

EMPLOYMENT AGREEMENT

(Shiawassee County Administrator)

THIS EMPLOYMENT AGREEMENT is entered into this 24th day of August, 2006, between the BOARD OF COMMISSIONERS, Shiawassee County, Michigan ("Employer") and MARGARET McAVOY ("Employee").

RECITALS

A. Employer desires to employ Employee as County Administrator of the County of Shiawassee; and

B. Employee is willing to accept employment as County Administrator of the County of Shiawassee, Michigan on the following terms and conditions.

THE PARTIES AGREE AS FOLLOWS:

1. Employment and Duties.

(A) Employer agrees to employ Employee, and Employee accepts employment as County Administrator of the County of Shiawassee, Michigan and to perform all of the functions and duties specified by Attachment A (Job Description of County Administrator) and such other legally permissible and proper duties and functions as the Employer shall from time to time assign.

(1) The Employer agrees to clarify the Job Description to ensure that the employee possesses:

- (a) the authority to hire, discipline and terminate staff who are assigned to report to the County Administrator and
- (b) the implied power necessary to execute the job duties.

(B) Employee agrees to obey, recommend and implement policies of the Employer relating to general management, including, without limitation, budget and financial management, personnel and labor relations, grantsmanship and contractual services.

(C) Employer may at any time during the term appoint Employee controller as authorized by 1927 PA 257, as amended. (MCL 46.13b; MSA 5.336).

(1) Upon such appointment, Employee agrees to perform the duties of controller without additional compensation.

- (2) Employer may rescind such appointment at any time without terminating this Agreement.
- (D) Employee, as County Administrator, shall serve as the Chief Fiscal Officer for the purposes of the Uniform Budget and Accounting Act (UBAA), 1968 PA 2, as amended. (MCL 141.421)
 - (1) Employer shall during each annual budget resolution appoint Employee as chief administrative officer for the purpose of implementing the provisions of the UBAA. Employee agrees to perform these duties without additional compensation.
 - (2) Employer may rescind such assignment of duties by amending its budget resolution at any time without terminating this Agreement.
- (E)
 - (1) The Employee's employment with the Employer shall not be construed to preclude occasional night class teaching, writing, consulting or other non-Employer connected business endeavors performed on Employee's personal time.
 - (2) The Employee agrees to devote her best efforts including full-time attention and energy to her employment with the Employer.

2. Term.

- (A) The employment is agreed to be for a term of three (3) years from March 22, 2006, through March 22, 2009, and may be renewed by mutual agreement thereafter. MCL 46.11(o)
- (B) However, the employment is expressly one of "at will" status and the term of this agreement is subject to the termination provisions set forth in paragraph 15 below.

3. Compensation.

- (A) Effective March 22, 2006, for her services as County Administrator, Employer agrees to pay Employee biweekly, based on an initial annual salary rate consistent with the County's Wage and Classification Schedule and William Rye's reclassification recommendation for Classification Grade No. 14 maximum range.
- (B) The Employee shall at a minimum receive such increases as are granted to other non-represented employees by the Board of Commissioners.

4. Benefits.

- (A) Except as otherwise provided in this Agreement, Employee shall be entitled to the same economic fringe benefits provided to non-union County Executive/Administrative/Managerial employees.
- (B) Employer shall recognize the Employee's past date of hire of January 5, 1977 and prior service credit of 20+ years (Employee's employment with the Employer as Director of the Employment and Training Department was terminated on March 28, 1997 as a result of the elimination of the Department by operation of the Workforce Investment Act) for purposes of Employee's participation in (i) the Employer's health insurance plan, (ii) annual vacation accrual and (iii) wage scale step placement.

5. Vacation.

- (A) Employee shall annually be entitled to 25 days of annual paid vacation leave, exclusive of paid holidays.
- (B) Vacation periods shall be selected by the Employee during periods least disruptive to the operations of the County and shall be subject to approval by Employer.
- (C) The Employee will be eligible for an annual payment/compensation in lieu of her use of vacation leave for all unused vacation leave.

6. Sick Leave. The Employee shall be credited with an annual allotment of sick leave on January 1st of each calendar year in an amount consistent with the sick leave policy for non-union County Executive/Administrative/Managerial Employees.

7. Hours of Work. It is recognized that the Employee must devote a significant amount of time outside the normal office hours to the business of the Employer, and to that end, the Employee will be allowed to work flexible hours subject to the review and approval of the Employer with the intention of the parties that the Employee work a minimum of forty (40) hours per week on the job.

8. Retirement. The Employer shall contribute to a MERS defined contribution plan at the rate of 15% of the Employee's compensation or the rate of the Employer contribution made to the MERS defined benefit plan (suffix 12) on behalf of other non-union County executive employees, whichever rate is greater.

9. Business Expenses

- (A) Actual and necessary expenses incurred by Employee in the discharge of official duties shall be reimbursed/advanced consistent with County policy.
- (B) The Employee shall have the option of utilizing a cellular telephone provided by the Employer or submitting for reimbursement of business calls made by the Employee on a personal plan or both.

10. Professional Development and Meetings.

- (A) Employer hereby agrees to budget for and to pay the travel and subsistence expenses of Employee for professional and official travel, meetings and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official functions for Employer, including but not limited to, official conferences of the Michigan Association of Counties, Michigan City/County Management Association, International City/County Management Association and such other national, regional, state and local government groups and committees in which Employee serves as a member.
- (B) The annual amount of such expenses shall be determined by budget appropriation.
- (C) All in-state and out-of-state travel and reimbursement of expenses shall be subject to review and approval of the Board of Commissioners pursuant to County policy.
- (D) Employer also agrees to budget for the reimbursement to Employee for the travel and subsistence expenses for short courses, institutes and seminars that are necessary for her professional development and for the benefit of the Employer.
 - (1) The annual amount of such expenses shall be determined by budget appropriation.
- (E) Employee agrees that participation in professional development activities should not interfere with or detract from the Employee's ability to effectively discharge her duties as County Administrator.

11. Membership and Dues. Employer agrees to pay the Employee's membership dues and fees of the International City/County Management Association, National Association of County Administrators, the Michigan City/County Management Association, County Administrative Officers, Government Finance Officers Association, and other such organizations as approved by the Employer subject to budget limitations.

12. Performance Evaluations.

- (A) The Employee's performance evaluation shall be in writing.
- (B) The review and evaluation shall be constructive in nature, and shall be discussed with the Employee so as to give her an opportunity to improve her service to Shiawassee County.
- (C) Evaluation criteria may be added or deleted by the Employer from time to time with advance written notice to the Employee.
- (D) The Employee shall be provided with an opportunity to discuss her evaluation with the Employer.
- (E) Annually, the Employer with input and assistance from the Employee shall define the goals and performance objectives necessary for the proper operation of the County and the attainment of the Employer's policy objectives and the Employer shall establish a relative priority among those various goals and objectives both of which shall be reduced to writing.
 - (1) The Employee shall have the responsibility to inform the Employer of its obligation and place the issue on the appropriate committee of board agenda.

13. Indemnification.

- (A) Employer shall defend, save harmless and indemnify Employee against tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as County Administrator.
- (B) Employer may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

14. Bonding. Employer shall bear the full cost of any fidelity or other bonds required of the Employee under law.

15. Termination.

- (A) Employee shall serve at the pleasure of the Employer and either party may terminate the employment relationship at any time, for any reason, with or without cause.
 - (1) In the event the Employer appoints Employee controller, she may only be removed from office of controller by a two-thirds (2/3) vote of the Employer.

- (B) In the event that the Employer exercises its right to terminate the employment of Employee without cause and she is willing and able to perform the duties of County Administrator, the Employer shall compensate Employee in an amount equal to four and one-half (4 ½) months of the annual salary and health insurance benefits in place at the time of termination provided however, the severance payment shall be paid over a four and one-half (4 ½) month period or until Employee obtains other full-time employment, whichever occurs first, at which time the payments shall cease. MCL 46.11(o)
- (1) The severance payments shall be payable in the manner established for regular salary payments.
- (C) (1) The Employer may, however, elect to give Employee four and one-half (4 ½) months notice of termination in lieu of the foregoing severance payments.
- (2) Said notice of termination shall be by resolution of the Board of Commissioners.
- (3) In the event the Employer elects to give Employee four and one-half (4 ½) months notice of termination, Employee agrees to continue to fully execute the duties of the County Administrator for the four and one-half (4 ½) months following said notice or until the effective date of her voluntary resignation, whichever occurs first.
- (D) (1) If the Employer claims that Employee was terminated for cause, the Employer shall not be obligated to pay Employee any salary beyond the termination date, or any vacation time, nor to continue any insurance.
- (2) For purposes of this section "for cause" is defined as, but not limited to, malfeasance or misfeasance, the conviction for or guilty pleas to a felony, embezzlement, dishonesty, theft, misappropriation of funds, insubordination, sexual harassment, unauthorized use of County property, equipment or facilities, falsification or unauthorized alteration of County documents or records, improper use of sick leave or other leaves of absence, falsification of information to secure sick leave or other leaves of absence, incompetency or neglect of duty, reporting to work or working in an intoxicated condition by alcohol or controlled substance, illegal activity on County premises during work or non-work hours, or being able to work and not working while receiving disability insurance income.

16. Voluntary Resignation. Employee may terminate her own employment by giving Employer at least sixty (60) days notice in writing, unless both parties mutually agree that shorter notice is acceptable.

17. County's Authority.

- (A) Employee agrees to observe and comply with the rules and regulations of the County, as adopted by the County Board of Commissioners either orally or in writing, respecting the performance of Employee's duties, and to carry out and to perform orders, directions and policies announced to Employee by the Board of Commissioners or through its designee, from time to time, either orally or in writing.
- (B) Employee specifically understands that the Board of Commissioners shall have the final authority, the power to direct, control or supervise the manner and time of Employee's duties.

18. Governing Law. In view of the fact that the County is a municipal corporation of the State of Michigan, it is understood and agreed that the construction and interpretation of this Agreement shall, at all times and in all respects, be governed by the laws of the State of Michigan.

19. Entire Agreement.

- (A) This contract contains the entire agreement and understanding between the Employer and Employee with respect to the employment of Employee and no representations, promises, contracts or understandings, written or oral, not contained herein, shall be of any force or effect.
- (B) Further, no elected or appointed official or employee of the Employer has the power or authority presently or hereafter to add to, waive, or modify any of the terms and conditions contained herein except those stated in the County of Shiawassee personnel policies or other policies outside this agreement and referenced herein.
- (C) No change or modification of this contract shall be valid or binding unless it is in writing and signed by the party intending to be bound, which in the case of the Employer means the Board of Commissioners acting pursuant to official Board action.
- (D) No waiver of any provision of this contract shall be valid unless it is in case of the Employer means the Board of Commissioners acting pursuant to official board action.
- (E) 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.

20. Prohibition Against Assignment. Employee agrees on behalf of herself and her executors, administrators, heirs, legatees, distributees, and any other person or persons claiming any

benefit under her by virtue of this contract, that this contract and the rights, interests and benefits hereunder shall not be assigned, transferred or pledged in any way.


21. Severability of Invalid Provisions. The provisions of this contract shall be deemed severable; the invalidity or unenforceability of any one or more of the provisions of this contract shall not affect the validity and enforceable provisions in all respects as if such invalid or enforceable provisions were omitted.

The Employer hereby employs Employee and Employee hereby accepts employment, upon and subject to the terms and conditions herein set forth.


IN TESTIMONY WHEREOF, the parties hereto have executed this Employment Agreement in duplicate originals upon this 24 day of August, 2006.

EMPLOYEE

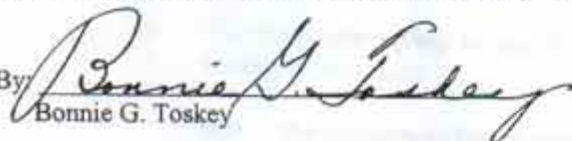
BOARD OF COMMISSIONERS
SHIAWASSEE COUNTY, MICHIGAN


Margaret McAvoy, County Administrator


Jon Michael Fuja, Chairman


Lauri L. Braid, County Clerk

APPROVED AS TO FORM FOR THE
COUNTY OF SHIAWASSEE
COHL, STOKER, TOSKEY & McGLINCHEY, P.C.

By 
Bonnie G. Toskey