

SCHOOL DISTRICT OF THE CITY OF MUSKEGON HEIGHTS

Office of the Emergency Financial Manager
Donald B. Weatherspoon

EM Order 2013 – 13

BY THE POWER AND AUTHORITY VESTED IN
THE EMERGENCY FINANCIAL MANAGER FOR THE
SCHOOL DISTRICT OF THE CITY OF MUSKEGON HEIGHTS, MICHIGAN
("EMERGENCY FINANCIAL MANAGER")
THROUGH MICHIGAN COMPILED LAW ("MCL") §§141.1201 – 141.1291,
380.1 – 380.1853, 388.1601 – 388.1772, 141.421 – 141.440a, 423.201 – 423.217
and 38.71 – 38.191

THE EMERGENCY FINANCIAL MANAGER, DONALD B. WEATHERSPOON,
HEREBY ISSUES THE FOLLOWING:

**ORDER REGARDING HIRING OF GOVERNMENTAL
COMPLIANCE MANAGER**

By the authority of the Emergency Financial Manager Act granted under Public Act 72 of the Public Acts of Michigan, 2011, (the "Act") and by the appointment of the Emergency Financial Manager of the District by the Governor of the State of Michigan pursuant to that Act, the following preamble and order is issued:

WHEREAS:

1. Pursuant to Section 21(j) of the Act, this Emergency Financial Manager intends to employ an individual to act as the Governmental Compliance Manager for the Muskegon Heights Public School District.
2. Pursuant to Section 21(o) of the Emergency Financial Manager Act, the Emergency Financial Manager intends to contract with the School District of the City of Highland Park to

2603 Leahy Street, Muskegon Heights, MI 49444
Phone: 231-830-3220
Fax: 231-830-3560

provide governmental compliance services to the School District of the City of Highland Park concurrent with the Manager's duties with the Muskegon Heights Public School District.

NOW, THEREFORE, BE IT ORDERED THAT:

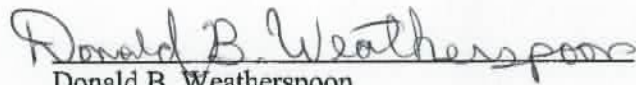
1. The Emergency Financial Manager shall consult with and advise the Muskegon Heights Board of Education with regard to the necessity of filing the position and the particulars of the contract with the employee.

2. The District shall employ Joel A. Wortley as its Governmental Compliance Manager pursuant to a contract of employment to be finalized by the Emergency Financial Manager.

3. The Emergency Financial Manager shall consult with and advise the Muskegon Heights Board of Education on the terms and conditions of the contract for services with the School District of the City of Highland Park.

4. The Emergency Financial Manager shall enter into a contract with the School District of the City of Highland Park to provide for the use of the services of the District's Governmental Compliance Manager as may be directed by the Emergency Financial Manager.

Dated: April 1, 2013



Donald B. Weatherspoon
Emergency Financial Manager



MUSKEGON HEIGHTS PUBLIC SCHOOLS

2603 Leahy Street • Muskegon Heights, Michigan 49444 • Phone 231-830-3221 • Fax 231-830-3560

MUSKEGON HEIGHTS PUBLIC SCHOOLS ADMINISTRATOR CONTRACT

This Agreement is entered into this 1st day of April, 2013 between the Board of Education of Muskegon Heights, hereinafter called "Board", and the "Administrator".

The Board hereby hires and appoints Joel A. Wortley to the position of Governmental Compliance Manager for the remainder of the fiscal year 2012/2013 and fiscal year 2013/2014, consisting of 52 weeks per year and the Board further agrees to compensate said Administrator for his services at the annual rate of One Hundred Five Thousand & 00/100 dollars (\$105,000.00), which compensation shall be in addition to the applicable benefits granted by the Board in conformance with any policies now or hereafter in effect. Specific benefits to the Administrator are attached hereto and incorporated herein by reference on Exhibit A. The salary provided for herein shall be prorated for services actually rendered in the event of termination of this agreement or in the event the Administrator shall fail to perform the contracted services for periods or causes not specifically permitted in the rules and regulations or where the services commence after the fiscal year has begun.

In accepting this assignment with the Board, it is my understanding that I am subject to policies established by the Board. I attest that I am qualified for the position as required by law. The job description includes but is not limited to providing to the Muskegon Heights Public Schools and Highland Park Public Schools and their Emergency Financial Manager the following:

Timely coordinate and/or produce all required reports to any governing body or other agency as deemed necessary by the Emergency Financial Manager and/or the Michigan Department of Treasury;

Timely coordinate and/or produce all required reports per state and federal regulations;

Coordinate any other tasks as deemed necessary by the Emergency Financial Manager and/or the Michigan Department of Treasury.

Both the Board and Administrator agree that this contract is subject to the Rules and Regulations of the Board now in existence or which may be hereafter adopted and the statutes of the State of Michigan with reference thereto now in existence or which may be hereafter adopted or amended with regard to all other terms and conditions of employment.

It is understood that as an Administrator, I am subject to assignment and transfer at the discretion of the EFM of Schools, but shall not be required to perform services not directly connected with the Public Schools.

**MUSKEGON HEIGHTS PUBLIC SCHOOLS
ADMINISTRATOR CONTRACT**

This Agreement is entered into this 27 day of March, 2013, between the Board of Education of Muskegon Heights, hereinafter called "Board", and the "Administrator".

The Board hereby hires and appoints Joel A. Wortley to the position of Governmental Compliance Manager for the remainder of the fiscal year 2012/2013 and fiscal year 2013/2014, consisting of 52 weeks per year and the Board further agrees to compensate said Administrator for his services at the annual rate of One Hundred Five Thousand & 00/100 Dollars (\$105,000.00), which compensation shall be in addition to the applicable benefits granted by the Board in conformance with any policies now or hereafter in effect. Specific benefits to the Administrator are attached hereto and incorporated herein by reference on Exhibit A. The salary provided for herein shall be prorated for services actually rendered in the event of termination of this agreement or in the event the Administrator shall fail to perform the contracted services for periods or causes not specifically permitted in the rules and regulations or where the services commence after the fiscal year has begun.

In accepting this assignment with the Board, it is my understanding that I am subject to policies established by the Board. I attest that I am qualified for the position as required by law. The job description includes but is not limited to providing to the Muskegon Heights Public Schools and Highland Park Public Schools and their Emergency Financial Manager the following:

Timely coordinate and/or produce all required reports to any governing body or other agency as deemed necessary by the Emergency Financial Manager and/or the Michigan Department of Treasury;

Timely coordinate and/or produce all required reports per state and federal regulations;

Coordinate any other tasks as deemed necessary by the Emergency Financial Manager and/or the Michigan Department of Treasury.

Both the Board and Administrator agree that this contract is subject to the Rules and Regulations of the Board now in existence or which may be hereafter adopted and the statutes of the State of Michigan with reference thereto now in existence or which may be hereafter adopted or amended with regard to all other terms and conditions of employment.

It is understood that as an Administrator, I am subject to assignment and transfer at the discretion of the EFM of Schools, but shall not be required to perform services not directly connected with the Public Schools.

This agreement may be terminated for just cause in accordance with the applicable Rules and Regulations of the Board.

This contract shall be deemed to have been renewed for a period of one year beyond its expiration date of June 30, 2014, unless the Board shall have given written notice to the contrary to the Administrator in accordance with Act 183, Public Acts of 1980, as amended. The Administrator recognizes the exclusive right of the Board to determine reductions in personnel and/or operations and the exclusive right to determine the area in which such reductions will be made. The layoff of Administrator shall terminate the Administrator's and the Board's obligations under the contract.

It is mutually understood and agreed that this Contract does not confer tenure upon the Administrator in the above-described position.

IN WITNESS WHEREOF, the parties hereto have executed this Contract in duplicate on the date first given.

MUSKEGON HEIGHTS PUBLIC SCHOOLS
Board of Education

Dated: April 1, 2013

By Franklin Brewster
Secretary of the Board of Education

Dated: April 1, 2013

By Donald B. Weatherspoon
Emergency Financial Manager

Dated: 27 March, 2013

By Paul A. Worsley
Administrator

EXHIBIT A

To Joel A. Wortley Administrator Contract

Fringe Benefits:

Reimburse all work-related mileage and travel expenses

Cell phone

Laptop

MUSKEGON HEIGHTS PUBLIC SCHOOLS

CONTRACT FOR SERVICES- GOVERNMENTAL COMPLIANCE MANAGER

This Service Agreement (the "Agreement") is entered into on this 1st day of April, 2013, ("Effective date") by and between the Muskegon Heights Public School District (MHPS) located at 2603 Leahy Street, Muskegon Heights, MI 49444, and the School District of the City of Highland Park (SDCHP) located at 15900 Woodward Avenue, Highland Park, MI 48203. Collectively MHPS and SDCHP will be known as the "Parties" and individually as a "Party."

WHEREAS, MHPS employs a Governmental Compliance Manager to assist the Emergency Financial Manager in managing the District's timely production of all required reports to any governing bodies or other agencies, and coordinate any other task as deemed necessary by the Emergency Financial Manager.

SDCHP is in need of the services provided by a Governmental Compliance Manager as it also is under the authority of the same Emergency Financial Manager that presently manages the operations of MHPS.

It is the desire of the parties that the MHPS Governmental Compliance Manager, Joel A. Wortley, provide the coordination and governmental compliance operations for SDCHP and in consideration of the mutual covenants and promises set forth in this Agreement, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

- 1) Services: During the term of this Agreement, MHPS shall provide the services of its Governmental Compliance Manager for the School District of the City of Highland Park on an "as needed" basis up to and including 50 percent of Governmental Compliance Manager's available time.
- 2) Responsibility of SDCHP: During the term of this Agreement, SDCHP agrees to timely furnish materials, information, resources, feedback and approvals as reasonably requested by MHPS in order to complete the services in a timely manner. SDCHP has designated the following individual as the approving official on its behalf: Donald B. Weatherspoon, Emergency Financial Manager.
- 3) Compensation: Muskegon Heights Public School District's fees for the services during initial term shall be one-half (50%) of the Governmental Compliance Manager's salary and benefits as outlined in his Contract for employment with MHPS dated April 1, 2013, which is attached hereto and incorporated herein by reference. MHPS shall invoice SDCHP monthly for its share of the costs of the Governmental Compliance Manager which shall include an itemized breakdown of the monthly costs.

4) Term: The term of this Agreement shall be for the remainder of the 2012-2013 fiscal year and the 2013-2014 fiscal year, consisting of 52 weeks per year. Thereafter the Agreement will be extended automatically unless either party elects to terminate the Agreement by providing 30 days written notice.

5) Termination: The parties agree that this Contract may be terminated by either side for cause after having given the non-breaching party 30 days to cure any claims of breach of the agreement and also interminable upon either party no longer being under the purview of the Emergency Financial Manager's statute or for the convenience of either party upon 60 days notice.

6) Relationship of the Parties: The parties are independent contractors and no other relationship is intended, including without limitation a partnership, franchise, joint venture, agency, employer/employee, fiduciary, master/servant or other special relationship. Neither Party shall act in a manner which binds the other party or expresses or implies a relationship other than that of independent contractor.

7) Confidentiality:

(a) The Parties may receive or have already received Confidential Information from one another in connection with this Agreement.

(b) "Confidential Information" means any information that is valuable to disclosing Party and its business and is not generally known by the public, including without limitation, any technical or non-technical information, without regard to form, which derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. The term "Confidential Information" as used herein does not include any information that is (i) already known to the public or the receiving Party prior to disclosure by the disclosing Party, or (ii) subsequently made known to the public without any violation of this Agreement, or (iii) rightfully received by the receiving Party from a third party without similar restriction and without breach of this Agreement, or (iv) independently developed by the receiving Party without breach of this Agreement.

(c) The receiving Party agrees that during the term of this Agreement and for a period of three (3) years thereafter, the receiving Party will hold the disclosing Party's Confidential Information in strict confidence and shall not disclose such information, in whole or in part, to any person other than its partners, agents, employees and other authorized representatives (collectively, the "Representatives") who need to know such information in connection with the receiving Party's provision of Services or other obligations under this Agreement, without the prior written consent of the disclosing Party. The receiving Party agrees to inform their Representatives of the nature of the Confidential Information and to require the Representatives to keep such information confidential. The receiving Party may also disclose the disclosing Party's Confidential Information as required by law.

8) Compliance with Laws: Each Party agrees to comply with all applicable laws in the performance of this Agreement.

9) Warranties and Warranty Disclaimer:

(a) MHPS warrants that the Services will be performed in a professional and workmanlike manner in accordance with industry standards.

(b) MHPS DISCLAIMS ALL WARRANTIES OTHER THAN THOSE PROVIDED IN THIS AGREEMENT AND DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

10) Limitation of Liability: NEITHER PARTY SHALL BE LIABLE UNDER THIS AGREEMENT TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. NOTWITHSTANDING ANY PROVISION IN THIS AGREEMENT TO THE CONTRARY, MHPS' LIABILITY FOR DAMAGES OF ANY KIND, REGARDLESS OF THE FORM OF ACTION OR THEORY OF LIABILITY, SHALL NOT EXCEED THE AMOUNT EQUAL TO SIX MONTHS WORTH OF FEES PAID UNDER THIS AGREEMENT.

11) Miscellaneous:

(a) This Agreement shall be governed by the laws of the State of Michigan. The parties agree that the Muskegon County Circuit Court shall have exclusive jurisdiction over any dispute arising out of or relating to this Agreement.

(b) Notices: All notices, requests and demands given to or made upon the Parties shall be in writing and shall be mailed properly addressed, postage prepaid, registered or certified, or personally delivered to either Party at the address listed below or to such other addresses as either Party may designate in writing. Such notice shall be deemed received by the close of business on the date shown on the certified or registered mail receipt, or when it is actually received, whichever is sooner.

To MHPS: MHPS
 2603 Leahy Street
 Muskegon Heights, MI 49444

Copy to: MHPS
 2603 Leahy Street
 Muskegon Heights, MI 49444
 Attn. Joel A. Wortley, Governmental Compliance Manager