

Memo To: Steve Peffers, Superintendent

From: Steve Norman, President, Board of Education

Date: June 12, 2012

Subject: Contract Updates

As a result of action at the June 11, 2012, MARESA Board of Education meeting, the following updates will amend your employment contract beginning July 1, 2012:

Salary

July 1, 2012 – June 30, 2013 \$122,431

Health Insurance

Upon submission of a written application, the Agency agrees to make full premium payment, allowable by law, toward health care protection according to family status toward the purchase of MESSA ABC Plan 1, underwritten by Blue Cross/Blue Shield. The 2012 rates for MARESA are \$15,201.66. Taking the hard cap, the Administrator must pay the premium excess of \$201.66 payable through payroll deduction. The allowable premium may change annually and the Administrator will be responsible for the excess amount.

In addition to the out-of-pocket contributions, the Administrator must pay a \$1,250 single or \$2,500 2-person/family deductible. The \$1,250/\$2,500 deductible is deposited in a debit card account at the beginning of each plan year. The Administrator would also be allowed, if he so chooses, to contribute additional funds to the deductible account through payroll deduction.

MARQUETTE-ALGER REGIONAL EDUCATIONAL SERVICE AGENCY

CONTRACT OF EMPLOYMENT

School Administrator

It is hereby agreed by and between the Board of Education of the Marquette-Alger Regional Educational Service Agency (hereinafter "Board") and **Steven E. Peffers** (hereinafter "Administrator") that pursuant to Sections 601a(1)(d), 623(1)(b) and 1229(1) of the Revised School Code, the Board in accordance with its action found in the minutes of its meeting held on the ninth day of May, 2011, has and does hereby employ the said STEVEN E. PEFFERS for a 3.0 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. Administrator is subject to assignment and transfer to another administrative position of employment in the Marquette-Alger Regional Educational Service Agency at the discretion of the Board.

2. Administrator represents that he possesses, holds and will maintain all certificates, credentials and qualifications required by law, including the regulations of the 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. 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 Marquette-Alger Regional Educational Service Agency during the entire term of this Contract. Administrator agrees to devote substantially all of his business time, attention and services to the diligent, faithful and competent discharge of his duties on behalf of the Marquette-Alger Regional Educational Service Agency to enhance the operation of the Marquette-Alger Regional Educational Service Agency and agrees to use his best efforts to maintain and improve the quality of the programs and services of the Marquette-Alger Regional Educational Service Agency.

4. Administrator shall be paid at an annual salary rate of not less than \$120,031 for July 1, 2011- June 30, 2012, \$ _____ for July 1, 2012-June 30, 2013, and \$ _____ for July 1, 2013-June 30, 2014 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 year (July 1 through June 30) for the three years. Upon separation of the Administrator during any fiscal year, his salary shall be adjusted to reflect payment, on a per diem basis, for the number of days on which services were actually and physically rendered during the fiscal year. Any amounts due the Administrator upon separation shall be remitted by the Board to him as soon as such amounts can diligently be determined. Any salary amounts received by the Administrator in excess of days actually worked during the fiscal year shall be deducted from the Administrator's remaining wages and Administrator, by executing this Contract, hereby gives his written consent for such deduction. Any wage overpayments not recoverable by the Board through wage deduction shall be remitted to the Board by the Administrator within three (3) business days of separation from employment. If not paid in this manner, Administrator agrees that judgment may be entered against him in any Michigan court of competent jurisdiction for such amount(s).

The Board hereby retains the right to adjust the annual salary of Administrator during the term of the Contract. Any such salary adjustment shall not reduce the annual salary below the minimum annual salary prescribed herein above. Any adjustment 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-five (25) days per fiscal year.

Administrator will be able to accumulate no more than forty (40) days vacation time. Days in excess of thirty (30) will be lost at the end of the fiscal year. Upon termination of employment with the Agency, Administrator will receive pay for unused vacation at his per diem rate up to a maximum of thirty (30) days accumulated vacation upon completion of his individual contract provided the Administrator leaves in good standing and with at least three (3) months written notice of his intent to leave, or retires under the Michigan Public School Employment Retirement System with at least three (3) months written notice of his intent to leave. In case of death, the pay for up to 30 accumulated unused vacation days will be paid to the beneficiary or the estate of the deceased Administrator.

Administrator shall schedule use of vacation days in a manner to minimize interference with the orderly operation and conduct of business of the Agency.

6. Administrator's performance shall be evaluated by the Board annually. Administrator shall notify the Board by February 1st of his pending evaluation. Evaluation process will be completed no later than March 31.

7. The Board shall be entitled to terminate the Administrator's employment at any time during the term of this Contract when it determines that Administrator has engaged in acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetency, inefficiency, or if Administrator materially breaches the terms and conditions of this Contract, or for other causes found to be sufficient by the Board.

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 Marquette-Alger Regional Educational Service Agency. 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, as 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 his/her eligible dependents for the following insurance programs:

- Health insurance: MESSA Choices II, underwritten by Blue Cross/Blue Shield, with a \$10/\$20 prescription co-pay (\$10 for generic/\$20 for name brand), with \$50/\$100 reimbursable upon submission of individual claim documentation. Beginning July 1, 2012, Administrator will take the \$300/\$600 In-Network and \$600/\$1,200 Out-of-Network MESSA Choices II Deductible Rider.
- Dental insurance: SET SEG [policy no. 52-000-53 (D1094)]
- Term life insurance: \$100,000 policy face value (Administrator only)
- Vision insurance: SET SEG [policy no. 352-000-51 (V0486)]
- Long Term Disability Insurance: SET SEG (3 month wait period; 60% of salary to \$5,000/month maximum) (Administrator only)

12. The Board reserves the right to change the identity of the insurance carrier, policyholder or third party administrator for any of the above coverages, provided that comparable coverage, as determined by the Board, is maintained during the term of this Agreement. 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. The terms of any contract or policy issued by any insurance company or third-party administrator shall be controlling as to all matters concerning benefits, eligibility, coverage, termination of coverage, and other related matters. Administrator is responsible for assuring completion of all forms and documents needed to receive the above-described insurance coverage. The Board, by remitting the premium payments required to provide the above-described insurance coverage(s), shall be relieved from all liability with respect to insurance benefits.

13. Administrator is entitled to the following holidays for which no service to the Agency is required: July 4; Labor Day; Thanksgiving Day; Friday after Thanksgiving; Christmas Day; New Years Day; Good Friday; Memorial Day.

14. If Administrator is absent from duty on account of personal illness or disability, he shall be allowed full pay for a total of twelve (12) days per fiscal year. Unused paid leave days for illness/disability shall be cumulative without limitation.

15. Administrator shall be permitted up to two (2) days per contract year for the purpose of conducting personal business which cannot be otherwise conducted outside of Administrator's working hours. If these days are not utilized they will, at the conclusion of the contract year in which they were made available, be credited to Administrator's accumulated sick leave as referenced in paragraph 14 of this Contract.

16. Administrator shall be allowed up to three (3) working days paid leave for purposes of bereavement in Administrator's immediate family. Upon authorization of the Board, additional days (deductible from sick leave under paragraph 14 of this Contract) may be granted for extenuating circumstances connected with a death in Administrator's immediate family.

17. Administrator shall be eligible to be reimbursed for travel, meals and lodging in accordance with expense and reimbursement policies and procedures established by the Board.

Subject to express approval by the Board, the fees or dues for 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 shall be reimbursed for any registration fees, tuition, travel, lodging and/or reasonable meal expenses for himself in relation thereto not prepaid by the Board.

18. The Board agrees to pay the premium amount for errors and omissions coverage and comprehensive general liability coverage for Administrator while engaged in the performance of a governmental function and while Administrator is acting within the scope of his authority. The

aggregate policy limits for errors and omissions coverage shall be not less than \$2,000,000 inclusive of defense costs, charges and expenses.

The aggregate policy limits for comprehensive general liability insurance shall not be less than \$5,000,000. Administrator shall have the right to access copies of insurance policies, documents, claim forms and related documents.

The terms of the above insurance policy shall be controlling with respecting the defense and indemnity of administrator. The sole obligation undertaken by the Board shall be limited to the payment of premium amounts for the above coverages. In the event that such coverages cannot be purchased in the above amounts and/or reasonable premium rates, 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 380.601a(1)(d).

19. Upon retirement from the Agency and upon simultaneously becoming eligible for benefits from the Michigan Public School Employees Retirement System, the Board shall pay a terminal leave payment to Administrator equivalent to one-third (1/3) of the daily rate of Administrator's then current salary for each day of accumulated sick leave. In case of death, this benefit shall be paid in a lump sum to a survivor designated in writing by Administrator. The maximum payable benefit under this provision shall not exceed \$5,000.

20. Additionally, upon retirement from the Agency and simultaneous eligibility for benefits under the Michigan Public School Employees Retirement System, Administrator shall be eligible to receive a service separation stipend in accordance with the foregoing schedule.

<u>SERVICE CREDIT</u>	<u>STIPEND</u>
20 years of MPSERS service credit	\$6,000
25 years of MPSERS service credit	\$7,000
30 years of MPSERS service credit	\$8,000

The above stipend will be made in a lump sum payment (less deductions required by state and/or federal law) provided that written application for retirement is made by Administrator not later than three (3) months preceding the anticipated retirement date. Administrator will not receive this service separation stipend under this provision unless and until she has presented proof of retirement from MPSERS. Benefits under this provision shall terminate upon the death of Administrator as the same is not intended as a benefit for her heirs or survivors.

21. 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. Without limitation to the above, Administrator's employment with the Agency shall not be governed by the document entitled "Administrative Employment Terms and Benefits" or by any collective bargaining agreement or individual contract between the Board and any other employee or

group of employees. All prior agreements pertaining to, connected with, or arising in any manner out of the employment of Administrator by the Board not reflected in this Contract, are hereby terminated and shall hereafter be of no force or effect whatsoever. 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.

22. In the event of any dispute between the parties relating to discharge of Administrator during the term of this Contract, the parties hereby agree to submit such to binding 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 Administrator arising from Administrator's discharge 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 Administrator 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 Administrator. Instead, this agreement to arbitrate claims applies to those matters which would otherwise be subject to state or federal court proceedings.

This agreement to arbitrate means that Administrator is waiving his right to adjudicate discrimination claims in a judicial forum and is instead opting to arbitrate those claims. In any such arbitration proceeding, Administrator shall have the right to representation by counsel of his choice, the right to appointment of a neutral arbitrator, the right to reasonable discovery and the right to a fair hearing. However, Administrator, through this agreement to arbitrate such claims, does not waive any statutory rights or remedies in the context of such arbitration proceedings.

The arbitrator's fee and the costs imposed by the American Arbitration Association shall be shared equally by the Board and Administrator, subject to the right of Administrator to seek to tax such fees as costs against the Board.

Any claim for arbitration under this provision must be filed with the American Arbitration Association, in writing, and served on the Board within one hundred eighty (180) days of the effective date of Administrator's discharge during the term of this Contract. The Decision and Award of the arbitrator shall be final and binding and judgment thereon may be entered in the Circuit Court for the 25th Judicial Circuit of Michigan (Marquette County).

23. If any provision of this Agreement 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).

24. 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, it is the intent of the parties that the court enforce this provision to the extent possible and declare the law suit barred unless it was brought within the minimum reasonable time within which the suit should have been commenced.

25. This Agreement is executed on behalf of the Marquette-Alger Regional Educational Service Agency pursuant to the authority granted as contained in the resolution of the Board adopted on May 9, 2011, the same being incorporated herein by reference.

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

Date: _____

ADMINISTRATOR

MARQUETTE-ALGER RESA
BOARD OF EDUCATION

Date: _____

By _____
President

By _____
Secretary

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