

SCHOOL DISTRICT OF THE
CITY OF HAZEL PARK
COUNTY OF OAKLAND AND STATE OF MICHIGAN
SPECIAL MEETING

CALL TO ORDER

The Special Meeting of the Hazel Park Board of Education was held at the Ford School Administration Office on January 21, 2015, and was called to order by President Nagy at 3:00 p.m.

ROLL CALL

Members Present: Nagy, Polowski, Hammonds, Hemple, Hinton
Members Absent: Adkins, Noth
Others Present: André, Barlow, Meisinger, Stefanski

APPROVAL OF THE AGENDA

Moved by Mrs. Polowski, supported by Mrs. Hemple, that the Agenda be approved as written.

Discussion

None

Roll Call Vote

Yeas: Polowski, Hemple, Hammonds, Hinton, Nagy
Nays: None

ORDER OF BUSINESS

1. Closed Session – Motion to recess into closed session (h) attorney client privilege to consider material exempt from discussion or disclosure by state or federal statute, which is exempt from disclosure pursuant to Section 8(h) of the Open Meeting Act

Moved by Mrs. Polowski, supported by Mrs. Hammonds, that the Board of Education adjourn to a Closed Session.

Discussion

None

Roll Call Vote

Yeas: Polowski, Hammonds, Hemple, Hinton, Nagy
Nays: None

The Board of Education adjourned to a Closed Session at 3:02 p.m. The meeting resumed as an open meeting at 3:25 p.m.

Mr. James Meisinger, Superintendent, recommended that the Board of Education approve the Interim Chief Business Official Agreement through Oakland Intermediate School District, and give authorization to Charles Hazekamp and Ada Lynn Miroksky to execute wire transfers for the 2015 calendar year.

DISTRICT SERVICE AGREEMENT FOR
INTERIM CHIEF BUSINESS OFFICIAL

THIS DISTRICT SERVICE AGREEMENT FOR INTERIM CHIEF BUSINESS OFFICIAL (the "Agreement") is made as of the Effective Date by and between **Oakland Schools**, a Michigan Intermediate School District, (hereinafter "Oakland Schools") and the **School District of the City of Hazel Park**, a Michigan general powers school district (hereinafter the "District").

RECITALS

WHEREAS, the District is a constituent school district of Oakland Schools; and

WHEREAS, the District desires Oakland Schools to furnish an Interim Chief Business Official to oversee the daily financial operations of the District as set forth herein; and

WHEREAS, Oakland Schools is authorized to furnish Services on a management, consultant and/or supervisory basis contemplated by this Agreement to its constituent school districts, and may charge a fee therefore, pursuant to Section 627 of the Revised School Code (MCL 380.627); and

WHEREAS, the District hereby requests Oakland Schools to furnish the Services to the District as set forth herein.

NOW, THEREFORE, IT IS AGREED BY THE PARTIES THAT:

I. TERM OF AGREEMENT

This Agreement will be in effect beginning January 21, 2015 (the "Effective Date"). This Agreement will continue from the Effective Date until June 30, 2015 (the "Term"), unless otherwise terminated by either party in the manner described in Section IX of this Agreement. This Agreement may be renewed or extended upon the mutual written agreement of both the District and Oakland Schools.

II. OBLIGATIONS OF OAKLAND SCHOOLS

A. Oakland Schools will, within a reasonable period of time from the Effective Date of this Agreement as mutually agreed to by the parties, perform those services described in **Exhibit A** (the "Services") for the District as an independent contractor, and not as a District employee.

B. Oakland Schools shall perform the Services up to 4 days per week.

C. The relationship between the District and Oakland Schools shall be that of independent contracting parties. Oakland Schools shall be self-directed in the performance of the Services. Neither Oakland Schools nor any of its employees, agents or representatives shall represent themselves to be an employee, servant, or agent of the District, except through the relationship established by this Agreement.

D. Oakland Schools shall render the Services with the same degree of care normally exercised by public school districts under similar circumstances.

E. Oakland Schools shall be responsible for compliance with all applicable federal, state, and local laws and regulations with respect to the Services.

F. Oakland Schools may secure a third party consultant or independent contractor to perform the Services on behalf of the District. Oakland Schools' selection of the employee, third party consultant or independent contractor performing the Services shall be subject to the approval of the Superintendent of the District and such approval shall not be unreasonably withheld.

III. OBLIGATIONS OF THE DISTRICT

A. The District will provide Oakland Schools' employees, agents or any third party consultant or independent contractor secured by Oakland Schools who perform the Services with the tangible and intangible items and support that are reasonable and necessary to perform the Services, including, but not limited to:

1. Suitable office space, office equipment including but not limited to computer, phone, internet services, printer, fax and copy machines, supplies and secretarial and other staff support, as deemed reasonable and necessary by Oakland Schools;
2. Access to all records and other information, equipment, software, documentation including but not limited to all financial, accounting, budget and expenditure reports, staffing reports, payroll records, audits, transportation records, food service records, facility records, grant records, insurance records, bond records, collective bargaining agreements and any and all other documents related to the financial and business operations of the District as deemed reasonable and necessary by Oakland Schools;
3. Access to up-to-date policies, procedures, regulations, and/or administrative rules of the District.
4. Access to the District's Board of Education and District personnel, as deemed reasonable and necessary by Oakland Schools.

B. The District shall pay Oakland Schools for the Services as set forth in Section VIII of this Agreement.

C. The District shall be solely responsible for all services required for the ownership and operation of the District beyond the scope of the Services to be provided through Oakland Schools. The District shall be responsible for compliance with all applicable federal, state, and local laws and regulations with respect to the District.

IV. RELIANCE UPON DISTRICT OPERATION AND FINANCIAL INFORMATION

The Services that Oakland Schools has agreed to provide under this Agreement and the corresponding Fee were developed based on operational and financial information provided by District. The District represents and warrants that such information is current, complete, and accurate, and acknowledges that Oakland Schools has reasonably relied on it. The District shall continue to provide similar information to Oakland Schools from time to time, which will also be current, complete, and accurate, so that Oakland Schools may reasonably rely on it in providing the Services contemplated hereunder. If such operational and/or financial information of the District changes or is inaccurate, then the financial terms and obligations of Oakland Schools shall be renegotiated and restated to correct such change or inaccuracy on mutually agreeable terms and Oakland Schools shall not be liable for any Services performed in reliance upon such inaccurate information. Furthermore, the Services shall not constitute an audit of any of the District's financial statements or the District's internal controls. Furthermore, the District acknowledges and agrees that Oakland Schools will rely upon all information and data provided by the District to perform the Services and Oakland Schools shall not be liable for any damages if such information and/or data provided by the District is incorrect, incomplete or inaccurate.

Oakland Schools shall have no responsibility for any management decisions or management functions in connection with the Services, as these are the District's responsibilities following recommendations made by Oakland Schools to the District.

V. COOPERATION

The District acknowledges that Oakland Schools will need the active support of the District's professional, administrative, operations, and other personnel and contractors to provide the Services under this Agreement, and District agrees to use its best efforts to fully cooperate with Oakland Schools in that regard.

VI. COMMUNICATION

Reports and recommendations shall be made to the Superintendent of District unless otherwise designated in writing. All communications to Oakland Schools shall be provided to the Superintendent of Oakland Schools or his/her designee.

VII. WARRANTIES

In the event Oakland Schools provides the Services with its employees, the District and Oakland Schools agree that Oakland Schools will rely upon any operational and/or financial information of the District which it receives to perform the Services. Except as otherwise set forth in this Agreement, the District and Oakland Schools also agree that Oakland Schools has not provided any warranty, express or implied, concerning the performance of the Services and Oakland Schools SHALL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL OR GENERAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, WHETHER ARISING FROM THIS AGREEMENT OR THE SERVICES.

In the event Oakland Schools secures an outside contractor to provide the Services, the District and Oakland Schools agree that, by entering into this Agreement, Oakland Schools has not assumed any duty or obligation the District is required to perform by any federal state or local law, rule or regulation. Oakland Schools has only assumed the obligation to verify that the duties of any third party consultant or independent contractor secured by Oakland Schools to perform the Services were performed in accordance with the agreement between Oakland Schools and the respective third party consultant or independent contractor secured by Oakland Schools to perform the Services. The District and Oakland Schools also agree that Oakland Schools has not provided any warranty, express or implied, concerning the performance of the Services by any third party consultant or independent contractor secured by Oakland Schools to perform the Services and Oakland Schools SHALL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL OR GENERAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, WHETHER ARISING FROM THIS AGREEMENT OR THE SERVICES OF ANY THIRD PARTY CONSULTANT OR INDEPENDENT CONTRACTOR SECURED BY OAKLAND SCHOOLS TO PERFORM THE SERVICES FOR THE DISTRICT.

VIII. PAYMENT

The District shall pay Oakland Schools a rate not to exceed \$660.00 per day for the Services on a cost recovery basis (the "Fee"). The District shall also pay Oakland Schools' reasonable and customary expenses to perform the Services including \$320.00 per week for lodging, mileage of 300 miles per week at the rate of .50 cents per mile, and an indirect cost not to exceed 3 percent of the total Fee. The Fee and the expenses shall not exceed Sixty Thousand Dollars (\$60,000.00) for the Term of the Agreement. Payment for the Services is conditioned upon submission of properly documented proof of performance (i.e. a signed, original invoice) by Oakland Schools, to District. Payment will be made not later than thirty (30) days after an original invoice is received by District containing a calendar of days worked. If the District fails to timely pay for the Services as set forth above, Oakland Schools may suspend the Services until such payments are made.

IX. TERMINATION

- A. Oakland Schools may terminate and/or cancel this Agreement (or any part thereof) at any time during the term or any extension of this Agreement, upon ten (10) days written notice to District, for any reason, including convenience without incurring any obligation or penalty of any kind. The effective date for termination or cancellation shall be clearly stated in the written notice. In the event of such termination, District's sole obligation shall be payment for actual services rendered by Oakland Schools before the effective date of termination.
- B. District may terminate and/or cancel this Agreement (or any part thereof) at any time during the term or any extension of this Agreement, upon ten (10) days written notice to Oakland Schools, for any reason, including convenience without incurring any obligation or penalty of any kind. The effective date for termination or cancellation shall be clearly stated in the written notice. In the event of such termination, District shall submit payment for actual services rendered by Oakland Schools before the effective date of termination.
- C. District and Oakland Schools may terminate the agreement at any time by mutual agreement of the respective Superintendents in writing.

X. NOTICES

Any notice under this Agreement must be in writing, and will be effective when delivered personally, delivered by a national overnight delivery service, or three (3) business days after being deposited in the United States mail (postage prepaid, registered or certified). In the case of a notice from the District to Oakland Schools, notice must be provided to Oakland Schools' Superintendent. In the case of a notice from Oakland Schools to the District, notice must be provided to the District's Superintendent. Notices shall be delivered at the following addresses:

Dr. Markavitch
Oakland Schools
2111 Pontiac Lake Rd.
Waterford, MI 48328

Mr. James Meisinger
School District of the City of Hazel Park
1620 E. Elza
Hazel Park, MI 48030

XI. COPYRIGHT AND INTELLECTUAL PROPERTY

If Oakland Schools and/or any consultant or independent contractor secured by Oakland Schools performing Services under this Agreement develop any work product, information material, document, writing, publication, software, recording or procedure, whether in written, video, audio or other media format, ("the Work") Oakland Schools and/or any consultant or independent contractor secured by Oakland Schools agree that the Work is a "work-for-hire" and the District shall be deemed the copyright author and holder of all intellectual property rights. In the event, for any reason, the Work is found to be other than a "work-for-hire," Oakland Schools and/or any consultant or independent contractor secured by Oakland Schools agree to assign its/their rights in any copyrights and other intellectual property to the District.

XII. CONFIDENTIAL INFORMATION

A. Except as required to perform the Services, Oakland Schools and/or any consultant or independent contractor secured by Oakland Schools agree that they will never, during the Term of this Agreement or at any time subsequent to termination of this Agreement, directly or indirectly use or disclose any confidential information of the District without the written consent of the District.

B. All records, forms and supplies or any reproduced copies provided and furnished by the District to Oakland Schools and/or any consultant or independent contractor secured by Oakland Schools or obtained by Oakland Schools and/or any consultant or independent contractor secured by Oakland Schools during the course of rendering the Services to the District shall always remain the property of the District and shall be returned to the District on demand, or upon termination of this Agreement.

XIII. SEVERABILITY

If a court of competent jurisdiction holds any Section, subsection or provision of this Agreement is not enforceable, the remaining Sections, subsections and provisions will remain in full force and effect.

XIV. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Michigan, with venue being Oakland County, Michigan.

XV. LIMITATION OF LIABILITY

Oakland Schools' liability under this Agreement shall not under any circumstances exceed the Fee paid by the District to Oakland Schools for the Services. In no event will Oakland Schools be liable to the District for any loss of business, business interruption, consequential, special, and indirect or punitive damages.

XVI. ENTIRE AGREEMENT

The District and Oakland Schools agree this document is the entire agreement concerning the subject matter. Accordingly, this Agreement supersedes any and all other understandings or agreement, verbal or written, and may not be modified except by another written agreement executed by a legally authorized representative of the District and Oakland Schools.

OAKLAND SCHOOLS

**SCHOOL DISTRICT OF THE CITY OF
HAZEL PARK**

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

EXHIBIT A

SERVICES

Pursuant to Section II of this District Service Agreement for Interim Chief Business Official, Oakland Schools shall provide to District the Services as set forth below:

Responsibilities: Direct and oversee administration of the District's business services including, but not limited to, general accounting, grant accounting, accounts payable and receivable, payroll, budget, treasury, cash management, debt service management, risk management, audit, procurement and financial reporting functions assuring proper management of the District's financial resources, but excluding grant management, grant compliance, and grant monitoring. Administer contracts with third parties providing Food Services, Student Transportation and Facility Operations and Maintenance. Provide Business and Grant accounting related services. These responsibilities are performed as needed and as appropriate to the situation. Maintain communications with respect to financial matters with the Superintendent.

Business Service Management and Administration

- Provide the management of all accounting functions including accounts payable, accounts receivable, payroll, grant accounting, and general accounting operations.

- Provide management of all organizational treasury management functions including the maintenance of a long term cash flow forecast. Provide Financial Services including but not limited to collection of revenues, financial administration for bond issue proceeds and debt service, sinking fund administration.
- Provide management of the District's budget development and management processes except the District shall be responsible for Grant Management, Grant Compliance, Grant Monitoring and for entering grant budgets onto the financial system.
- Provide management of the District's annual audits.
- Develop and implement board policy and procedure relevant to the operations of the Business Office.
- Ensure compliance with relevant state and federal laws, except for Grant programs.
- Prepare all applicable non-Grant local, state, and federal reports in accordance with applicable requirements, including financial reports required.
- Provide staff with support, resources, information, and training as needed to carry out the priorities of the District and department.
- Collaborate with the legal counsel on the negotiation of Payment Plans with vendors and others who are owed payments by the District.
- Prepare, analyze, and provide financial information for administrative decision-making.
- Ensure the establishment and maintenance of appropriate internal controls and system processes.
- Provide for the administration of the District's risk management insurance program.
- Serve as the District's representative and/or liaison to constituent groups, professional organizations and community organizations regarding business services.
- Maintain up to date knowledge of current research, methodology, applicable best practices and relevant professional pronouncements.
- Lead the development and direct the implementation of strategic and/or financial and or operational plans, projects, programs and systems that align with those of the District.
- Lead multiple projects and support/motivate effective teamwork to produce quality services.
- Analyze and solve strategic and operational issues related to all business service functions and activities.
- Plan and/or oversee the development, implementation and maintenance of standard operating procedures (SOP's) and technologies to comply with the District's requirements and improve operating quality and efficiency of the department.
- Promote and support the District's culture by reinforcing Board of Education goals, policies and procedures and the District's vision, mission and continuous improvement plan.
- Attend and when requested make presentations at Regular or Special Board Meetings, Executive Sessions, and Board Work sessions.
- Provide assistance with other District financial operation matters and support as requested and mutually agreed upon in writing between Oakland Schools and the District during the Term of this Agreement.

Moved by Mrs. Hammond, supported by Mrs. Polowski, that the Board of Education approved the Interim Chief Business Official Agreement through Oakland Intermediate School District, as presented.

Discussion
None

Roll Call Vote

Yeas: Hammonds, Polowski, Hemple, Hinton, Nagy
Nays: None

Moved by Mrs. Polowski, supported by Mrs. Hemple, that the Board of Education authorize Charles Hazekamp and Ada Lynn Mirovsky to execute wire transfers for the 2015 calendar year.

Discussion

None

Roll Call Vote

Yeas: Polowski, Hemple, Hammonds, Hinton, Nagy
Nays: None

Moved by Mrs. Hammond, supported by Mrs. Polowski, that the Board of Education approved the Interim Chief Business Official Agreement through Oakland Intermediate School District, as presented.

Discussion

None

Roll Call Vote

Yeas: Hammonds, Polowski, Hemple, Hinton, Nagy
Nays: None

Moved by Mrs. Polowski, supported by Mrs. Hemple, that the Board of Education authorize Charles Hazekamp and Ada Lynn Mirovsky to execute wire transfers for the 2015 calendar year.

Discussion

None

Roll Call Vote

Yeas: Polowski, Hemple, Hammonds, Hinton, Nagy
Nays: None

PUBLIC DISCUSSION

None

BOARD MEMBER AND ADMINISTRATION COMMENTS

None

ADJOURNMENT

Moved and supported that the meeting be adjourned at 3:28 p.m.

Unanimous approval

Respectfully submitted,

Ricky D. Nagy, President
Hazel Park Board of Education