

RESOLUTION NO. 2012-56

AUTHORIZING A FIVE-YEAR CONTRACT EXTENSION WITH JOSEPH A. CALABRESE FOR THE POSITION OF GENERAL MANAGER/SECRETARY-TREASURER OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

WHEREAS, the Authority has entered into an employment contract with Joseph A. Calabrese pursuant to resolution No. 2000-28 and extended that contract pursuant to Resolution Nos. 2001-35, 2004-113 and 2008-37; and

WHEREAS, the employment contract between the Authority and Joseph A. Calabrese for the position of General Manager/Secretary-Treasurer is for a period of five (5) years to continue through February 28, 2015; and

WHEREAS, the Board has determined that Joseph A. Calabrese has done an exceptional job and it would be in the best interest of the Authority to extend the employment contract with Joseph A. Calabrese.

NOW, THEREFORE, be it resolved by the Board of Trustees of the Greater Cleveland Transit Authority, Cuyahoga County, Ohio.

Section 1. That the President of the Board of Trustees is hereby authorized to execute the extended employment contract with Joseph A. Calabrese through February 29, 2020 attached as Exhibit "A."

Section 2. That said employment contract shall be binding upon and an obligation of the Authority.

Section 3. That no further action shall be required by the Board of Trustees.

Section 4. That this resolution shall become effective immediately upon its adoption.

Attachment: Exhibit A

Adopted: June 18, 2012



President

Attest: 

CEO, General Manager/Secretary-Treasurer

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made by and between the GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY ("GCRTA"), an Ohio public employer, and JOSEPH A. CALABRESE ("Calabrese"), an individual.

GCRTA and Calabrese have agreed to continue their employment relationship and wish to establish the terms of that relationship in a written agreement extending the Employment Agreement between GCRTA and Calabrese (collectively referred to as the "Parties") effective from March 1, 2010 through February 28, 2015 ("Prior Employment Agreement"). Therefore, in consideration of the mutual promises made in this Agreement, the Parties hereby agree as follows:

1. Board of Trustees Action. On June ____, 2012, by Resolution 2012-____, the GCRTA Board of Trustees approved the extension of Calabrese's employment as the Chief Executive Officer, General Manager/Secretary-Treasurer of GCRTA (hereinafter referred to as "General Manager") under the terms and conditions provided herein.

2. Term of Employment. Subject to the provisions for termination as hereinafter provided in Paragraph 8 of this Agreement, this Agreement shall be effective as of March 1, 2012, and shall continue through February 29, 2020. At the end of this eight (8) year period, GCRTA may, but is not required to, offer continued employment to Calabrese for additional periods of time. If continued employment is offered to Calabrese, the terms and conditions for employment for that term will be memorialized in a formal Employment Agreement or in an amendment to this Agreement.

3. Regular Salary. For all services rendered by Calabrese under this Agreement, GCRTA shall pay Calabrese a salary of Two Hundred Forty Three Thousand Three Hundred Eighty Six Dollars and 00/100 (\$243,386.00) per annum, retroactive to April 1, 2012 and payable in accordance with GCRTA's standard payroll practices for salaried employees, plus any periodic upward salary adjustments that may be generally granted to all GCRTA employees. This salary includes a \$20,000 increase in Calabrese's base salary, which is given in lieu of future annual bonuses. Calabrese's base salary will be fairly reviewed during the remaining years of this Agreement, and may be reasonably increased annually in an amount determined by GCRTA based upon the performance of Calabrese as General Manager as provided in this Agreement. Should Calabrese's employment be terminated in accordance with Paragraph 8 of this Agreement, Calabrese shall not be entitled to any salary for the remaining portion of the term of this Agreement.

4. No Annual Bonus. Calabrese will not be eligible for performance bonuses for 2012 or the remaining term of this Agreement.

5. Benefits. Calabrese shall be entitled to such life insurance, health insurance, pension programs and other executive benefit programs as GCRTA generally provides to its executive staff employees including commuter privileges and access to a vehicle in accordance with GCRTA's Non-Revenue Vehicle Use and Assignment Policy.

6. Deferred Compensation. In addition to the compensation outlined in paragraph 3 of this Agreement, for each full year of employment Calabrese serves as General Manager under this Agreement, GCRTA shall contribute Seventeen Thousand Five Hundred and 00/100 Dollars (\$17,500.00) in deferred compensation into the Ohio Public Employees Deferred Compensation Program in accordance with its standard practice for executive employees. Any Deferred Compensation amounts that have been carried over from a prior year due to annuals limits on deferred compensation under the Ohio Public Employees Deferred Compensation Program shall be

remitted to the Ohio Public Employees Deferred Compensation Program as soon as administratively practicable during the following calendar year. In the event that Calabrese's employment is terminated, any accrued Deferred Compensation amounts that have not been remitted to the Ohio Public Employees Deferred Compensation Program shall be paid to Calabrese in cash as soon as administratively practicable following such termination. In addition, Calabrese shall have the right to contribute an additional portion of his Regular Salary to the Ohio Public Employer Deferred Compensation Program, subject to any applicable limits of such Program and/or other applicable law.

7. Vacation. In each year of employment under this Agreement, Calabrese shall receive paid vacation per GCRTA policy. Any unused portion of paid vacation for a given year can be continued into subsequent years within the term of this Agreement or any extension thereof. In the event of Calabrese's termination of employment with GCRTA, GCRTA shall pay Calabrese the value of any accrued but unused vacation as of the date of such termination of employment or expiration of this Agreement

8. Termination of this Employment Agreement.

8.1 Termination by Notice. Except as otherwise provided in Section 8.2 or Section 8.3, this Agreement may be terminated by either GCRTA or Calabrese, at either Party's discretion, upon the expiration of thirty (30) days after written notice is mailed (by certified United States mail) or personally delivered by the terminating Party to the other Party. GCRTA shall have the sole discretion to determine whether Calabrese shall continue to render services hereunder during such notice period. Notwithstanding the foregoing, for any termination under this Section 8.1, GCRTA shall continue to pay Calabrese's Regular Salary during the notice period.

8.2 Calabrese's Death. Notwithstanding Section 8.1 or any other provision herein, this Agreement shall terminate automatically, immediately and without prior notice upon Calabrese's death.

8.3 Termination for Cause. This Agreement may be terminated by GCRTA at any time, without notice, for just cause, which shall include Calabrese's fraud, dishonesty, theft, conviction of a crime involving immoral conduct, and gross failure to properly perform or discharge his duties as General Manager.

9. Severance Pay. If Calabrese's employment is terminated in accordance with Sections 8.1 or 8.2 of Paragraph 8, GCRTA shall pay Calabrese severance pay equivalent to six (6) months of his Regular Salary. If Calabrese's employment is terminated by GCRTA in accordance with Section 8.3 of Paragraph 8, GCRTA may, but is not required to, offer Calabrese severance pay equivalent to six (6) months, of his Regular Salary.

Any offer of severance pay associated with a termination of employment by GCRTA under Section 8.3 of Paragraph 8 shall be contingent upon Calabrese's execution of an appropriate waiver and release of claims.

10. Annual Objectives for Salary Increases; Performance Review.

a. Annual performance objectives for Calabrese for the each year of this Agreement, or any extension thereof, shall be established and mutually agreed to during the months of January through March of each respective year.

b. The annual performance review by the Board of Trustees of Calabrese for the previous year to determine any compensation increase will occur in the months of January through March simultaneous with the establishment of performance objectives for the new year.

c. Any salary or compensation increase based upon the annual performance review will take effect during the month of April.

11. Duties and Responsibilities as General Manager. Calabrese shall devote his best business and professional skills, knowledge, and experience to the lawful business affairs of GCRTA. In all events, Calabrese shall expend the time and effort necessary to fulfill his duties and responsibilities pursuant to this Agreement, and shall use all reasonable efforts to perform his duties and responsibilities as General Manager. The duties and responsibilities of the General Manager are fully set forth in the Bylaws of the Greater Cleveland Regional Transit Authority as may be amended. Calabrese shall faithfully, honestly, and diligently perform his obligations under this Agreement and shall exert his best efforts to promote and enhance the efficient operation and functioning of the GCRTA in accordance with GCRTA's policies and Bylaws.

12. Confidential Information. As General Manager, Calabrese is privy to certain data and information that is confidential and proprietary to GCRTA. Calabrese agrees that all information furnished or disclosed to him by GCRTA (as well as work product developed by Calabrese during the term of his employment) shall be property of GCRTA, shall be maintained in confidence by Calabrese and shall not be disclosed to any person or entity or used by Calabrese in any way, except as specifically authorized by GCRTA. Nothing in the foregoing is meant to preclude disclosure of information as required by federal, state or local law. Calabrese's obligation to protect the confidentiality of GCRTA information shall survive the termination of this Agreement. Calabrese further agrees that, at the termination of this Agreement, he will immediately return all data, documents, property, and other information that he received from GCRTA or that he used during the term of this Agreement.

13. Defense of Actions. GCRTA shall defend, indemnify, and hold Calabrese harmless from and against any court actions or lawsuits against Calabrese (including the costs and expenses of defending against such actions and liabilities arising therefrom) for any action taken during the

normal performance of duties and responsibilities of General Manager in accordance with the Bylaws of the Greater Cleveland Regional Transit Authority and Ohio Revised Code Chapter 2744.

14. Headings and Captions. The headings and captions designated in this Agreement are for convenience only and shall not be used to interpret, enlarge or limit any provision of this document.

15. Amendments. This Agreement may be amended or modified only by means of a written instrument executed by both GCRTA and Calabrese.

16. Ohio Law. The laws of the State of Ohio shall govern all disputes, controversies and litigation arising under this Agreement.

17. Notice. Any notice required to be given by the Parties hereto shall be deemed to have been given on the day personally delivered, or if not personally delivered, on the day such notice is mailed by the United States certified mail, return receipt requested, addressed as follows:

- a. To GCRTA
President, Greater Regional Transit Authority Board of Trustees
1240 West Sixth Street
Cleveland, OH 44113
- b. To Calabrese:
At the last residence address
Calabrese provided to GCRTA

18. Severability. If any provision of this Agreement is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Agreement, and the Agreement shall be construed and enforced as if such provision had not been included herein.

19. Entire Agreement. This Agreement constitutes the entire agreement and understanding between GCRTA and Calabrese, and supersedes all prior agreements and understandings, whether written, oral or implied, between GCRTA and Calabrese with respect to the subject matter hereof, notwithstanding the fact that the Prior Employment Agreement between the Parties shall remain in full force and effect until its termination date on March 1, 2020. The Parties

represent that they have read this entire Agreement, understand its terms, conditions and obligations, and enter into this Agreement without duress or coercion.

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, taken together, shall constitute a single instrument.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties on the date set forth below.

**GREATER CLEVELAND REGIONAL
TRANSIT AUTHORITY**

Date: _____

By: _____

Its: _____

Date: _____

JOSEPH A. CALABRESE

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