

RESOLUTION E06-16

APPROVAL OF MODIFICATION TO PRESIDENTIAL EMPLOYMENT AGREEMENT AND MERIT INCREASE

WHEREAS, the Shawnee State University Board of Trustees entered into a Presidential Employment Agreement with Dr. Rick Kurtz effective July 1, 2015; and

WHEREAS, the Presidential Employment Agreement includes terms that address compensation and benefits along with conditions of employment; and

WHEREAS, pursuant to Board of Trustee Policy 1.03REV, the Executive Committee of the Board of Trustees is responsible for conducting an annual performance evaluation of the President and the Executive Committee may make recommendations to the full board for a compensation adjustment or modification to the Presidential Employment Agreement; and

WHEREAS, the Presidential Employment Agreement requires the President, as a condition of employment, to, on a regular and on-going basis, conduct University business, such as holding meetings, receptions and other events at the Presidential Residence and that, upon review, the Board of Trustees now desires the President to focus his university activities on campus, which has facilities that provide a variety of settings suitable for various University purposes, and, as such, will necessitate the establishment of a rental charge to the President for the Presidential Residence; and

WHEREAS, the Presidential Employment Agreement provides the President a University-owned automobile for the President's business and personal use and that, upon review, the Board of Trustees now desires to provide the President an automobile allowance to replace a University owned automobile, which would provide more flexibility for the President; and

WHEREAS, the University has a Supplemental Qualified Retirement Plan ("SQRP") and a Supplemental 415(m) Retirement Plan to make discretionary retirement contributions on behalf of a designated University employee, namely the University President, and that IRS regulations require the University to make annual contributions to maintain its qualified status and that the Presidential Employment Agreement does not address this benefit; and

WHEREAS, the Presidential Employment Agreement provides that the Board of Trustees may consider a merit increase that is tied to the annual performance review of the President and that such review has been conducted by the Executive Committee, which made a positive evaluation of President Kurtz, deserving a merit increase to the President's base salary;

THEREFORE, BE IT RESOLVED, that the Presidential Employment Agreement for Dr. Rick Kurtz be modified as follows:

1. Delete Paragraph 8.3 and replace with the following :

Effective no later than January 1, 2017, a rental charge based upon the rental value rate of the area will be assessed to the President. Such rate will include utilities and services as described in Paragraph 8.1. The University will at that time provide the President a housing allowance of \$3,000 per month, subject to appropriate withholdings and deductions.

2. Delete Paragraph 9.1 and replace with the following:

In lieu of providing an automobile, effective no later than January 1, 2017, the University shall provide the President an annual automobile allowance in the amount of \$7,200, subject to appropriate withholdings and deductions. All business related travel expenses incurred by the President in fulfillment of his duties as President will be reimbursed in accordance with University travel reimbursement policies.

3. Add Paragraph 5.4 with the following:

In addition to the retirement provisions described in this section, the University will make contributions to the University's established Supplemental Qualified Retirement Plan (SQRP) in accordance with the following schedule.

Contribution Date	Amount Credited
July 1, 2016	\$25,000
July 1, 2017	\$35,000
June 30, 2018	\$45,000

The University will not provide tax advice to the President regarding the tax effects of participation. The President is encouraged to consult with his own tax advisor concerning the federal, state, and local tax effects of the SQRP.

THEREFORE, BE IT RESOLVED, that President Kurtz be given a two percent merit increase to his FY15/16 base salary, effective July 1, 2016.

(August 19, 2016)