

CONTRACT OF EMPLOYMENT
School Administrator

It is hereby agreed by and between the Board of Education of the Harper Creek Community Schools (hereinafter "Board") and John Severson (hereinafter "Administrator") that pursuant the Revised School Code, the Board in accordance with its action found in the minutes of its meeting held on the 8th day of August, 2011, has and does hereby employ John Severson for a three (3) year period commencing on July 1, 2011 and ending on June 30, 2014, according to the terms and conditions as described and set forth herein as follows:

1. Administrator shall perform the duties of Superintendent as prescribed by the Board and as may be established, modified and/or amended from time to time by the Board. Administrator acknowledges the ultimate authority of the Board with respect to his responsibilities and directions related thereto.

2. Administrator represents that he possesses, holds and will maintain all certificates, credentials and qualifications required by law, including the regulations of the Michigan Department of Education, and those required by the Board to serve in the position assigned. Additionally, Administrator agrees, as a condition of his continued employment, to meet all continuing education requirements for the position assigned, as are and may be required by law and/or by the State Board of Education and by the North Central Association. If at any time Administrator fails to maintain all certificates, credentials, continuing education requirements and/or qualifications for the position assigned as required herein, this Contract shall automatically terminate and the Board shall have no further obligation hereunder.

3. Administrator agrees to devote his talents, skills, efforts and abilities toward competently and proficiently fulfilling all duties and responsibilities of the position assigned. Administrator agrees to faithfully perform those duties assigned by the Board and to comply with the directives of the Board with respect thereto. Further, Administrator agrees to comply with and fulfill all responsibilities and tasks required by state and federal law and regulations and by the Board to carry out the educational programs and policies of the Harper Creek Community Schools during the entire term of this Contract. Administrator pledges to use his best efforts to maintain and improve the quality of the operation of the school district and constantly promote efficiency in all areas of his responsibility.

4. Administrator shall be paid at an annual (twelve month) salary rate of One Hundred Twenty-Two Thousand Dollars (\$122,000) in consideration of his performance of the duties and responsibilities of the position assigned in conformance with the requirements and expectations of the Board. The annual salary shall be paid in twenty-six (26) equal bi-weekly installments beginning with the commencement of the fiscal/contract year (July 1 - June 30).

The Board hereby retains the right to increase the annual salary of Administrator during the term of this Contract. Any increase in salary made during the term of this Contract shall be in the form of a written amendment and, when executed by Administrator and the Board, shall become a part of this Contract.

5. Administrator is employed on the basis of fifty-two (52) weeks of work per contract/fiscal year (July 1 through June 30) as scheduled by the Board. Administrator shall be granted vacation time of twenty (20) days per contract year (July 1-June 30). Vacation days must be used within the fiscal year for which they are made available and Administrator shall not receive any additional compensation in lieu of use of vacation days. Administrator shall schedule use of vacation days in a manner to minimize interference with the orderly operation and conduct of business of the school district. All scheduling of vacation is subject to the approval of the Board.

Additionally, Administrator shall not be required to render services for the School District on the following holidays:

- Fourth of July
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas (2 days)
- New Years (2 days)
- Good Friday
- Memorial Day

6. Administrator's performance shall be evaluated by the Board.

7. The Board shall be entitled to terminate the Administrator's employment at any time during the term of this Contract for reasons that are not arbitrary or capricious including, without limitation, for acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetency, inefficiency or if Administrator materially breaches the terms and conditions of this Contract.

The foregoing standards for termination of this Contract during its term shall not be applicable to non-renewal of this Contract at the expiration of its term, which decision is discretionary with the Board.

In the event that the Board undertakes to dismiss Administrator during the term of this Contract, he shall be entitled to written notice of charges and an opportunity for a hearing before the Board. In the event of termination of employment during the term of this Contract, this Contract shall automatically terminate and the Board shall have no further obligation hereunder.

8. In the event of Administrator's mental and/or physical incapacity to perform the duties of his office, he shall be granted an initial leave of ninety (90) work days for purpose of recovery. The Administrator shall first exhaust any accumulated sick leave and accrued vacation time, with the balance of the ninety (90) work day period to be unpaid. Health plan premium payments shall be made on behalf of Administrator during this interval to the extent required by law. Upon utilizing leave under this provision, Administrator shall furnish medical certification to the Board (or its designee) respecting the necessity for the leave.

If the Board (or designee) has reason to doubt the validity of the medical certification supplied by Administrator, it may require a second opinion, at Board expense.

Administrator may request a ninety (90) work day unpaid leave extension in the event of his physical and/or mental inability to return to work at the expiration of the initial leave interval, as described above, provided that there is a verified prognosis that Administrator will be able to resume his duties at the conclusion of the extended leave interval. Medical certification shall be supplied by Administrator as a condition to any leave extension. Any extensions of leave for this purpose shall be at the discretion of the Board.

If Administrator is unable to or does not resume work at the conclusion of a leave taken under this paragraph (or any extension thereof), his employment and this Contract may be terminated at the option of the Board. However, no such termination shall occur where restoration after leave is required by the Family and Medical Leave Act.

Prior to resumption of duty after an unpaid leave of absence for a serious health condition, Administrator shall provide to the Board a fitness for duty certification from Administrator's health care provider. A second opinion may be required by the Board, at its expense, unless the securing of the second opinion in this context is precluded by the Family and Medical Leave Act.

9. Administrator agrees that he shall not be deemed to be granted continuing tenure in the position initially assigned or to which he may be assigned or transferred or in any capacity other than that of a classroom teacher, should the probationary period required for tenure as a teacher be fulfilled, by virtue of this Contract or any employment assignment (requiring certification) with the School District. Nor shall the decision of the Board not to continue or renew the employment of Administrator for any subsequent period in any capacity, other than as a classroom teacher, to the extent that may be required by the Teachers' Tenure Act, be deemed a breach of this Agreement or a discharge or demotion within the provisions of the Michigan Teachers' Tenure Act.

10. Administrator shall submit to such medical examinations, supply such information and execute such documents as may be required by any underwriter, policyholder or third party administrator providing insurance programs specified under this Contract. Additionally, upon request of the Board, Administrator shall authorize the release of medical information necessary to determine if Administrator is capable of performing the essential job functions required by his assignment, with or without reasonable job accommodation(s). Any physical or mental examination or disclosure of such information required of administrator by the Board shall be job related and consistent with business necessity. Any medical or psychological examination under this section shall be at Board expense. Any information obtained from medical or psychological examinations or inquiries shall be considered and treated as confidential.

11. Upon proper application and acceptance for enrollment by the appropriate insurance underwriter, policyholder and/or third party administrator, the Board shall make premium payments on behalf of Administrator and their eligible dependents for the following insurance programs:

Health insurance – PriorityHSA Point of Sale (POS) 100/80

Dental insurance – ADN Administrators 80/80/80 \$1300

Term life insurance – \$75,000

Vision insurance – National Vision Administrators (NVA)

- A. Administrator's eligibility to participate in as well as regulation of Board-sponsored medical, dental and optical coverage (or compensation options, in lieu of such program, as specified in the Section 125 Cafeteria Plan) for Administrator and his eligible dependents shall be determined by the Harper Creek Community Schools Cafeteria Plan as originally enacted by the Board of Education on September 28, 1992 and as may be amended or modified consistent with the provisions of Article 8 of that Plan, entitled Amendment and Termination of Plan.
- B. The foregoing Section 125 Cafeteria Plan is hereby incorporated by reference and shall prevail over any expressly conflicting or contrary terms of the individual Contract of Employment. However, in no event shall Administrator's eligibility to participate in the aforementioned Cafeteria Plan extend beyond the expiration date of the Contract of Employment, unless otherwise required by law.
- C. It is the responsibility of Administrator to comply with all requirements for eligibility, enrollment and coverage specified in the Cafeteria Plan and/or by any insurance carrier, insurance policyholder or third party administrator pertaining to the underlying benefit plans set forth in the Cafeteria Plan. These responsibilities shall include, but shall not be limited to, initial enrollment and submission of all information necessary for claims processing and/or claims administration.
- D. Any and all disputes regarding coverage and claims with respect to the foregoing insurance plans shall be solely between the Administrator and insurance carrier, policyholder and/or

third party administrator. Any disputes relative to the administration and/or operation of the Harper Creek Community Schools Cafeteria Plan shall be resolved in conformance with Article 7 of that Plan, entitled Claims Procedures.

It is agreed that the sole obligation of the Harper Creek Community Schools shall be to make such premium or other payments as may be authorized by the Cafeteria Plan during the period of Administrator's eligibility for participation in that Plan.

- E. Administrator acknowledges that he has been provided with a copy of the Harper Creek Community Schools Cafeteria Plan as well as a Summary Plan Description of the same Plan and fully accepts the conditions stated therein as regulating his access to and participation in insurance benefit programs (or compensation options, in lieu of such programs) for which the premium is paid by the Board.

In the event that Administrator waives available coverage(s) under the Cafeteria Plan and thereby elects to receive additional compensation, pursuant to the terms of the Plan, any direction of that compensation to a tax deferred annuity under Section 403(b) of the Internal Revenue Code or to any other tax-deferred investment within the meaning of Section 1224 of the Revised School Code shall be regarded as a voluntary and elective contribution made by Administrator through salary reduction.

- F. Nothing in the individual Contract of Employment or the Harper Creek Community Schools Cafeteria Plan shall be construed as a representation, characterization or warranty by the Board regarding the taxable or non-taxable status of such benefits or amounts received in lieu of enrollment in fringe benefit program(s). Administrator agrees that he accepts full responsibility for all taxation (state, federal and local) consequences which may result from his participation in the Harper Creek Community Schools Cafeteria Plan or from the selection of any benefit or compensation alternative provided pursuant to the terms of that Plan.

12. The Board shall pay the premium to provide a \$150,000 term life insurance policy (with Administrator as named insured), with Accidental Death and Dismemberment, for the Administrator. Upon termination of employment, the Administrator has the right of conversion within thirty-one (31) calendar days.

13. The Board reserves the right to change the identity of the insurance carrier, policyholder or third party administrator for any of the coverages specified in paragraphs 11 and 12 of this Contract, provided that comparable coverage, as determined by the Board, is maintained during the term of the Contract. The Board shall not be required to remit premiums for any insurance coverages for Administrator and his eligible dependents if enrollment or coverage is denied by the insurance underwriter, policyholder or third party administrator.

14. If Administrator is absent from duty on account of personal illness or disability, he shall be allowed full pay for up to twelve (12) days per contract year accrued at the rate of one (1) day per month while Administrator is under contract. Unused paid leave days hereunder shall be cumulative without limitation.

15. Administrator shall be allowed up to two (2) days per contract year for the purpose of attending to personal business which cannot be accomplished outside of Administrator's normal work hours. Unused personal business days shall, at the conclusion of the contract year, be added to Administrator's accumulated personal illness/disability leave.

16. Administrator shall be eligible to be reimbursed for travel, meals and lodging in accordance per diem expense and reimbursement procedures established by the Board. Administrator shall be required to present an itemized account of his reasonable and necessary expenses in accordance with direction of the Board or its designees.

Mileage in connection with Administrator's job duties inside the boundaries of the Calhoun Intermediate School District shall be reimbursed at a limit of \$4,500 per contract year. Mileage shall be reimbursed at the IRS rate for job-related travel by Administrator outside of the boundaries of Calhoun Intermediate School District.

17. Subject to prior approval of the Board, the fees or dues for Administrator's membership in appropriate professional organizations shall be paid by the Board. Subject to prior approval by the Board, the Administrator may attend appropriate professional meetings at the state and national levels and may be reimbursed for any registration fees, travel, lodging and/or reasonable meal expenses for himself/herself in relation thereto.

18. The Board agrees to pay the premium amount for errors and omissions insurance coverage for Administrator while engaged in the performance of a governmental function and while the Administrator is acting within the scope of his authority. The policy limits for this coverage shall be not less than \$1,000,000. The terms of the errors and omissions insurance policy shall be controlling respecting defense and indemnity of Administrator. The sole obligation undertaken by the Board shall be limited to the payment of premium amounts for the above errors and omissions coverage. In the event that such insurance coverage cannot be purchased in the above amounts and/or at a reasonable premium rate, the Board shall have the right to discontinue said coverage and shall so notify Administrator. In that event, the Board agrees on a case-by-case basis to consider providing legal defense and/or indemnification to Administrator as is authorized under MCLA 691.1408 and MCLA 380.11a(3)(d).

19. Upon prior approval of course content by the Board, an Administrator who receives a B or better grade in any graduate class, required Professional Development Course, or CEU/ACE may receive reimbursement not to exceed \$3,000 in any contract year (July 1 – June 30) upon completion of course work which is directly related to the performance of his responsibility for the Board.

20. This Contract contains the entire agreement and understanding by and between the Board and Administrator with respect to the employment of Administrator and no representations, promises, contracts or understandings, written or oral, not contained herein, shall be of any force or effect. All concurrent and prior agreements pertaining to, connected with, or arising in any manner out of the employment of Administrator by the Board, are hereby terminated and shall hereafter be of no force or effect whatsoever. Provided, that this Contract is voidable pursuant to the provisions of the Revised School Code pertaining to criminal records checks. No change or modification of this Contract shall be valid or binding unless it is in writing and signed by Administrator and the Board. No valid waiver of any provision of this Contract, at any time, shall be deemed a waiver of any other provision of this contract at such time or at any other time.

21. If any provision of this Contract becomes or is declared by a Court of competent jurisdiction to be illegal, unenforceable or void, this Contract shall continue in full force and effect without said provision(s).

22. Administrator agrees that any claim or suit arising out of Administrator's employment with the Board must be filed no more than six (6) months after the date of the employment action that is the subject of the claim or suit. Administrator understands that the statute of limitations for claims arising out of an employment action may be longer than six (6) months, but agrees to be bound by the six (6) month period of limitation set forth herein and waives any statute of limitations to the contrary. Should a court of competent jurisdiction determine that this provision allows an unreasonably short period of time to commence a law suit or to bring a claim, it is the intent of the parties that the court enforce this provision to the extent possible and declare the law suit or claim barred unless it was brought within the minimum reasonable time within which the suit or claim should have been commenced.

23. This Contract is executed on behalf of the Harper Creek Community Schools pursuant to the authority granted as contained in the resolution of the Board adopted on August 8, 2011, the same being incorporated herein by reference.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed on the day and year first above written.

Date: _____

ADMINISTRATOR – JOHN SEVERSON

HARPER CREEK COMMUNITY SCHOOLS
BOARD OF EDUCATION

Date: _____

By _____
President

By _____
Secretary