

City of Allen Park, County of Wayne,
State of Michigan

ORDER No. 2014-047

**AN ORDER APPROVING AND AUTHORIZING THE CITY OF ALLEN PARK,
THROUGH THE EMERGENCY MANAGER, TO ENTER INTO AN EMPLOYMENT
CONTRACT WITH THE CITY ADMINISTRATOR.**

WHEREAS, under Local Government Fiscal Responsibility Act, Act 72, Public Acts of Michigan, 1990, as amended ("Act 72") and as superseded by the Local Financial Stability and Choice Act, Act 436, Public Acts of Michigan, 2012 ("Act 436"), as well as any successor Acts, and a Contract (the "Contract") dated October 25, 2012 between the State of Michigan and Joyce A. Parker, Joyce A. Parker has been appointed as the Emergency Manager (the "EM") of the City of Allen Park, County of Wayne, Michigan (the "City") and is thereby charged with the power and authority to take all actions necessary to develop and implement financial and operational plans, to regulate expenditures, investments, ensure compliance with federal, state and local laws, regulations, rules, local laws and make provisions for services essential to the public health, safety, and welfare of the City of Allen Park, including the power to exercise the authority and responsibilities of the Mayor, the Chief Administrative Officer of the City, and of the City Council, as the governing body of the City, concerning the adoption and enforcement of ordinances and resolutions affecting the financial condition of the City as provided in the Home Rule City Act, Act 279, Public Acts of Michigan, 1909, as amended ("Act 279"); and

WHEREAS, pursuant to Act 436 and specifically MCL 141.1552(1)(g) authorizing an emergency manager to make, approve, or disapprove any appropriation, contract or expenditure and MCL 141.1552(1)(dd) and (ee) which provides that an emergency manager has the power and authority to exercise, on behalf of the local government, all authority and responsibilities of the governing body including enforcement of ordinances and resolutions as provided under the Home Rule City Act, 1909 PA 279, and take any other action or exercise any power or authority of any officer, employee, board, and commission, recognizing that the power of the emergency manager shall be superior to and supersede the power of any of the aforementioned officers or entities;

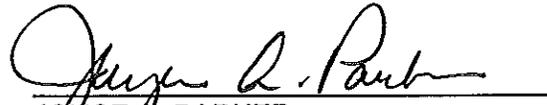
WHEREAS, the City of Allen Park wishes to enter into a contract with Karen L. Folks, a qualified professional that has been hired to serve in the capacity of City Administrator because it is in the best interests of the City to continue the uninterrupted employment of the present City Administrator to ensure stability in the City's management and operations and long term sustainability through the continued implementation of the financial plan;

WHEREAS, this ORDER is necessary in order to fully carry out the duties and responsibilities required of the Emergency Manager as set forth in Public Act 436, the Contract and the emergency financial plan;

RESOLVED, NOW THEREFORE, IT IS HEREBY ORDERED BY THE EMERGENCY MANAGER OF THE CITY OF ALLEN PARK, PURSUANT TO PUBLIC ACT 436 of 2013, THE CONTRACT, AND ALL OTHER RELEVANT LEGAL MANDATES THAT:

1. The City of Allen Park approves and authorizes, through the Emergency Manager, the execution of the Professional Service Contract with Karen L. Folks to finalize the appointment of Karen L. Folks as the City Administrator for the City of Allen Park;
2. All orders of the EM, contracts, resolutions of the Allen Park City Council, and parts of resolutions or orders in conflict with this Order are hereby repealed to the extent of such conflict.

IT IS SO ORDERED this 24th day of September, 2014.



JOYCE A. PARKER
Emergency Manager
City of Allen Park

PROFESSIONAL SERVICE CONTRACT

Between Karen L. Folks (hereinafter referred to as "Employee") and the City of Allen Park (hereinafter referred to as "Employer" or "City").

It is understood and agreed that Employee agrees to finalize her appointment as the City Administrator of Allen Park, Michigan, and this Professional Services Contract is effective as of its approval by the Emergency Manager and signature by the parties.

Employee and Employer further understand the following conditions of employment.

SECTION 1. RESPONSIBILITIES AND AUTHORITY

A. Employer agrees to employ Karen L. Folks as City Administrator to perform the functions and duties for the City of Allen Park and to perform other legally permissible and proper duties and functions without interference.

B. Employee is the chief executive officer of the Employer and shall faithfully perform the duties as prescribed in the job description, State Orders and other such duties as may be lawfully assigned by the Employer and shall comply with all lawful governing body directives, and state and federal law.

C. Specifically, it shall be the responsibility of the Employee to employ on behalf of the Employer all other employees of the organization.

D. It shall also be the responsibility of the Employee to appoint and terminate department heads after conferring with the governing body and consistent with policies, ordinances, charter, state and federal law.

D. It shall also be the responsibility of the Employee to hire, fire, discipline, direct, assign, reassign and evaluate all of the employees of the Employer consistent with policies, ordinances, State Orders, state and federal law.

E. It shall also be the responsibility of the Employee to organize, reorganize and arrange the staff of the Employer subject to the approval of the Employer, and to develop and establish internal regulations, rules and procedures which the Employee deems necessary for the efficient and effective operation of the Employer consistent with the lawful directives, policies, ordinances, state and federal law.

F. It shall also be the responsibility of the Employee to accept all resignations of employees of the Employer consistent with the policies, ordinances, state and federal law, except the Employee's resignation which must be accepted by the governing body.

G. The Employee shall perform the duties of City Administrator of the Employer with reasonable care, diligence, skill and expertise.

H. All responsibilities assigned to the Employee by the governing body shall be appropriate to and consistent with the professional role and responsibility of the Employee.

I. The Employee cannot be reassigned from the position of City Administrator to another position without the Employee's express written consent.

J. The Employee or designee shall attend, and shall be permitted to attend, all meetings of the governing body, both public and closed.

K. The Employee shall be allowed to attend training and conference opportunities related to local government management and shall be reimbursed for expenses by the City.

SECTION 2. SALARY

Employer agrees to pay Employee an annual base salary of \$95,000.00, payable in installments at the same time that the other management employees of the Employer are paid. Increases or changes in salary and benefits shall be considered at beginning of each subsequent fiscal year, and shall be in such amounts and to such extent as the Employer may determine is appropriate and desirable, and the economics of the City, among other things.

SECTION 3. BENEFITS

Employee shall receive the same economic and non-economic benefits currently provided in the Benefits Plan for Administrative /Appointee employees.

SECTION 4. HOURS OF WORK

It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule. The schedule shall be appropriate to the needs

of the Employer and shall allow Employee to faithfully perform her duties and responsibilities.

SECTION 5. INDEMNITY

The City shall defend, save harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of the Employee's duties. Employer will compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. Employer reserves the right to withhold such indemnification in the event such alleged act or omission is criminal in nature or if indemnification is in violation of the Law.

SECTION 6. BONDING

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

SECTION 7. DISCIPLINE AND TERMINATION

The Employee shall hold office as an "at-will" employee and shall serve at the pleasure of the Employer. Procedures for discipline and termination of the relationship established by this Agreement by the Employer and the Employee shall be as set forth in this section.

- A. Both parties are committed to fulfill the terms and conditions of this Agreement on an ongoing basis. The Employer may, however, discipline or terminate the Employee. Any decision to discipline or terminate the Employee must be approved by the State appointed Emergency Manager, or when in place, the Transition Advisory Board (TAB), for as long as the continuation of the State declared emergency and/or any terms or phases of transition.
- B. In the event Employee voluntarily resigns her position with Employer, then Employee shall give Employer thirty (30) days notice in advance, unless the parties otherwise agree.
- C. The Employer may terminate the Employee, but unless such termination arises under the circumstances identified below, the Employer must, upon termination of the Employee, provide Employee with severance pay in the amount of six (6) month's pay based on the Employee's then base salary. Provided, that the following reasons shall constitute grounds to terminate the employment of the Employee without further obligations set forth above.

- (i) a willful breach of this Agreement or a pattern of neglect or persistent failure to perform the duties of City Administrator, as set forth in this Agreement, provided, that the Employee has been provided notice by the City Council of its dissatisfaction with her performance of said duties and Employee has been provided with a reasonable opportunity to correct her performance and the Transition Advisory Board (TAB) affirms this decision;
- (ii) conviction of any criminal act relating to employment with the City;
- (iii) conviction of a high misdemeanor or felony.

SECTION 8. GENERAL PROVISIONS:

- A. This Agreement shall continue in effect and shall constitute the entire Agreement between the parties, provided that interpretation of this Agreement shall be subject to and consistent with applicable state law.
- B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of the estate of Employee, in the event of Employee's death during the term hereof, with respect to entitlement to salary or benefits due Employee at the time of her death.
- C. If any provisions, or any portion thereof, contained in this Agreement are held unconstitutional, invalid or unenforceable, the remainder of this Agreement shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the **CITY OF ALLEN PARK** has caused this Agreement to be signed and executed in its behalf by its Emergency Manager and the Employee has signed and executed this Agreement, both in duplicate, effective as of the date stated herein.

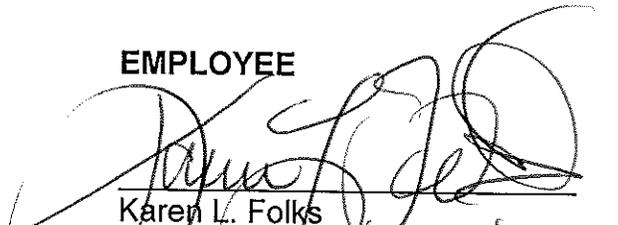
CITY OF ALLEN PARK, Michigan



Joyce A. Parker, Emergency Manager

Date: 9/24/2014

EMPLOYEE



Karen L. Folks

Date: 9/24/2014