

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made this 16 day of December, 2017, between Peninsula Township (the "Township") and Frederick Gilstorff (the "Chief" or "Employee").

The Township hereby desires to employ the services of Frederick Gilstorff as its Fire Chief, and he hereby accepts such employment in accordance with the terms and conditions of this Agreement.

1. **Term.** Employee's employment under this Agreement shall commence on December 1, 2017 (the "Effective Date") and shall continue through December 1, 2019, subject to the limitations described in Section 6. Neither party shall have any obligation to renew this Agreement.

Either party shall give the other party written notice no later than ninety (90) calendar days from the expiration of the contract, whether it intends to renew the Agreement. If neither party gives such notice, this Agreement shall be extended on for twelve (12) months.

2. **Duties of the Chief.** Employee's duties are described on the attached job description. Overall direction, such as policy issues or budget, shall be given by the Township Board of Trustees. The Township Supervisor shall be Employee's direct supervisor. Day-to-day assignments will be assigned by the Personnel Committee, which is comprised of the Township Supervisor, Township Clerk and Township Treasurer. The Chief agrees to devote his full time, attention and best efforts to the performance of such duties. The Chief also shall perform such additional duties assigned by the Township, as are within the general realm of the Employee's position with the Township. The regular work schedule of the Chief shall normally be 7:00 a.m. to 3:00 p.m., Monday-Friday, unless changed by mutual agreement. When not on an approved leave of absence, the Chief shall be on call and shall respond to fire and medical emergencies or operational issues, as necessary at the Chief's discretion. The Chief shall receive a flat payment of One Hundred Dollars (\$100.00), less taxes and deductions, per run for these responses for fire runs and major medical calls (such as heart attacks or significant car accidents) which do not occur during his regular work shift. The Chief may take time off, with the prior approval of the Personnel

Committee, to recognize the time spent at conducting training and special events which occur outside of his regular work schedule. The Chief shall also attend Board or Committee meetings outside normal work hours, as directed by the Township Supervisor, and Township Board of Trustees. The Chief shall receive the same per diem payment as other non-union administrative employees when required to attend Township Board or Committee meetings outside normal work hours.

3. **Salary.** Commencing with the Effective Date hereof, the Township agrees to pay the Chief a salary sufficient to provide the Chief annual compensation of Seventy Thousand Dollars (\$70,000.00). Employee shall be eligible for an annual increase in salary if deemed appropriate by the Township Board of Trustees. Upon the Fire Department becoming certified and operational as providing Advanced Life Support (ALS) services on a 24-hour/7-day per week basis, the Chief's annual salary shall be increased by Five Thousand Dollars (\$5,000.00). The Chief shall be paid in equal installments, during the Township's regular payroll periods.

4. **Fringe Benefits.** Commencing ninety (90) calendar days after his first day of employment [except for: (1) the vehicle described in subsection A, which may be used immediately; (2) the Township's health and life insurance plans described in Sections C and D, which begin January 1, 2018; and 3) the Township's defined contribution 401A and 457 Deferred compensation plans described in Section B, which begin April 1, 2018], the Township shall provide the Employee the following benefits:

- A. Employee may use a Township owned vehicle for Township-related business (and commuting to-and-from work) so that he may immediately respond to a fire or medical emergency. This vehicle may not be used for non-work-related travel or outside of the Township, except for local work-related meetings (such as coordination with other area Fire Chiefs).
- B. On April 1, 2018, Employee will be enrolled in the Township's defined contribution 401A plan. The Township will contribute Thirteen Percent (13%) of the Chief's W-2 Total Compensation to the defined

contribution plan. Employee shall vest in the Township's contributions after twenty (20) months from date of entry into the 401A Plan.

Employee may elect to participate in the Township's Section 457 Deferred Compensation Plan on or after April 1, 2018 during his employment with immediate vesting.

- C. On January 1, 2018, Employee, his spouse, and dependents under the age of 27 will be eligible for health insurance benefits from the Township. Employee shall be eligible for the same payment in lieu of health care coverage available to other non-union administrative employees. Employee shall make the same contribution (currently 15%) to the health insurance premium as other non-union administrative employees who are enrolled in the Township's health insurance plan.
- D. On January 1, 2018, the Township shall provide Employee with the same life insurance and Accidental Death and Dismemberment (as

defined by the policy's Scheduled Benefit for injuries) policy as other full-time employees, up to Fifty Thousand Dollars (\$50,000). The Township shall pay the premium of such Term Life insurance policy.

E. Employee may elect to enroll in other voluntary insurance offered through AFLAC to full-time employees of the Township.

F. The Township shall provide Chief with standard Fire Department uniforms consistent with the Township's uniform policy.

G. The Township shall pay for required licenses and certifications and any continuing education courses necessary to retain those licenses and certifications.

H. The Chief will be entitled to the same paid holidays as Township non-union administrative employees as described in the Township's Personnel Policy Manual.

I. Employee will be eligible for participation in the Township's Health Savings Account Plan, if he is enrolled in the Township's health

insurance plan. The Township will contribute One Thousand Three Hundred Dollars (\$1,300) to the Employee's Health Savings Account annually beginning the first payroll in March 2018, and re-occurring with the first payroll in January subsequent years. If Employee voluntarily resigns after receiving the annual payment, he shall repay a prorated portion of the Employer's contribution consistent with Township policy.

- J. It is the Township's preference that the Chief live in Peninsula Township. The Chief must live within twenty (20) miles of the Township. The Chief shall receive a Five Thousand Dollar (\$5,000) annual bonus, payable on March 31, 2018 and on March 31st each year thereafter. Employee is required to reside in the Township and retain his ALS certification for twelve (12) months after receiving the annual bonus. Prior to March 31, 2018, payment shall be made monthly on a pro-rated basis [Four Hundred Sixteen and 67/100

Dollars (\$416.67)], based on full months actually worked in the first year of service; these monthly payments are conditioned on Employee residing in the Township and retaining his ALS certification for the full month. Thereafter, Employee must be on the payroll on March 31st of each year to receive the bonus.

- K. Except as provided in this Paragraph or Paragraph 5, Employee shall receive the same fringe benefits as Township non-union administrative employees.

5. **Vacation, and/or Sick Time.** Commencing ninety (90) calendar days after his first day of employment the Chief shall earn eight (8) sick leave, twenty (20) vacation, and three (3) personal leave days. Each day shall be credited as eight (8) hours. Employee is generally discouraged from taking more than ten (10) work days of vacation in succession to prevent disruption of services to Township residents. Currently, all vacation personal, and/or sick time expires December 31 of each year. Employee shall not be entitled to compensatory time off, except as described in Paragraph 2.

6. **Termination without cause.** The Township and/or Employee may terminate this Agreement with-or-without cause at any time, with-or-without notice.

If the Chief's employment is terminated without cause by the Township on or before December 1, 2019, the Township shall pay the Chief the remainder of his salary through December 1, 2019, less applicable taxes and deductions, payable bi-weekly ("severance pay"). Employee shall not be eligible for severance pay if he is terminated for just cause or voluntarily resigns. "Just cause" shall be as commonly defined by labor relations arbitrators, but shall include, but not be limited to, (1) conviction of a felony or misdemeanor, (2) sexual, racial or ethnic harassment, (3) poor attendance unrelated to a disability, (4) dishonesty or embezzlement, (5) poor work performance or inattention to duties, (6) violation of Township or Departmental Rules designated as a dischargeable offense, or (7) insubordination.

7. **Arbitration.** Arbitration shall be the sole and exclusive remedy to redress any dispute, claim or controversy ("grievance") involving a claim by Employee that he was terminated without cause prior to December 1, 2019 and therefore entitled to severance pay

until December 1, 2019. Judgment on the arbitrator's award may be entered in any court having jurisdiction thereof. It is the intention of the parties that the arbitration decision will be final and binding and that all grievances shall be disposed of as follows:

- A. Any and all grievances must be submitted in writing by Employee within ninety (90) calendar days of the alleged violation.
- B. Within thirty (30) calendar days following the submission of the written grievance, the Township shall respond in writing. If no written response is submitted within thirty (30) days, the grievance shall be deemed denied.
- C. If the grievance is denied, Employee may, within thirty (30) calendar days of such denial, refer the grievance to arbitration. Unless Employee and the Township mutually select an arbitrator within ten (14) calendar days of Employee's referral of the grievance to arbitration, the arbitrator shall be chosen in accordance with the Voluntary Labor Arbitration Rules of the American Arbitration Association then in effect. The

expense of the arbitrator's fee and any filing fee shall be borne by the Township. Each party may be represented by counsel at the arbitration hearing.

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 whether Employee was terminated without cause prior to December 1, 2019 and whether he is entitled to severance pay through December 1, 2019. The arbitrator shall issue a written opinion after the conclusion of the hearing. The arbitrator shall have authority to swear witnesses, and subpoena witnesses and documents. Arbitration is the Employee's exclusive remedy with respect to any grievance regarding severance pay. 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 regarding whether Employee was terminated without cause and whether he is entitled to severance pay. The arbitration provisions hereof shall, with respect to any grievance, survive

the termination or expiration of this Agreement. Nothing in this Paragraph is intended to require Employee to arbitrate disputes arising out of an alleged violation of a statutory right, such as age discrimination.

8. **Performance Evaluation.** The Township may conduct an evaluation of Employee's performance after ninety (90) and one hundred eighty (180) calendar days and no less than once each calendar year. The evaluation shall be on a form approved by the Township Board of Trustees. A copy of the evaluation form shall be given to Employee at the start of the evaluation period. Employee may elect to have meetings with the Township Board of Trustees about his performance evaluation in open or closed session, in accordance with the Open Meetings Act.

9. **Notices.** All notices under this Agreement shall be given in writing.

10. **Entire Agreement.** This Agreement is the entire agreement of the parties and supersedes any prior written or oral understandings. No extrinsic or oral evidence may be used to modify, vary or construe its terms. No modification or waiver of any provision of this Agreement shall be valid unless in writing and signed by Employee and the Supervisor

and Township Clerk, upon prior authorization of the Township Board of Trustees. Oral statements made by any representative, elected official or employee of the Township cannot alter the terms of this Agreement.

11. **Assignment.** The Chief may not assign any of his rights or delegate any of his duties under this Agreement.

12. **Severability.** The provisions of this Agreement are severable, and if any provision of this Agreement shall be, for any reason, invalid or unenforceable, the remaining provisions shall nevertheless be valid, enforceable, and carried into effect.

13. **Governing Law.** This Agreement shall be governed by and interpreted under the laws of the State of Michigan.

14. **Binding Effect.** The rights and obligations of the parties shall accrue to the benefit of, and be binding upon, the parties and their respective heirs, executors, personal representatives and successors.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the day and date first above written.

WITNESS

PENINSULA TOWNSHIP

Township Supervisor

10/5/17

Township Clerk

10/05/2017

Frederick Gilstorff