

LAKEVIEW PUBLIC SCHOOLS
St. Clair Shores, Michigan

2019-2024 EMPLOYMENT AGREEMENT

*(Previous financial change was October 2019; 2019-20 is KDP 12th year of service as Superintendent;
New Financials approved January 7, 2020 effective immediately)*

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made by and between the Board of Education of the Lakeview Public Schools (“Board”) and **Karl Paulson** (“Superintendent”).

WITNESSETH:

WHEREAS, LAKEVIEW PUBLIC SCHOOLS is duly organized as a General Powers School District and is authorized to employ a Superintendent pursuant to Act 451, Section 1229(1) of the Revised School Code (MCL 380.1229(1)); and,

WHEREAS, **Karl Paulson** desires to be employed by the Board as **Superintendent** in accordance with the terms contained in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, the Board and the Superintendent agree as follows:

1. **EMPLOYMENT AND TERM:** The Board agrees to employ Karl Paulson as the Superintendent of Lakeview Public Schools for the period commencing **July 1, 2019** and terminating **June 30, 2024**, subject to the provisions of this Agreement.
2. **OBJECTIVES AND EVALUATIONS:** By not later than September 30 of each School Year, the Board of Education, with input from the Superintendent, shall establish a set of objectives and performance standards for the Superintendent. The Superintendent’s performance, including without limitation, fulfillment of those objectives, shall be evaluated, in writing by the Board of Education not later than May 30 annually.
3. **QUALIFICATIONS:** The Superintendent represents that he holds all certificates, permits, licenses and other qualifications required by law to be a Superintendent in the State of Michigan and that he meets the qualifications as established by the Board for the position of Superintendent. Additionally, the Superintendent, as a condition of his continued employment, agrees 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 or the Local Board of Education. If at any time the Superintendent fails to maintain all certificates, credentials, continuing education requirements and/or qualifications for the position herein, this Contract shall automatically terminate and the Board shall have no further obligation hereunder provided the Board gives thirty (30) days written notice to the Superintendent and the Superintendent has not cured such failure within sixty (60) days of the written notice.
4. **DUTIES AND RESPONSIBILITIES:** Karl Paulson agrees to devote his time, skills, labor and attention to the performance of the duties and responsibilities of the position of Superintendent, and further agrees to abide by the rules, regulations and policies of the Lakeview Public Schools and of the Board. The Superintendent shall be expected to

attend meetings of the Board and its committees that are applicable to his duties. The time expended in attending such meeting and activities has been taken into account in setting the compensation under this Agreement and, thus, no additional compensation shall be forthcoming for such attendance. The Superintendent further agrees to perform such duties and responsibilities as required by law and as assigned by the Board..

5. **OTHER WORK:** Apart from the use of personal leave days or vacations, as provided in this Agreement, unless prior approval is granted by the Board, the Superintendent shall not undertake consultative work, speaking engagements, writing, lecturing or other professional duties and obligations when such activities would impinge upon the time and effort required to be exerted by the Superintendent in the discharge of his responsibilities under this Agreement.

6. **CONFLICT OF INTEREST:** The Superintendent will faithfully serve the School District and be regardful of its interests during the term of this Agreement, and thereafter to the extent required by the Agreement, Board policy, and by law. The Superintendent will not directly or indirectly acquire or otherwise possess any interest adverse to that of the School District. In the event that a question arises as to whether a given interest is in conflict with the interests of the School District, the Superintendent shall make a full disclosure of same to the Board for its review.

7. **COMPENSATION:** The Superintendent shall be compensated by Lakeview Public Schools from the date of this Agreement through **June 30, 2024** as follows:
 - a. Annual Salary prorated for 2019-2020 effective **January 7, 2020: \$190,092**
 - b. Annual Salary of **\$197,696** effective July 1, 2020 (4% increase compared to 2019-20)
 - c. Annual Salary **increase of 4% each year** on July 1, 2021; 4% on July 1, 2022; and 4% on July 1, 2023. (Note: the Principal Master Agreement Revenue Impact language is not applicable for Annual Salary wage changes in the years specified above).
 - b. Fringe Benefits: Specified in the attached Fringe Benefit Supplement (incorporated by reference).
 - c. Longevity Pay in the amount of **\$1,650** per year served as Superintendent paid before June 1 of each year of the Agreement; (2019-20 of \$19,800 (*there is no proration*); 2020-21 of \$21,450; 2021-22 of \$23,100...).

Compensation for additional years of employment pursuant to this Employment Agreement shall be determined by the Board in its discretion, but in no event shall the compensation for additional years be at a rate less than **\$197,696 plus Longevity**, per annum.

FOR REFERENCE: PRINCIPAL Master Agreement Language (Base Salary changes are Not Applicable for January 2020, 2021, 2022, 2023, 2024; other language benefits such as fund balance and attendance incentive are applicable each year)

Salary Schedule Addition- Revenue Impact	
Revenue Exceeds	Wage Impact
-\$625,000	-1.5% Off Schedule and No Steps Lanes On Schedule
-\$450,000	-1% Off Schedule and No Steps Lanes On Schedule

-\$200,000	-.5% Off Schedule and No Steps Lanes On Schedule
\$0	0% and No Steps Lanes On Schedule
\$450,000 (Fund Balance Growth)	0% and No Steps Lanes On Schedule
\$550,000	.5% Off Schedule and No Steps Lanes On Schedule
\$750,000	.75% Off Schedule OR Step On Schedule (depending on the employee's on the employee's step status)
\$825,000	1% Off Schedule OR Step On Schedule (depending on the employee's step status) Lanes On Schedule
\$1,300,000	1% and Steps On Schedule Lanes On Schedule
\$1,550,000	1.5% and Steps On Schedule Lanes On Schedule
\$1,800,000	2% and Steps On Schedule Lanes On Schedule

- The Board of Education believes that the District's Fund Balance needs to be grown to get back up to the Board's fund balance goal of 8-10% ratio to overall operating expenses. If fund balance percentage exceeds 9% (fund balance divided by total revenues), members will receive an **off-schedule payment of 1%** of their annual base salary from the fiscal year the fund balance exceeded 9%, as reported on the financial audit (Approximately in October each year).
- The District's current averaged MPSEER retirement rate is 38.39%. The State contributes 12.21% to offset the cost to the District, with the District being responsible for paying 26.18%. The wage structure above is dependent on the District's responsibility for the MPSEER retirement rate not to exceed 27.0%. If the District's responsibility for the MPSEER retirement rate exceeds 27%, both parties will be required to reopen the Revenue Salary Formula portion of the contract.
- The revenue identified in the Salary Schedule Addition- Revenue Impact above is limited to lines 22a Prop A Obligation and 22b Discretionary Payment, as reported on the December State Aid Status Report, and Local revenue identified in Accounting Class Code 111 (Per the State of Michigan 1022 Accounting Manual), and any additional unrestricted revenue from a county-wide or regional millage. It does not include allocations for categorical programs or other sources. (E.g. Title I, At Risk 31 A, Special Education Headlee Obligation 51C, Sale of a building, etc.)
- The calculation for the "Revenue Exceeds" column shall be as follows:
 - The difference between Line 22a and 22b revenue as reflected on the current and previous year December State Aid Status Reports.
 - The difference between the Accounting Class Code 111 revenue (Property Taxes) received by the District, as reported on audited financial records, in the current and previous fiscal years.
 - Any additional unrestricted revenue from a county-wide or regional millage.
- *(NOTE-this area has changed with a more current teacher settlement)*
- Should the basic components of the per pupil foundation grant used herein be changed in future fiscal years, the parties agree to meet prior to December 2018 to determine, what, if any, effect the change has on this formula.
- Wage impact actions noted above will be in effect from January 1-December 31st of each year.
- If health care (medical and Rx) expense claims are \$200,000, or more, above or below the district's approved original General Fund budget as compared to actual expense claims (per annual financial audit) the expense difference above or below \$200,000 will be added or subtracted from the revenue amounts listed on the wage impact chart above. (See example below.)
- Because it is not the intent by either party to advance steps for newly hired members in their first year of employment, all employees hired between August 1st and December 31st of any year will receive the % increases and lanes for the wage impacts triggered by additional revenue but will not advance in steps in their first year of employment with the district. In their second year of employment with the district, they

will be entitled to the wage impacts, identified in the Collective Bargaining Agreement. In the event a wage reduction is triggered (such as 1% against the base), the employee would face this change because it relate to all employees from the base. In other words, a first year employee cannot make more than a second year employee in the same position with the same credentials on the wage grid.

Health Care Example: The district's original approved budget for the 2017-18 year was \$5.2 million for medical and Rx expenses. The actual 2017-18 expense claims for medical and Rx was \$4,900,000. Therefore, the difference was \$300,000 below the original budgeted amount. The difference over \$200,000 (i.e. \$100,000) would be added to the identified 22a and 22b revenue amount.

*Both parties agree that if a Salary Schedule different from a revenue formula wage trigger structure is bargained for the District's other employee union groups before the expiration of this collective bargaining agreement, both parties will be required to reopen the Salary Schedule portion of the contract.

Attendance Incentive *(As reflected in the 2019-23 Principals Master Agreement)*

Frequent absences reduce individual employee output and negatively impact the effectiveness of the organization. Therefore, the District encourages employees to only use leave days when absolutely necessary and will provide a monetary incentive for those members who utilize minimal leave days for the purposes of personal illness, family illness, personal business, bereavement, and/or unpaid vacation days. (The use of school business, professional development, union/association release or jury duty days will not be counted in this calculation.)

Members will be paid an off-schedule stipend, as follows;

- \$250 for no more than the use of four (4) leave days annually
- \$300 for no more than the use of three (3) leave days annually
- \$350 for no more than the use of two (2) leave days annually
- \$400 for no more than the use of one (1) leave days annually
- \$450 for no more than the use of zero (0) leave days annually

Stipends will be paid on the employee's regular payroll check upon completion of his/her contractual work days.

8. **WORK YEAR:** The Superintendent shall be employed for twelve (12) months. The Superintendent shall be entitled to twenty-five (25) working days per School Year for vacation. Up to ten (10) vacation days may be carried over to the next School Year. Unless the duties of the position require that the Superintendent work certain holidays, the Superintendent shall be entitled to the following holidays: July 4; Labor Day; Thanksgiving Day; Friday after Thanksgiving; Christmas Eve; Christmas Day; New Year's Eve; New Year's Day; Martin Luther King Day (with the option of working at a defined per diem rate), Monday and Tuesday of President's Day Week (or those two (2) days typically included in Winter Break); Good Friday; Monday after Easter Sunday; and Memorial Day.
9. **DISCHARGE AND SUSPENSION:** Throughout the term of this Agreement and any extension hereof, the Superintendent may be discharged, suspended or disciplined by the Board at any time for acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetency, inefficiency or for other reasons constituting just cause. In such events, the Superintendent shall be advised, in advance, of the Board's intention to consider discharge, suspension, discipline or layoff and provided an opportunity for a hearing in regard to the prospect of such discharge, suspension or discipline, which hearing may be open to the public or closed at the Superintendent's options to the extent permitted by law.

The Superintendent is entitled to have representation of his own designation; provided, however, that the Superintendent shall be solely responsible for the costs of his representative. The Superintendent is entitled to submit any dispute which remains subsequent to the hearing and the Board decision to the remedies described in Paragraph 10 of this Agreement.

Notwithstanding the foregoing, upon vote of a majority of the Board, this Agreement may be terminated by the Board at any time during its term; provided, however, that the current salary and fringe benefits provided to the Superintendent shall continue until the expiration of the term of this Agreement.

10. **TERMINATION AND EXTENSION:** This contract may be extended either at the option of the BOARD OF EDUCATION or by operation of law, as follows:

A. **Board Option.** The BOARD OF EDUCATION may, in its sole option, annually extend this contract for additional one-year periods. In exercising this option, the BOARD OF EDUCATION may establish the annual salary to be paid to the ADMINISTRATOR for the school year included in the extension. All other terms and conditions of this contract shall remain unchanged unless agreed to in writing signed and by the BOARD and the ADMINISTRATOR. The BOARD OF EDUCATION, subject to Public Act 183 of 1979, may decline to extend this contract beyond its terms or the term of any extension.

B. **Operation of Law.** Unless the BOARD OF EDUCATION gives written notice that it is considering nonrenewal of the contract at least ninety (90) days before the contract's expiration date and written notice of the Board of Education's decision to nonrenew this contract to the ADMINISTRATOR at least sixty (60) days before the contract's termination date, this contract will, without further action, be automatically renewed for an additional one-year period as provided by Public Act 183 of 1979.

11. **TERMINATION BY SUPERINTENDENT.** This Agreement may be terminated by the Superintendent upon written notice to the Board of Education at least ninety (90) days prior to the termination date specified in the written notice. The Board may waive part or all of this ninety (90) day notice requirement at its option.

12. **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 agree to submit such dispute(s) to arbitration. Selection of the arbitrator and the arbitration proceedings shall be conducted under the National Rules for the Resolution of Employment Disputes of, and administered by, the American Arbitration Association. Arbitration under this provision shall be conducted pursuant to the terms of the Michigan Arbitration Act, MCLA 600.5001 et. seq. and MCR 3.602. The parties intend that this process of dispute resolution shall be inclusive of all contract and statutory claims advanced by the Superintendent arising during the term of this Contract, including (but not limited to) claims of unlawful discrimination and all claims for damages or other relief.

However, this agreement to arbitrate does not restrict the Superintendent from filing a claim or charge with any state or federal agency (such as the Equal Employment Opportunity

Commission or the Michigan Department of Civil Rights), and does not apply to any claims for unemployment compensation or workers' compensation which may be brought by the Superintendent. Instead, this agreement to arbitrate claims applies to those matters which would otherwise be subject to state or federal court proceedings.

By application of law or by a court of competent jurisdiction, the remaining portions of this Agreement shall remain in full force and effect and shall not be affected.

13. **TENURE EXCLUSION:** It is understood and agreed that the Superintendent shall not be deemed by virtue of this Agreement to have been granted continuing tenure under the Teachers' Tenure Act, Act 4 of the Public Acts of 1937 (Extra Session), as amended, or under any other applicable laws. Tenure in any administrative capacity is specifically denied. It is also understood and agreed that this Agreement shall not be deemed to constitute the employment of the Superintendent on a continuing contract in the capacity of Superintendent or in any other administrative capacity.
14. **APPLICABLE LAW:** This Agreement shall be governed by Michigan law, and should any portion of this Agreement be found to be illegal, invalid, or unenforceable by application of law or by a court of competent jurisdiction, the remaining portions of this Agreement shall remain in full force and effect and shall not be affected.
15. **INTEGRATION AND NONMODIFICATION:** This Agreement contains the entire agreement between the Board and the Superintendent and supersedes any and all prior understandings or agreements whether written or oral, in whatever capacity. There are no representations, inducements or agreements except as stated herein regarding the subject matter of this Agreement. This Agreement may be modified only by a favorable vote of the majority of the Board, memorialized in writing and executed by the Employee, the Superintendent and three Officers of the Board.
16. **PHYSICAL EXAMINATION:** Upon specific request of the Board, the Superintendent shall undergo an annual physical examination with fees and charges not paid by health insurance paid by the District. The Superintendent 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, the Superintendent shall authorize the release of medical information necessary to determine if the Superintendent 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 the Superintendent 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.
17. **WAIVER OF LIMITATIONS:** Superintendent agrees to not commence any action or suit relating to his employment more than six (6) months after the date of termination of such employment, and agrees to waive any statute of limitation to the contrary.

FRINGE BENEFIT SUPPLEMENT

- Blue Cross/Blue Shield of Michigan Community Blue PPO options as provided for in the Principal Master Agreement 2015-2019: Plan A, Plan B, Plan C, including prescription (Rx) drug coverage as defined in same. Included with the benefit plan choices is the option of an “under hard cap” insurance rebate of 50% payment for the “under hard cap” savings (Plan C) paid out annually in February, relating to savings for participation from the previous year (as described in the Principal Master Agreement).
- Dental and other benefits equivalent to the Principal Master Agreement, such as 100/90/90/80 with \$1250/\$1500 limits. Vision benefits equivalent to VSP III. In the event the Superintendent provides proof that he is covered by alternative hospitalization insurance and he does not elect insurance benefits described above, he shall be provided a \$3,000.00 annual payment in lieu of medical and prescription benefits. Payment is to be made within 30 days of the end of the enrollment period each year.
- \$300,000 Term Life and AD & D in twice that amount, with waiver of premium upon disability, with an option, at the Superintendent’s expense, to purchase additional insurance at own expense up to the limits of the carrier.
- Disability Insurance beginning on the ninety first (91st) calendar day at sixty-six and two thirds (66 2/3) percent of monthly earnings in accordance with the terms of the carrier.
- Leave days which accumulate in a personal leave day bank at the rate of **thirteen (13) days per year**; maximum accumulation limited to **two hundred twenty (220) days**. The Administrator is eligible for the Central Office Sick Bank for extended illness. Upon retirement, payment for any unused days limited to 220 days shall be made at the rate of \$75.00 per day. These days may be used for personal and/or family illness, accident, funeral bereavement or personal business, but not to extend vacation.
- Reimburse for reasonable and customary business expenses incurred in the performance of the duties of Superintendent, upon review by the Board President and approval by the majority of the Board.
- Conference expenses, with prior approval of the Board.
- The District agrees to reimburse the Superintendent for 50% of the cost of tuition at a college or university for an approved educational program related to his job duties. The employee agrees to pay back any tuition reimbursement paid to the employee in the event the employee voluntarily separates employment with the district within thirty-six months (36) of said tuition reimbursement.
- Board payment of two local, two state and two national association dues.
- In-Lieu of 20 additional days added to the cap of his personal sick leave bank, the Board shall contribute Thirteen Thousand Dollars (\$13,000.00) into a tax-sheltered annuity or other 403b/457 product operated through the District program, payable either in two equal installments, (one in December and the second by June of each year of this Agreement); or through regular payroll distribution.

FOR THE BOARD:

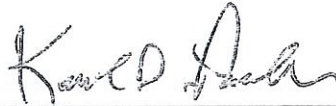
Superintendent:



President

02/04/2020

Date

 1/10/2020


Date



Vice President

4 February 2020

Date



Secretary

1/10/2020

Date