

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT made this 27th day of June, 2018 by and between the Rutherford Board of Education, which has offices located at 176 Park Avenue in the Borough of Rutherford, County of Bergen and State of New Jersey (hereinafter referred to as the "Board"), and Joseph P. Kelly (hereinafter referred to as "School Business Administrator").

WITNESSETH:

WHEREAS, the Board is desirous of employing Joseph P. Kelly as the board secretary/school business administrator for the Rutherford School District (hereinafter referred to as "District"); and

WHEREAS, the Board and Joseph P. Kelly believe that a written employment contract is necessary to describe 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 District;

NOW, WHEREFORE, based on the foregoing premises and the mutual promises and covenants contained herein, the parties agree as follows:

1. TERM

The Board hereby employs and Joseph P. Kelly hereby accepts employment as the board secretary/school business administrator for the period beginning July 1, 2018 and ending June 30, 2019.

2. COMPENSATION

(a) Salary: The Board shall pay the School Business Administrator a salary at the annual rate of one hundred sixty-two thousand and five hundred and four dollars

(\$162,504), which shall be prorated for the period beginning July 1, 2018 and ending June 30, 2019, and paid in equal semi-monthly installments in accordance with the schedule of payments in effect for other certificated employees. A day's salary is defined as 1/260th of the School Business Administrator's annual salary.

(b) Merit Bonus

i. On or about July 1, 2019, two (2) non-pensionable merit bonuses may be awarded on the basis of the School Business Administrator satisfying specific merit criteria for the previous school year. Any such merit bonuses shall be considered extra compensation and shall not be cumulative.

ii. On or before September 30, 2018, the Board, with the input of the Superintendent and School Business Administrator, shall establish one (1) quantitative merit criterion and one (1) qualitative merit criterion in accordance with the applicable regulations, which shall be included in the School Business Administrator's evaluation as set forth in Article Five (5) of this Employment Agreement. The Executive County Superintendent shall approve or disapprove the selection of the quantitative merit criterion and the data that forms the basis of measuring the achievement of the quantitative merit criteria.

iii. The individual year merit bonus for the quantitative merit criterion achieved, if granted, shall be three and one-third percent (3.33%) of the School Business Administrator's annual salary and the maximum individual year merit bonus which the Superintendent may be eligible to receive. The individual year merit bonus for the qualitative merit criterion achieved, if granted, shall be two and one-half percent (2.50%) of the School Business Administrator's annual salary and the maximum individual year merit bonus which the

Superintendent may be eligible to receive.

iv. Any individual year merit bonus for each performance criterion achieved in a given year shall be subject to review and approval by the Executive County Superintendent. The Board shall submit a resolution to the Executive County Superintendent certifying that a quantitative merit criterion has been satisfied. No merit bonus shall be paid until the Board has received confirmation of the satisfaction of the criterion from the Executive County Superintendent.

v. Notwithstanding anything contained herein to the contrary, the individual year merit bonus and the merit criteria upon which such bonus may be awarded shall be subject to the regulations promulgated by the Department of Education in effect.

vi. If any provision contained in Section 2(b) of this Employment Agreement is inconsistent with any statutory provision enacted by the Legislature or regulation promulgated by the State Board of Education on merit pay, merit bonus or merit stipend, the statutory provision and/or administrative regulation shall supersede the inconsistent provision(s) and shall govern the parties' rights and obligation on the payment of a merit bonus in accordance with terms of the parties' Employment Agreement.

vii. Any individual year merit bonus shall be subject to public notice and hearing in accordance with the provisions of N.J.S.A. 18A:11-11. Any individual year merit bonus shall be paid within thirty (30) days following said public hearing.

3. PROFESSIONAL CERTIFICATION/REVOCAION CLAUSE

The School Business Administrator shall at all times hold a valid New Jersey School Business Administrator's certificate to act as school business administrator in the State of New Jersey. The Parties hereto agree that in the event the Business Administrator's certification is permanently revoked, all provisions of this Employment Agreement shall be null and void as of the date of the revocation, and if the Business Administrator is lawfully precluded from performing his duties by any Judgment, Order or direction of any court of competent jurisdiction or the Commissioner of Education, all provisions of this Employment Agreement shall terminate and the Business Administrator's employment shall cease.

4. DUTIES

The School Business Administrator agrees to devote his full time skills and attention to the duties of the School Business Administrator and faithfully perform the duties of board secretary/school business administrator assigned by the Board, set forth in the job description as may be revised by the Board, prescribed by Federal and State law, the regulations of the State Board of Education and other state agencies, and the by-laws, policies and regulations of the District, as may be revised by the Board.

It is understood that the School Business Administrator is employed for specific tasks and is expected to work beyond the regular workday to accomplish such tasks when necessary. In addition, the School Business Administrator shall attend evening meetings when requested by the Superintendent of Schools, the Board or any of its members. There shall be no additional remuneration for performance beyond the regular workday.

5. EVALUATION

The Superintendent of Schools shall evaluate the School Business Administrator in accordance with the State Board of Education regulations, board policy and the job description for the position of board secretary/school business administrator.

6. LEAVE OF ABSENCES

(A) Vacations

The School Business Administrator shall be entitled to twenty-two (22) days of paid vacation annually, which shall be prorated if employed less than a full school year at the rate of 1.83 days per month. Vacation days are exclusive of weekends and school holidays, as defined in section B of this Article. Unless vacation days are used or the day is one (1) of the holidays set forth in Article 6 of this Agreement, the School Business Administrator shall work during the Christmas, New Year, winter and spring recess periods.

All vacation days shall be scheduled by the School Business Administrator to minimize disruption of district operations and shall require prior approval of the Superintendent of Schools. Vacation can be used in the school year in which the vacation days are accrued. Subject to the recommendation of the Superintendent of Schools and the Board's prior approval, a maximum of five (5) vacation days may be accumulated from one year to the next year when the demands of the District preclude the School Business Administrator from taking his vacation. No vacation days shall otherwise be accumulated. Except upon separation from employment, vacation days not used in accordance with this Article shall be forfeited and have no cash value.

In the event that the School Business Administrator retires or resigns during the term of this Agreement, vacation days shall be prorated for the year. Unused vacation up to a maximum of twenty-two (22) days shall be paid at the per diem salary for the year in which the School Business Administrator retires or resigns. Per diem salary shall be calculated on the basis of 1/260th of the School Business Administrator's salary.

(B) HOLIDAYS

The School Business Administrator shall be entitled to the following holidays, provided that schools are closed on the days in question:

1. Independence Day
2. Labor Day
3. Columbus Day
4. Yom Kippur
5. Veterans Day
6. Election Day
7. Thanksgiving
8. Friday after Thanksgiving
9. Christmas Eve
10. Christmas
11. New Year's Eve
12. New Year's Day
13. Martin Luther King's Birthday
14. President's Day
15. Good Friday
16. Memorial Day

If schools are open on any of the holidays, the School Business Administrator shall not be entitled to a floating holiday but would be entitled to the decided upon "in lieu of" days as set forth in the calendar for twelve month employees.

(C) SICK DAYS

The School Business Administrator shall receive twelve (12) sick days with pay annually, which shall be prorated if employed less than a full school year. Sick days shall be accumulative in accordance with N.J.S.A. 18A:30-3.

If the School Business Administrator retires according to the provisions of the Teacher's Pension and Annuity Fund or Public Employees' Retirement System, the Board shall pay the School Business Administrator for his accumulated sick days in accordance with the following schedule:

1-200 days	\$55.00 per day
201 or more days	\$60.00 per day

The maximum amount payable shall be fifteen thousand and 00/100 dollars (\$15,000.00).

(D) PERSONAL DAYS

The School Business Administrator shall receive four (4) personal days, which shall be prorated if employed less than a full school year.

Circumstances which may be approved as personal days are listed below and on the Application for Personal Day. The Superintendent of Schools reserves the right to verify the reasons offered for personal day requests.

- Legal business which cannot be conducted outside of school hours
- Funeral (other than immediate family)
- Graduation in the immediate family
- Illness of someone in the immediate family or immediate household

- Observance of a religious holiday
- Home emergency
- Personal Day (1) (no reason necessary)
- Other (explanation necessary)

(E) BEREAVEMENT DAYS

The School Business Administrator is entitled to up to four (4) bereavement days, following a death in his immediate family.

"Immediate family" is defined as the employee's wife, legal domestic partner, children, parents, grandchildren, grandparents, brothers, sisters, brothers-in-law and sisters-in-law of either the employee or his spouse/legal domestic partner, and any other person who resides in the employee's household.

A fifth (5th) bereavement day may be requested for any of the following circumstances:

- Funeral travel exceeding 200 miles round trip
- Delay of funeral due to extenuating circumstances
- Established religious customs

7. MEDICAL INSURANCE

The Board shall provide the School Business Administrator with the same level of medical insurance coverage that other employees in the District receive at the same rate of contribution. In addition, the School Business Administrator shall contribute toward his health care benefits, in accordance with the requirements of P.L. 2011, Chapter 78, as may be amended during this Employment Agreement, which shall be deducted from the School

Business Administrator's salary and paid in equal installments in accordance with the payroll schedule for all other certified staff.

8. TRANSPORTATION

The School Business Administrator shall be reimbursed for his travel outside the county to attend meetings and conferences in connection with the performance of his duties at the applicable current state mileage rate, and in accordance with OMB Regulations.

9. SALARY REDUCTION ANNUITY PROGRAM

The Business Administrator shall have the right at any time prior to the commencement of, or at any time during the Business Administrator's employment, to take a reduction in salary and require the Board to use an amount corresponding to such reduction to purchase a tax sheltered annuity and/or mutual fund investment in accordance with N.J.S.A. 18A:66-127 et. seq. and applicable tax laws, including Sections 403(b) and 457 (b) of the Federal Internal Revenue Code. The maximum amount of reduction in salary authorized shall be the maximum tax deferral amount permitted by the Federal Internal Revenue Code.

10. PROFESSIONAL DEVELOPMENT

The Board shall pay the annual dues for the School Business Administrator's membership in the New Jersey Association of School Business Officials (NJASBO), Bergen County ASBO and ASBO International. The School Business Administrator may attend two (2) state, regional or national conferences and the New Jersey School Boards Association fall conference, with the approval of the Board. Subject to the Board's prior approval, the Board agrees to reimburse the School Business Administrator for reasonable expenses incurred for

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attendance at conferences in accordance with the provisions of and the limitations set forth in board policy, N.J.S.A. 18A:11-12, N.J.A.C. 6A:23A-7.1 et seq., the provisions of Circular 08-13-OMB and any subsequent circular letters which may be issued by the State Office of Management and Budget, and subject to the limits of budgeted funds. Vouchers, together with receipts, which support the request for reimbursement, shall be submitted to the Board for its review and approval.

11. INDEMNIFICATION

The Board shall indemnify and hold the School Business Administrator harmless in accordance with the provisions of N.J.S.A. 18A:16-6 and N.J.S.A. 18A:16-6.1 for any act or omission arising out of and in the course of the performance of his duties, unless otherwise prohibited by law.

12. TERMINATION OF THE SCHOOL BUSINESS ADMINISTRATOR

(A) Death of the School Business Administrator.

(B) In the event the School Business Administrator's certification is permanently revoked, all provisions of this Agreement shall automatically terminate. If the School Business Administrator is lawfully precluded from performing his duties by any judgment, order or direction of any court of competent jurisdiction or the State Board of Education, the State Board of Examiners or the Commissioner of Education, all provisions of this Agreement shall terminate and the School Business Administrator's employment shall cease.

(C) Mutual agreement by the parties.

(D) Except as otherwise prohibited by law, either party may terminate this Employment Agreement by providing sixty (60) days notice to the other party.

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13. APPLICABLE LAW

This Agreement shall be subject to the laws of the State of New Jersey.

14. SAVINGS CLAUSE

If during the term of this Employment Agreement, it is found that a specific clause of this Employment Agreement is contrary to federal or state law, the remainder of the Employment Agreement not affected by such a ruling shall remain in full force and effect. The parties hereto represent to each other that they fully understand the terms and conditions of this Employment Agreement, and agree to be bound by same pursuant to the rules and regulations of the Department of Education and the laws of the State of New Jersey.

15. CONFLICTS

In the event of any conflict between the terms, conditions and provisions of this Agreement and the provisions of the Board's policies or any permissive federal or state law, the terms of this Agreement shall take precedence over the contrary provisions of the Board's policies or any such permissive law, unless otherwise prohibited by law.

16. MODIFICATION

The terms and conditions of this Employment Agreement shall not be modified except by the written consent of both Parties hereto and review and approval by the Executive County Superintendent. Any amendments to this Employment Agreement shall not create a new agreement or agreement term but shall only constitute an amendment to the existing Employment Agreement.

17. BINDING

This Agreement is made for the benefit of both parties hereto and all who succeed to their rights and responsibilities.

18. REPRESENTATIONS

The parties represent to each other that they fully understand the terms and conditions of this Agreement and agree to be bound by all of its terms. The School Business Administrator acknowledges that he has been afforded the opportunity to obtain the advice of an attorney of his own choice prior to executing this Agreement.

IN WITNESS WHEREOF, the Board has caused this Agreement to be approved on its behalf by a duly authorized officer and the School Business Administrator has approved this Agreement.

WITNESS:

RUTHERFORD BOARD OF EDUCATION

Dated:

By

KEVIN McKEAN
President

WITNESS:

Dated: 7/16/18

By

JOSEPH P. KELLY

RUTHERFORD PUBLIC SCHOOLS

Rooted in Excellence

176 Park Avenue, Rutherford, NJ 07070

Fax: 201-939-6350

JOHN J. HURLEY
Superintendent of Schools
Phone: 201-939-1717

JOSEPH P. KELLY
Business Administrator/Board Secretary
Phone: 201-939-1718

June 28, 2018

New Jersey Department of Education
Bergen County Office
One Bergen County Plaza
3rd Floor, Suite 350
Hackensack, NJ 07601-7076

Attn.: Mr. Joseph Zarra, Interim Executive County Superintendent of Schools

RE: Employment Contract Review – Joseph Kelly, Business Administrator

Dear Mr. Zarra:

Attached please find a draft of the 2018/19 employment contract for Mr. Kelly.

Please note the following:

1. The proposed 2018/19 salary reflects a 3.0% increase, consistent with that provided to other administrators in the district.
2. The contract includes provisions for two merit bonuses, one qualitative and one quantitative.
3. No other changes have been made in the contract, relative to the 2017/18 contract.
4. Attached is an analysis of compensation paid to other Bergen County Business Administrators, as support for compensation for Mr. Kelly in 2018/19 in excess of 2%. The analysis is based on a survey conducted by BCASBO in 2017/18. You will note that, while Rutherford is an above-average size district in Bergen County in terms of budget and enrollment (ranked 15 and 11, respectively, out of 53 reporting districts), and Mr. Kelly has an above-average length of experience, his compensation is currently lower than most other BA's (ranked 29). Further, Rutherford ranks 41st in Bergen when analyzing compensation as a percent of the district's budget, 43rd when including Assistant Business Administrators in the analysis, where applicable. Mr. Kelly also holds CPA and QPA certificates and has an MBA degree, one of only six in the survey who holds both a Master's degree and a CPA license.

We appreciate your consideration of Mr. Kelly's contract and supporting documentation. Please do not hesitate to let me know if you have any questions or require any additional information.

Best regards,


John J. Hurley
Superintendent of Schools

124-50-5812

The State of New Jersey

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Department of Education
State Board of Examiners
Standard Certificate


Issued Expires
06/05

This is to certify that
JOSEPH P KELLY

County District
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Has met all of the requirements established by the State Board of Education and is authorized to serve in the public schools of New Jersey as indicated below:

School Business Administrator



Commissioner of Education



Secretary, Board of Examiners