
11. *Miscellaneous*

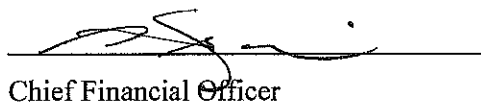
- a. Chief Financial Officer shall be the sole person with the authority to recommend the appointment of and evaluate, supervise and assign the Assistant Treasurer and all Finance Department staff, and the Board agrees to designate said employees for that purpose in accordance with Ohio Revised Code Section 3313.31(B) for the term of this Employment Contract.
- b. Chief Financial Officer is expected to maintain good health through the term of his Employment Contract. In that regard, he is to undergo an annual medical examination, by a physician of his choice, at Board expense. A statement certifying the physical competency or incompetence of the CFO shall be made available to the President of the Board and shall be treated as confidential information.
- c. This Employment Contract shall be subject to and construed according to the laws of the State of Ohio. Except as otherwise provided herein, any provision hereof declared invalid or unenforceable by a court of competent jurisdiction shall be severed and the remaining terms continued in full force and effect.
- d. This Employment Contract contains the entire agreement between the parties and any purported agreement not herein contained, expressly or by implication, shall not be recognized.

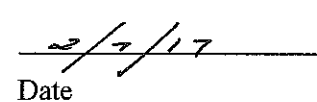
IN WITNESS WHEREOF, the Board has caused this Employment Contract to be approved on its behalf by a duly authorized officer and CFO has approved this Employment Contract effective on the day and year specified in Section 1 above.

BOARD OF EDUCATION OF THE
CLEVELAND HEIGHTS – UNIVERSITY
HEIGHTS CITY SCHOOL DISTRICT


President


Date


Chief Financial Officer


Date