

MASON PUBLIC SCHOOLS
INGHAM COUNTY, MICHIGAN

SUPERINTENDENT'S CONTRACT OF EMPLOYMENT

This contract is entered into this 8th day of August 2011, by and between the Board of Education of Mason Public Schools, Ingham County, Michigan, (hereinafter called the "Board of Education" or "Board") and **Mark Dillingham**, (hereinafter called the "Superintendent").

Because the Board of Education approved the employment of Mark Dillingham as Superintendent, and Mark Dillingham desires to be employed by the Board of Education, the parties in consideration of the mutual promises contained herein, agree to the following terms and conditions:

1. **TERM** – This contract will take effect on the 1st day of July 2011 and continue in force through the 30th day of June 2014, subject to extension and termination as specified elsewhere in this contract.
2. **DUTIES** – The Superintendent agrees that he will perform all the duties of Superintendent of Schools in and for Mason Public Schools in a competent and professional manner in compliance with the laws applicable to the school district and the policies and regulations adopted by the Mason Board of Education. He further represents that he meets all Michigan requirements and the qualifications established by the Board of Education for this position.
3. **EVALUATION** – The performance of the Superintendent will be evaluated annually as specified by Board policy.
4. **ADMINISTRATIVE JURISDICTION** – The Superintendent will have the freedom to organize, reorganize, and arrange the administrative and supervisory staff in the manner, which in his judgment best serves Mason Public Schools, subject to applicable laws, contract provisions, and Board policy. Administration and business affairs will be lodged with the Superintendent and administered by him with the assistance of his staff. The responsibility for selection, placement, and transfer of personnel is vested in the Superintendent and his staff, subject to contracts entered into by the Board of Education. The Superintendent will regularly report on his activities to the Board of Education as specified by the Board.
5. **SALARY** – In consideration for the Superintendent's promises to faithfully perform the duties of the office of the Superintendent of Schools for Mason Public Schools; the Board of Education agrees to pay to the Superintendent the sum of one hundred ten thousand dollars (\$110,000.00) for 235 days in a contract year. The 235-day contract year shall include the holidays specified in paragraph 6(B). The parties shall mutually agree upon the Superintendent's work schedule. Any alteration to the schedule shall be with written approval of the Board President with notice to

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members of the Board. This agreed upon sum will be paid in equal installments in accordance with the policy of the Board governing the payment of other professional staff members of the district. The parties agree to develop, by mutual agreement, and in accordance with the guidelines to be promulgated by the Michigan Department of Education, criteria for merit pay to be integrated into the compensation paid to the Superintendent. Accordingly, the parties agree to re-open the matter of the Superintendent's compensation as provided in this agreement no later than July 1, 2012, for this purpose as well as any other purpose the parties may consider appropriate at the time. Any adjustment in salary made during the life of this contract will be in writing and signed by both parties hereto and will become a part of this contract. It is further agreed that any amendment to this contract specifying an adjustment to annual salary will not affect the other parts of this contract unless specifically stated in writing.

6. LEAVE PRIVILEGES, INSURANCE, AND FRINGE BENEFITS – The Superintendent shall be entitled to the following leave privileges, insurance, and fringe benefits:

A. Leave – Leave privileges will be provided for the Superintendent as follows:

1. The Superintendent shall upon employment with Mason Public Schools be credited with seventy-two (72) days of paid sick leave. During the first six (6) years of service additional sick leave allotments will not be granted. Upon completion of six (6) years of service, the Superintendent will be credited with all unused sick leave, and thereafter yearly sick leave allotments of twelve (12) days of leave will be granted with no limit as to accumulation of days. In the event the Superintendent does not serve the entire school year, said leave days will be pro-rated accordingly. There will be no compensation for unused sick days.
2. Sickness, as used above, shall include personal illness or disabling personal injury of the Superintendent or of the Superintendent's immediate family.
 - a. The term "immediate family" shall include the Superintendent's spouse, children, parents, or parents-in-law.
 - b. If, at the beginning of any school year, the Superintendent is ill and unable to resume his duties and the Superintendent has unused days, he will be allowed to use such previously accumulated sick leave days while he remains ill and unable to work, provided he is not otherwise employed. The Superintendent shall not accumulate any further sick

leave until he has returned to work.

- c. The Board reserves the right to request a doctor's certificate where abuse of sick leave is indicated or in cases of extended illness, to determine the possible length of the Superintendent's absence.
3. If during the preceding school year, the Superintendent shall not have used more than two (2) sick leave days (including personal business days), and at the end of the preceding year has at least thirty (30) sick leave days remaining, then, in the current year, the Superintendent shall be entitled to one (1) "Earned Day" to be taken at the Superintendent's discretion. "Earned Days" shall accumulate up to a maximum of five (5) days at the rate of one (1) day per year. The Superintendent intending to use an "Earned Day" shall notify the Board President at least one (1) day in advance. The use of an "Earned Day" shall not be counted as part of any other leave.
4. At the beginning of every school year, the Superintendent shall be credited with two (2) personal business days.
 - a. The personal business days herein granted when used shall be deducted from the sick leave herein before granted in paragraph 6.A.1.
 - b. The Superintendent shall notify the Board President a least one (1) day in advance, except in case of emergency. The Superintendent need not state the reason for the personal business day.
5. In the event the Superintendent draws benefits under the Workers' Compensation Act, he may elect to be reimbursed the difference between workers' compensation benefits and his regular salary to the extent of the monetary value of his accumulated paid leave days provided this differential is not determined by a court or administrative agency to be offset under Section 354 of the Workers' Compensation Statute. To the extent permitted by law, this provision shall be interpreted as a disability pension plan not to be utilized as an offset under Section 354.
6. In the event the Superintendent is subpoenaed to appear in court (in a matter to which the district is party or a matter which relates to the school district) for a dispute to which he is not a party, he will receive his full salary during such absence. Said absences will not count as leave nor be deducted from any other leave provided herein.

7. If the Superintendent is requested to appear for jury qualification or service, he shall receive his pay from the Employer for such time lost as a result of such appearance or service, less any compensation received for such jury service.
 8. Upon termination of employment, no compensation will be paid for unused sick leave, personal business days, or "earned" days.
- B. Holidays – The Superintendent is entitled to be paid for the following holidays: Fourth of July, Labor Day, Thanksgiving Break (Thursday and Friday), Christmas Eve, Christmas Day, New Year's Eve, New Year's Day, Mid-Winter Recess, Good Friday (one-half day if school is not in session), and Memorial Day.
- C. Health Benefits - The Board shall provide to said Superintendent health insurance through Physician's Health Plan with a \$2,000/\$4,000 Health Savings Account, \$10/\$25/\$50 Rx coverage, vision and dental (80/80/80), \$1,500 12-month maximum). The Superintendent shall contribute ten percent (10%) of the monthly premium toward the cost of this insurance. The Superintendent may elect to receive in cash two hundred fifty dollars (\$250.00) per month in lieu of health insurance. The Board reserves the right to modify Health Benefits and other provisions of this section to be in compliance with state and federal law, and in accordance with future district bargaining unit agreements.
- D. Long-Term Disability – The Board shall provide the Superintendent with Long-Term Disability Insurance up to two-thirds of monthly earnings not to exceed a monthly maximum of seven thousand five hundred dollars (\$7,500.00) with a 90-day qualifying period.
- E. Severance Pay – The Superintendent is entitled to severance pay of 1.5% of salary for each year of service to the district in the role of Superintendent. The Superintendent need not enter the retirement system to receive severance pay. In the event the Superintendent is terminated for breach of contract or non-renewed for performance reasons, he shall not be eligible for the severance payment specified in this paragraph.
- F. Longevity Pay – The Board agrees to pay the Superintendent one thousand five hundred dollars (\$1500.00) during each year of this Agreement for longevity to the District. Longevity shall be paid out over the course of the contract year.
- G. Life Insurance – The Board will provide the Superintendent with two hundred thousand dollars (\$200,000) of term life insurance.


7. **ANNUITY** - The Board shall make a non-elective tax-sheltered annuity (TSA) contribution of seven thousand five hundred (\$7,500) to the TSA account designated by the Superintendent during the first year of this Agreement, commencing August 8, 2011. Such annuity contract must meet the requirements of Internal Revenue Code Section 403(b). The Superintendent's rights under such annuity contract shall be non-forfeitable except as provided under the terms of the annuity contract. The contributions made pursuant to this Agreement, together with any other contributions required to be aggregated for such purposes, may not cause the Superintendent to exceed the Internal Revenue Code Section 403(b) or 415 limitations for each tax year. The Superintendent may arrange through a salary-reduction agreement for additional District contributions to the annuity on his behalf within the applicable legal limits.
8. **TRANSPORTATION** – The Board will provide the Superintendent with a vehicle allowance of seven hundred dollars (\$700.00) per month under this Agreement for costs incurred during performance of the duties of Superintendent.
9. **MEETINGS, CONFERENCES, ETC.**–With prior approval by the Board, the Superintendent may attend appropriate professional meetings at the local, state, and national level at district expense.
10. **SERVICE CLUB MEMBERSHIP** – In order to encourage involvement with local community activities, the Board will reimburse the Superintendent for the costs of annual membership in the local service club of his choice.
11. **TENURE** – It is expressly understood that this contract does not confer tenure upon the Superintendent in the position of Superintendent or any non-classroom position in this district.
12. **OTHER PROFESSIONAL ACTIVITIES** – The Superintendent may by prior written agreement with the Board undertake consulting work, speaking engagements, writing, lecturing, or other professional duties and obligations.
13. **DISCHARGE DURING LIFE OF CONTRACT** – It is understood between the parties that the Board may terminate the Superintendent's employment under this contract at any time during the term of this contract for acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetence, inefficiency, or if the Superintendent materially breaches the terms and conditions of this contract. It is further agreed that prior to any dismissal by the Board, the Superintendent will have the right to service of written charges, notice of hearing, and a fair hearing before the Board. If the Superintendent so chooses, he may be accompanied by legal counsel at the hearing; the cost of the Superintendent's legal counsel will be borne by the Superintendent. The hearing before the Board will be public or private at the option of the Superintendent. The Board agrees that it will not discharge the Superintendent for arbitrary and capricious reasons.

14. **NON-RENEWAL AND EXTENSION OF CONTRACT** – It is agreed that the Board will have the right to non-renew this contract provided it will serve notice in writing to the Superintendent not less than ninety (90) days prior to the termination date of the contract (June 30, 2014). In the absence of written notification of non-renewal this contract will automatically result in a one (1) year extension effective July 1, 2014. It is further understood that non-renewal of this contract is at the sole discretion of the Board and the Board with or without cause may decline to renew this contract for an additional year.
15. **TERMINATION BY MUTUAL CONSENT** – Upon mutual agreement by the Board and the Superintendent, this contract and the employment of the Superintendent may be terminated without penalty or prejudice against the Board or the Superintendent. In this event the Board will pay the Superintendent on a pro-rated basis all remuneration and benefits accrued but unpaid during the period of employment immediately prior to such termination. In the event the Superintendent wishes to obtain the Board's agreement to such mutual termination, the Superintendent shall notify the Board at least ninety (90) days before such termination by mutual consent would be effective.
16. **SEVERABILITY** – If any provision of this contract is ruled illegal or unenforceable by a court of competent jurisdiction, the remainder of the contract not affected by the ruling will remain valid and in effect.
17. **DISABLEMENT OR DEATH** – Should the Superintendent be unable to perform any or all of his duties by reason of illness, accident, or other causes beyond his control for a period of time in excess of his accumulated sick leave, the Board may at its discretion make a proportionate deduction from the Superintendent's salary. If such disability continues for more than one (1) year or if said disability is permanent, irreparable, or of such nature as to make performance of his duties impossible, the Board may, at its option, terminate this agreement whereupon the respective duties, rights, and obligations hereunder will terminate.
18. **EXPENSES** – The Board of Education will review and approve reimbursement to the Superintendent for all actual and necessary expenses incurred in the performance of his official duties, in accordance with policies adopted by the Board.
19. **ENTIRE AGREEMENT** – This Agreement is the parties' entire agreement and supersedes any other prior or contemporaneous agreement, written or verbal. The Agreement may not be modified or rescinded except by another written agreement, approved by the Board in a public meeting, and signed by both the parties.

We, the parties of this contract, sign our names and execute this contract as of the 8th day of August 2011.

For the Board of Education:

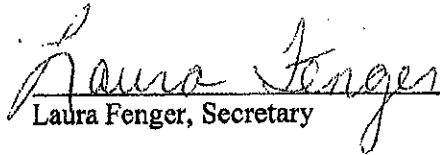
By the Superintendent:



Ralph Beebe, President



Mark Dillingham



Laura Fenger, Secretary

MASON PUBLIC SCHOOLS
 JOURNAL ENTRY FORM

BATCH # JE287

POSTING DATE 6/30/2012

DR/CR	ACCOUNT #	ACCOUNT DESCRIPTION	AMOUNT	LINE ITEM DESCRIPTION
DR	30E512 7320 00000 000 0000 0000		8,869,392.00	ADJ. ENTRY-AUDIT-PYMT TO ESCROW AGENT FOR BOND PROCEEDS
CR	30A101 0114 00117 000 0000 0000		8,869,392.00	ADJ. ENTRY-AUDIT-PYMT TO ESCROW AGENT FOR BOND PROCEEDS

Debit Balance 8,869,392.00
 Credit Balance 8,869,392.00

JOURNAL ENTRY DESCRIPTION: RECORD ADJUSTING ENTRY PER AUDITOR REQUEST TO RECLASSIFY RECEIPT OF BOND PROCEEDS AS "PAYMENT TO ESCROW AGENT" INSTEAD OF "CASH/INVESTMENTS" DUE TO THE 2012 REFUNDING. SHOULD NOT SHOW BOND PROCEEDS AS CASH SINCE THE FUNDS ARE HELD IN TRUSTEE'S CUSTODY FOR PAYMENT OF DEFEASSED 2004 BOND DEBT SERVICE.

PREPARED BY: CHRIS PETRIMOULX
