Agenda

1. Review and discussion of MCCA Presidents Salary Survey

2. Review of President’s Contract
   a. Language
   b. Compensation
Northwestern Michigan College
Employment Contract for Timothy J. Nelson

This is an employment contract between Northwestern Michigan College, a Michigan community college, whose address is 1701 East Front Street, Traverse City, Michigan 49686 (“College”), and Timothy J. Nelson, whose address is 307 Knollwood, Traverse City, Michigan 49686 (hereinafter “President” or “Nelson”).

This contract amends and restates the employment agreement entered into on February 26, 2006, (as previously amended, through July 25, 2011) by and between the Board of Trustees of Northwestern Michigan College and Timothy J. Nelson, President, and is drafted pursuant to the Michigan Community College Act, MCL 389.1, et seq. The Board of Trustees of Northwestern Michigan College may be referenced in this Agreement as the “Board.”

For mutual consideration, which is hereby acknowledged, the parties agree to the following terms and conditions:

1. Term

   A. General
   The College shall continue to employ Nelson as President, and this agreement shall replace and supersede all prior employment agreements between the parties effective on such date of execution.

   B. Renewal of Employment Agreement
   The President’s existing contract terms and conditions shall continue through June 30, 2013. The term of this Agreement shall be for three years commencing effective July 1, 2013, and continuing through the close of business on June 30, 2016. The term of this Agreement shall be extended for additional one year periods on July 1, 2014, and again on July 1, 2015, unless action to terminate such extension is approved by the Board of Trustees on or before either such date. Notwithstanding the above, in no event shall the term of this Agreement exceed five (5) years from the effective date.

2. Powers, Duties, and Responsibilities

   A. Governance
   The College, through its Board of Trustees (Board), delegates to the President the authority of the internal management of the institution. The President will provide the Board with appropriate information, in a timely manner, in order that the Board may promulgate policy. The President, as Chief Executive Officer, is responsible for executing policies and implementing identified goals through the day-to-day management of the College. The Board and its individual members agree not to interfere with or to usurp the responsibilities of the President.
B. Other Duties
The President will: (1) provide leadership for academic excellence; (2) administer the instruction, student services and business affairs of the College; (3) periodically direct the review of Board policies; (4) promote and endeavor to maintain positive College image in the community; (5) establish and maintain sound working relationships with other governmental agencies; (6) endeavor to maintain and improve professional competence; (7) serve as the Board’s designated representative with respect to all matters concerning employer-employee matters; (8) annually evaluate administrative employees reporting directly to the President and participate in the evaluation of the remaining employees in accordance with College procedures; (9) manage and control College property and enter into contracts on behalf of the College as authorized by the board.

C. Accountability
The President, as Chief Executive Officer, is accountable to the Board acting as a body of the whole. Only decisions of the Board acting as a body are binding upon the President except in instances when the Board, acting as a body, delegates appropriate functions to the Board Chair or a committee of the Board.

3. Salary
The President’s current base salary is $178,300. Effective July 1, 2013, and each July 1 thereafter in subsequent years, the base salary shall be increased an amount equal to the cost of living as provided by the Midwest CPI-U Size D-non-metropolitan less than 50,000 index, as published for the May to May period, provided that the written performance evaluation as described in Section 4 is deemed acceptable by the Board. The base salary for any given year shall not be less than the base salary of the preceding year. Nothing in the agreement shall prohibit the Board from granting a higher salary increase.

4. Performance Reviews
In order to ensure ongoing communication between the President and the Board concerning the President’s objectives and job responsibilities, as well as achieve a mutual understanding between the parties concerning the accomplishments of such objectives and responsibilities, there shall be an annual written review of the President’s performance, which shall include a meeting with the President and the Board for the purpose of reviewing such objectives and responsibilities. Such annual reviews may include prioritizing job objectives and establishing timetables and resources for completion of such objectives. The board shall establish a schedule and evaluation instrument for the review of the President and shall allow sufficient time to prepare an outline of accomplishments and progress made toward attaining the performance objectives and satisfying the duties and responsibilities of the office.
5. Fringe Benefits

A. General Benefits
The President shall be provided with employee benefits in accordance with College policies and procedures as provided to other College executive administrators, except as may be specifically identified and set forth otherwise in this Agreement.

The President shall accumulate twenty-five (25) vacation days annually and may accrue up to a maximum of 75 days. At the end of each fiscal year, the President will surrender any days in excess of 50 for a cash payment equivalent to 65% of their then current value. Any remaining unused vacation shall be payable at 100% of the then current value in cash to the President upon separating from employment with the College. The President shall receive all other paid or unpaid leave permitted by College policy, or required by law, as granted to other College executive administrators.

B. Other Benefits
In addition to those listed above, the College shall provide the following additional benefits:

i. Retirement Benefits
The College agrees to contribute and directly pay on the President’s behalf the College’s contribution to its Optional Retirement Plan, according to the plan provisions. The College agrees to pay to the President an additional amount equal to the President’s required employee contribution to the Northwestern Michigan College Optional Retirement Plan.

ii. Office Holder Allowance
The College shall provide the President a $20,000 per year office holder allowance to be used by the President at his discretion to carry out the duties of the office.

iii. Reimbursement for Professional and Private Organizations and other Business Expenses
The President shall be entitled to reimbursement for reasonable business expenses incurred in the exercise of duties as President, subject to providing proof of expenditures. The College shall pay on the President’s behalf or reimburse membership dues, fees, or assessment of professional and private organizations incurred for business use in the exercise of the President’s duties. Board approval must be obtained in advance for membership in private clubs.

iv. Life Insurance
In addition to the life insurance benefits provided other employees of the College and other executive administrators of the College, during the term of this agreement the College shall pay to insure the life of the President
under a term life insurance policy in the amount of $500,000, with $250,000 payable to the College and $250,000 payable to the President’s designated beneficiary.

v. *Professional Meetings*

The President may attend professional meetings at local, state, national, and international levels. Reasonable expenses so incurred shall be reimbursed by the College. The President shall provide the Board with a semiannual summary report of nonlocal travels to professional meetings.

vi. *Outside Professional Activities*

The President may undertake outside professional activities, including as a consultant, speaking, and writing, provided these activities do not interfere with the President’s duties. The President shall issue a semiannual report to the Board listing any consultancies or boards for which compensation was provided. The President may, and is encouraged to, serve on boards of private, publicly held, or nonprofit corporations, subject to the College’s Conflict of Interest policy.

vii. *Automobile*

The College shall provide the President with an automobile allowance of $750 per month, for his professional and personal use and shall pay all costs of reasonable operation thereof, including gasoline, repairs, maintenance, and insurance.

viii. *Deferred Compensation*

The College agrees to contribute six percent (6%) of the President’s base annual salary to a deferred compensation plan selected by the President.

6. **Termination of Contract**

This agreement may be terminated in advance of the expiration date under the following events and conditions:

A. *Upon Death*

B. *Upon Retirement*

C. *By Mutual Consent of the Parties*

Mutual consent exists for termination provided the party seeking termination shall give written notice of termination to the other party and in accordance with the following:

i. Upon not less than ninety (90) calendar days written notice from the Board to terminate the contract, then, as of the effective date of termination, the College shall prorate and pay the base salary to the President for each
month remaining in the term of the Agreement. The College also shall pay health benefits specified in paragraph 5A, and retirement and life insurance specified in paragraph 5 B i and iv, for the same duration as the base salary.

ii. Upon not less than one (1) year’s notice by the President to terminate the contract, then the President shall be paid all salary, and benefits referenced in paragraph 5 up to the date of termination.

iii. Upon less than one (1) year’s notice by the President to terminate the Contract, then the President shall be paid all salary, and only the benefits referenced in paragraph 6 C i above, up to the date of termination.

D. Disability or Demonstrated Inability to Perform; Key Employee

In the event the President becomes ill or disabled, and/or is unable or unwilling to perform the essential functions of the position with or without reasonable accommodation of the position, the President and the College shall follow the respective rights and obligations as proscribed in the Americans with Disabilities Act, and as amended (ADA).

The President will be entitled to use sick leave, vacation, and family leave as permitted by law, and/or disability retirement as though continuing in the position of President. The President is considered a “key employee” as defined in the Family and Medical Leave Act of 1993, and as amended (FMLA).

E. For Cause

In the event that the Board determines that good cause as herein defined exists to terminate the President prior to the expiration of this agreement, the Board shall provide the President with a written statement of its intent to discharge and the reasons for discharge. Before the Board makes a final decision, the President is entitled to meet with the Board in open or closed session, within thirty (30) calendar days of the issuance of the written statement. The President may be represented by legal counsel at the President’s expense and may present any evidence to the Board to rebut the stated reasons for discharge. After the President has had an opportunity to respond to the stated reasons for discharge, the Board will make a final decision in writing within thirty (30) days. The President may pursue any remedy deemed appropriate to challenge the final decision of the Board.

Good Cause shall be defined as follows:

(i) The President’s conviction of a felony;

(ii) The President’s engaging in an act of dishonesty, theft or falsification of records, to the detriment of NMC;
(iii) To the extent conduct is not identified and governed pursuant to FMLA, the President’s intentional failure to fulfill the responsibilities specified above for not less than forty-five (45) consecutive days;

(iv) The President’s use or possession of a controlled substance on NMC premises or at NMC events without an authorized prescription;

In the event The President is terminated for Good Cause, he shall receive all salary compensation and benefits earned to the date of termination.

7. **Integration Clause**

The agreement contains the entire agreement and understanding between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representations, express or implied, not contained in this agreement.

8. **Miscellaneous**

A. In the event of ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party on the basis that such party did or did not author the same.

B. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

C. This Agreement shall be performable and enforceable in Grand Traverse County, Michigan, and shall be construed in accordance with the laws of the State of Michigan.

**IN WITNESS WHEREOF**, the parties have executed this agreement as of the day and year indicated below.

**NORTHWESTERN MICHIGAN COLLEGE**

BY: _______________________________ Dated: __________________

Douglas S. Bishop, Chair, Board of Trustees

**THE PRESIDENT**

BY: _______________________________ Dated: __________________

Timothy J. Nelson