

**EMPLOYMENT CONTRACT
BETWEEN
DR. MICHAEL RICE
AND
THE BOARD OF TRUSTEES OF THE
KALAMAZOO PUBLIC SCHOOLS**

THIS CONTRACT, entered into this ____ day of _____, 2007, between the Kalamazoo Public Schools, hereinafter called "the Board, the School District or the District," and Dr. Michael Rice, hereinafter called "Superintendent."

WITNESSETH:

1. Duties

The Superintendent agrees, during the period of this Contract, to faithfully perform his duties and obligations in such capacity for the School District including, but not limited to, those duties required by the School Code. The Superintendent shall recommend, effect, or cause to be effected, the policies, rules, regulations, bylaws and programs of the Board of Trustees as may be needed. He will faithfully and diligently fulfill all the duties and obligations incumbent upon him as the chief executive officer of the School District.

2. Term

The Board agrees to employ Dr. Michael Rice as Superintendent of its schools for the term of three (3) years, from August 20, 2007, to and including August 19, 2010.

3. Evaluation

The Board shall evaluate the Superintendent consistent with the procedures contained within Appendix A to the Board's Bylaws, a copy of which is attached to this Employment Agreement and by incorporation is made a part of said Agreement.

Notwithstanding any language to the contrary, the District's goals will be mutually established and approved each year by the Board/Superintendent Team. The Superintendent will have input into the form and the process involving any stakeholder survey that affects his evaluation.

In 2009, the Board shall evaluate the Superintendent's performance on or before April 1. If, in that evaluation, the Board determines that the Superintendent has received a positive evaluation, this Employment Agreement shall be extended for two (2) additional years.

If the Employment Agreement is so extended, then in future years this Employment Agreement shall also be similarly extended for an additional year provided that the

annual evaluation of the Superintendent's performance results in what the Board determines to be a positive evaluation.

4. Tenure

The Superintendent shall not be granted continuing tenure in his capacity as Superintendent of Schools or in any other administrative capacity in the District.

5. Compensation

The Board agrees to pay the Superintendent for his services during each year of said Contract in equal installments unless otherwise agreed to by the parties. Compensation shall be One Hundred Seventy-Five Thousand and No/100 (\$175,000.00) Dollars annually. Said salary shall be reviewed annually and is subject to upward revision by agreement of the parties. In no case will the salary be lowered. Effective July 1, 2008, the Superintendent shall participate in the excluded administrator's increment schedule. His placement on said increment schedule will be based upon the starting salary of \$175,000.00 per year.

6. Professional Liability

The School District agrees that it shall defend, hold harmless and indemnify the Superintendent from any and all demands, claims, suits, actions and legal proceedings brought against the Superintendent in his individual capacity, or in his official capacity as agent and employee of the District, provided the incident arose while the Superintendent was acting within the scope of his employment.

The Board shall provide liability insurance for the Superintendent to cover legal expenses in defense of claims and payment of judgments resulting from his functioning as Superintendent and will reimburse him for any portion of such expense and judgments not covered by insurance. In no case will individual Board members be considered personally liable for indemnifying the Superintendent against such demands, claims, suits, actions and legal proceedings.

7. Professional Growth

The Superintendent should attend professional meetings, conferences or workshops at the local, state and national levels, including the annual American Association of School Administrators conference, after notifying and gaining approval of the President of the Board of Trustees. Such approval shall not be unreasonably withheld. The expenses of said attendance shall be paid by the School District.

8. Professional Dues

The District shall pay the Association dues of the Superintendent for the American Association of School Administrators (AASA), the Michigan Association of School

Administrators (MASA) and the MASA region in which the School District is located. The School District also shall pay the dues for the Superintendent's membership in the International Association of Supervision and Curriculum Development (ASCD), the Kalamazoo Chamber of Commerce and another local service organization of the Superintendent's choosing. The costs of other memberships will be covered by the Board with approval of the Board President.

9. Other Activities

The Superintendent may undertake non-district-related activities, such as consulting or writing. With advance notice to the President of the Board, the Superintendent may undertake such activities for not more than five (5) work days per school year, in addition to any non-work time that he may choose to devote to these endeavors. Notwithstanding Board policy to the contrary, any remuneration that the Superintendent may receive from such activities will be retained by the Superintendent.

10. Fringe Benefits

The Board of Trustees shall provide the Superintendent with the following benefits:

- A group health and hospitalization insurance plan for the Superintendent and his dependents as called for in the District's Excluded Administrator's Employee Benefits Plan.
- Group dental and vision insurance plans for the Superintendent and his dependents as called for in the District's Excluded Administrator's Employee Benefits Plan.
- A long-term disability plan. Such plan shall provide protection against long-term disability, with the following provisions:
 - A. After the Superintendent has become totally disabled for a continuous period of thirty (30) days and has exhausted his sick leave benefits, the plan pays a monthly benefit of 66.67% of the Superintendent's basic monthly earnings.
 - B. Monthly benefit which is payable under the plan shall be reduced by the amount of benefits received through Workers' Compensation, Social Security or the Michigan Public School Employees Retirement System.
- Life insurance: Beginning in August 2007, the Board agrees to contribute \$1,200.00 every August to the cost of a term life insurance policy of the Superintendent's choosing. The Superintendent shall be responsible for selecting said policy. If the Superintendent shall elect to have whole life insurance or some combination of term life and whole life insurance instead of the term life insurance, or elect to obtain life insurance at a cost in excess of the \$1,200.00

payment, the Superintendent shall be responsible for paying for the difference between the two.

- Liability of the Board is limited to the payment of premiums for the insurance coverage described in the preceding paragraphs, and does not, under any circumstances, extend to the providing of benefits unless the Board, in its sole discretion, elects otherwise.

The description of the above benefits is general only and is subject to and superseded by the terms and conditions of the applicable insurance policy.

- Each year the Board shall make a nonelective employer contribution to a Section 403(b) tax-sheltered annuity for the Superintendent as remuneration for services rendered. The annual contribution shall be equal to the maximum elective contribution limit under Section 402(g)(1)(B) of the Internal Revenue Code which is in effect for the calendar year beginning on the first day of the contract year (e.g., for the August 20, 2007 through August 19, 2008 contract year, the amount is based on the limit for 2007 which is \$15,500.) The Superintendent may select the annuity contract/custodial account to which the nonelective employer contributions shall be made.
- Purchase of Out-of-System Public Education Service: On or about July 1, 2008, the Board shall pay all costs, including applicable taxes, for the purchase of 7.5 years of out-of-system public education service under the Michigan Public School Employees Retirement System or shall make a 403(b) contribution in a like amount to the tax-sheltered annuity of the Superintendent's choice.

The intent is to purchase two and a half (2.5) years of out-of-system public education service credit for each year covered by this Employment Agreement. The purchase of these years up front will result in savings to the District.

In the event that the state does not permit direct purchase of the years by the Board, the Board shall reimburse the Superintendent for the cost of the aforementioned purchase of 7.5 years, on or about July 1, 2008.

If the Superintendent does not fulfill the entire three (3) years of service as contemplated in this Agreement, he will be responsible to reimburse the District on a pro rata basis for any monies expended but unearned, relative to said purchase.

- The School District shall reimburse the Superintendent for all reasonable expenses resulting from the performance of his duties as Superintendent. The Board shall supply the Superintendent with a credit card that he shall utilize for school-related expenses.

- Thirty (30) vacation days per year. These shall be in addition to the holidays recognized by the School District. The Superintendent may, at his request, be paid on a per diem basis for all unused vacation days up to a maximum of ten (10) days per year. From each year's allotment of days, the Superintendent may choose to carry over five (5) vacation days. At the conclusion of this Agreement (August 19, 2010), the Superintendent will be paid on a per diem basis for any and all unused vacation leave.
- Sick leave shall be granted consistent with the District's Excluded Administrator's Employee Benefits Plan. The Superintendent shall be credited with thirty (30) days of sick leave on August 20, 2007.
- Five (5) personal/business leave days per year.
- Three (3) days of bereavement leave pursuant to School District regulation.
- The School District shall pay the required contribution to the Michigan Public School Employees Retirement System, commonly referred to as the Non-Contributory Plan.
- The Superintendent shall be entitled to any other benefits that the Board authorizes and approves for exempt administrators of the School District, including any annual base pay percentage increase.

11. Medical Examination

The Superintendent shall have a comprehensive medical examination (once each year) at Board expense, by a physician of his choosing. The report of said examination shall be delivered exclusively to the Superintendent.

With just cause, the Board may, at its expense, direct that the Superintendent be examined by medical personnel of its choice in order to determine the Superintendent's fitness to fully carry out his responsibilities. The Superintendent agrees to provide the Board with the necessary authorizations and releases so that the Board receives the results of this examination. Such examination shall include drug or alcohol tests. In the event of any dispute regarding fitness, the Superintendent shall provide the Board or health care personnel of the Board's choice with authorization to receive and/or release to the Board the results of examination(s) upon which the Superintendent relies. The Superintendent may receive results of Board-ordered tests or examinations after submitting a written request for those results.

In the event the Board determines that the Superintendent is not fit to fully perform his duties, it may terminate this Contract. Termination under the paragraph entitles the Superintendent only to six (6) months severance pay or the amount owing to the expiration date of this Contract, whichever is less, and vested benefits, if any, as of the date of termination.

12. Transportation

The School District shall provide the Superintendent with a lease automobile of the Superintendent's choosing for his professional and personal use. The School District will incur the monthly cost of the lease (not to exceed \$500), any initial lease expenses, and all required insurance, maintenance and operational costs of said vehicle that are not covered as part of a dealer warranty or lease agreement.

13. Termination Provisions

The Superintendent shall be subject to discharge for just cause. Dismissal for cause may include, but is not limited to, misfeasance or malfeasance of office, the commission of an act which is either a circuit court misdemeanor or felony, or other acts of misconduct which under the laws of the State of Michigan constitute cause for termination of employment. No discharge shall be effective until written charges have been served upon him and he has an opportunity for a fair hearing before the Board after ten (10) days notice in writing. Said hearing shall be public or private at the option of the Superintendent. At such hearing, he may have legal counsel at his own expense. In the event the Superintendent is discharged for just cause, he shall not be entitled to any continuation of pay or benefits except vested benefits, if any.

If, during the term of this Agreement, the Contract is terminated without cause by the Board prior to the expiration of said Agreement, the Board shall remain obligated to the Superintendent for the full amount of salary remaining due on the unexpired term of said Agreement. Such payment shall be made on a monthly basis, and this obligation of the Board and the School District shall be offset by any and all earned compensation received by said Superintendent from the date of said termination until August 19, 2010. To be eligible for said payments, the Superintendent would be obligated to supply the Board all of his current Internal Revenue filings. If the Superintendent is not able to get other employment which provides health and hospitalization insurance for him and his family, the Board will also reimburse him the cost of COBRA coverage for health and hospitalization insurance. For the purpose of this provision, and this provision only, it is assumed by the parties that the Superintendent's salary at the time of termination would remain the same through the unexpired balance of this Agreement.

The Superintendent may terminate this Employment Contract upon seventy-five (75) days written notice to the Board, unless a lesser notice is mutually agreed to between the Superintendent and the Board.

14. Dispute Resolution

In the event of a dispute between the parties relating to any provision of this Agreement, or a dispute concerning any of the parties' rights or obligations as defined pursuant to this Agreement, the parties hereby agree to submit such to arbitration. Such arbitration shall be conducted under the labor arbitration rules of, and administered by, the American

Arbitration Association. The parties shall share the arbitrator's fee and the expenses of the American Arbitration Association equally. All parties are entitled to have representation of their own designation, however, each party shall be responsible for the costs of such representation.

15. Complete Agreement

This Contract constitutes the entire agreement between the parties and supersedes all prior statements, written or oral, and any prior contracts between the Board and the Superintendent. Changes, whether by way of addition, deletion or both are not binding unless in writing signed by both parties.

16. Breach


In the event of a breach on the part of either party to this Agreement, nothing contained herein shall be construed to render the obligations of either party under this Agreement null and void.

This Contract shall be subject to all of the applicable laws and statutes of the State of Michigan.

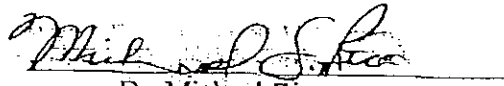
IN WITNESS WHEREOF the parties hereto have set their hands the day and year above written.

Date: 6/14/07

KALAMAZOO PUBLIC SCHOOLS

By: 
Polly Freer
Its President

Date: 6/14/07


Dr. Michael Rice
Superintendent

KALAMAZOO PUBLIC SCHOOLS

WHEREAS, the Board and Superintendent have met regarding the terms of the Superintendent's employment contract, and

WHEREAS, the Board and Superintendent have agreed to the continuation of his fringe benefit associated with the purchase of service credit, contained within Section 10 of his employment contract, and

WHEREAS, the language of this provision (titled Purchase of Out-of-System Public Education Service) requires revision and action of the Board to continue this fringe benefit, and

WHEREAS, all other provisions of the Superintendent's employment contract remain the same,

NOW THEREFORE BE IT RESOLVED that the Kalamazoo Public Schools Board of Education approves the continuation of Section 10, Fringe Benefits, of the Superintendent's employment contract, as attached.

AYES:

NAYS:

Resolution adopted/rejected.

Date: June 24, 2010

Secretary of the Board

Purchase of Service Credit: Upon execution of all required signatures and for each subsequent year of this contract, the District will purchase on behalf of the superintendent, service credit through the Michigan Public School Employees Retirement System valued at \$25,000 (after tax). In the event the purchase of service is not allowed, the Board shall contribute for the Superintendent to the 403(b) Annuity under this Section an amount equal to \$25,000.00.

**BOARD OF EDUCATION RESOLUTION
KALAMAZOO PUBLIC SCHOOLS**

WHEREAS, the Board of Education has adopted a budget that closes a budget gap of approximately \$8.8 million for the 2011-12 school year; and

WHEREAS, a portion of the reduction includes a 2% decrease in total employee compensation for the 2011-12 school year; and

WHEREAS, in the spirit of community, the Superintendent has requested that his total compensation be reduced.

NOW THEREFORE BE IT RESOLVED that effective July 1, 2011, the KPS Board of Education approves a 3.16% reduction in Dr. Michael Rice's total compensation for the 2011-12 school year, consisting of the following:

- a salary freeze;
- a \$2,123.00 contribution to his insurance premiums equaling a 20% co-share on the cost of the premiums; and
- an \$8,000.00 decrease in the amount allocated for purchasing years of service for retirement credit.

Any changes to the Superintendent's contract that are necessary to effectuate this resolution are also hereby approved.

Approved by BOE,
7/28/11