

MEMO TO: Board of Education
TOPIC: Special School Board Meeting
FROM: Steve D. Cairns, Superintendent
DATE: March 21, 2019

A Special School Board Meeting of the Board of Education will be held March 26, 2019 at 7:00 PM in the High School Room 101.

Agenda

1. CALL TO ORDER

A. Pledge - Chairman Broden

2. SCHOOL BOARD ACTION

A. Approve Superintendent's Contract and to Authorize the Appropriate Officers to Sign 2
the Contract for the period July 1, 2019 through June 30, 2022

3. ADJOURNMENT

SUPERINTENDENT'S CONTRACT

The School Board of Independent School District No. 162, Bagley, Minnesota enters into this Contract with Erich Heise (Superintendent), a legally qualified and licensed Superintendent, who agrees to perform the duties of Superintendent of the School District. The School District and the Superintendent agree as follows:

I. Applicable Statute:

This Contract is entered into between the School District and the Superintendent in conformance with Minn. Stat. § 123B.143.

II. Licensure:

The Superintendent shall furnish, throughout the life of this Contract, a valid and appropriate license to act as Superintendent in the State of Minnesota as provided by applicable state laws, rules, and regulations.

III. Duration, Subsequent Contract, Expirations, Terminations During the Term, Mutual Consent, and Contingency:

A. Duration.

This Contract is for a term of three years commencing **July 1, 2019**, and ending **June 30, 2022**. It shall remain in full force and effect unless modified by mutual consent of the School Board and the Superintendent or unless terminated as provided herein.

B. Subsequent Contract.

1. As provided herein the following provisions, on or before December 31 immediately prior to the expiration of this Contract, the School District and the Superintendent shall give each other, in writing, notice of their intention to negotiate renewal of this Contract or their decision not to renew the Contract. Upon mutual notices of intention to negotiate a renewal, the parties shall meet with the intention to negotiate a renewal Contract prior to the expiration of this Contract.
2. Notice by Superintendent: By October 1 immediately prior to the expiration of this Contract, the Superintendent will provide written notice to each member of the School Board calling to their attention the notice provisional requirements as contained in this section of the Contract.
3. Preliminary Notice--School Board: In the event the School Board is contemplating not offering the Superintendent a subsequent contract, the School Board shall give preliminary written notice of such intent not to offer a subsequent contract no later than November 1 immediately preceding the expiration of this Contract.
4. Request for Meeting: Within ten (10) calendar days after receipt of an intent not to offer a subsequent contract as provided in Subparagraph 2. above, the Superintendent may request, in writing, a meeting with the School Board to discuss its intentions, the reasons therefore, and ways in which any concerns of the School Board might be addressed by the parties.
5. Meeting Between the Parties: Upon receipt of such request, the School Board shall, within fifteen (15) calendar days, hold a meeting with the Superintendent.

6. Final Action--School Board: The School Board shall delay taking final action on a subsequent contract for at least seven (7) calendar days after the meeting between the parties. However, the School Board shall take final action on a subsequent contract no later than December 31 and shall notify the Superintendent of such action in writing.
7. Notice of Non-Renewal: No notice of non-renewal shall be effective before June 30 of the final year of the contract or renewal thereof.
8. Effect: The timeline provided herein is intended to provide both the School Board and the Superintendent with an appropriate process to address the subsequent contract issue and is intended to bind both parties unless the parties mutually agree to extend the timeline in writing. The timeline provided herein may be extended by written agreement between the School Board Chair and the Superintendent. In such event, the School Board Chair shall confer with and notify School Board members, in writing, of such extension.

C. Expiration.

This Contract shall expire at the end of the term specified in III, A. hereof. At the conclusion of its term, neither party shall have any further claim against the other, and the School District's employment of the Superintendent shall cease, unless a subsequent contract is entered into in accordance with M.S. 123B.143, Subd.1.

D. Termination During the Term.

The Superintendent's employment may be terminated during the term of this Contract only for cause as defined in M.S. 122A.40, Subds. 9 or 13. Except for purposes of describing grounds for discharge, the provisions of M.S. 122A.40 shall not be applicable. If the School Board proposes to terminate the Superintendent during the Contract term for cause as described in M.S. 122A.40, Subds.9 or 13, it shall notify the Superintendent in writing of the proposed grounds for termination. The Superintendent shall be entitled to a hearing before an arbitrator provided the Superintendent makes such a request in writing within fifteen (15) calendar days after receipt of the written notice of the proposed termination. In such an event, the parties shall jointly petition the Bureau of Mediation Services (BMS) for a list of five (5) arbitrators. The arbitrator shall be selected by the parties through the normal striking process as provided by BMS rules. The arbitrator shall conduct a hearing under normal arbitration procedure rules and issue a written decision. The decision of the arbitrator shall be final and binding upon the parties, subject to normal judicial review of arbitration decisions as provided by law. The Superintendent may be suspended with pay pending final determination by the arbitrator. If the Superintendent fails to request a hearing as provided herein within the fifteen (15) calendar day period, it shall be deemed acquiescence by the Superintendent to the School Board's proposed action and the proposed action shall become final on such date as determined by the School Board, and the Superintendent shall have no further claim or recourse.

E. Mutual Consent.

This Contract may be terminated at any time by the parties by mutual consent.

F. Contingency.

If this Contract is a subsequent contract entered into prior to the completion of an existing Contract, this subsequent contract is contingent upon the Superintendent completing the terms of the existing Contract.

IV. Duties:

The Superintendent shall have charge of the administration of the schools under the direction of the School Board. The Superintendent shall be the chief executive officer of the School District; shall direct and assign teachers and other School District employees under the Superintendent’s supervision; shall organize, reorganize, and arrange the administrative and supervisory staff, including instruction and business affairs, as best serves the School District subject to the approval of the School Board; shall select all personnel subject to the approval of the School Board; shall, from time to time, suggest policies, regulations, rules, and procedures deemed necessary for the School District, and, in general, perform all duties incident to the office of the Superintendent and such other duties as may be prescribed by the School Board from time to time. The Superintendent shall abide by the policies, regulations, rules, and procedures established by the School Board and the State of Minnesota. The Superintendent shall have the right to attend all School Board meetings and all School Board and citizen committee meetings, serve as the ex-officio member of the School Board committees, and provide administrative recommendations on each item of business considered by each of these groups.

V. Duty Year and Leaves:

A. Basic Work Year.

The Superintendent’s duty year shall be for the entire twelve (12) month Contract year as provided herein, and the Superintendent shall perform services on those legal holidays on which the School District is authorized to conduct school if the School Board so determines. The Superintendent shall be on duty during any emergency, natural or unnatural, unless otherwise excused in accordance with the School Board administrative policy.

B. Vacation.

The Superintendent shall earn twenty (20) working days of annual paid vacation each contract year. Vacation days may be taken at the Superintendent’s discretion. Vacation days can be accumulated to no more than five (5) days as of June 30th of each contract year. Up to five (5) days per year can be taken as direct pay at the current salary. Request for payment must be made by June 15th of each year and it will be paid no later than June 30th.

C. Holidays.

The Superintendent shall be entitled to ten (10) paid holidays, provided school is not in session for students, each Contract year as designated by the School Board. Paid holidays include:

- | | | |
|----------------------------|-------------------|----------------------|
| 1. Independence Day | 2. Labor Day | 3. Thanksgiving Day |
| 4. Christmas Day | 5. New Year’s Day | 6. Presidents Day |
| 7. Good Friday | 8. Memorial Day | 9. Christmas Eve Day |
| 10. Day after Thanksgiving | | |

D. Sick Leave.

The Superintendent shall earn paid sick leave at the rate of fifteen (15) days per year. These days will be granted effective July 1 of each contract year. Unused sick leave can be accumulated to a maximum of two hundred (200) days.

E. Emergency Leave.

The Superintendent may be granted paid emergency leave during the Contract year at the discretion of the School Board Chair.

- F. Bereavement Leave.
The Superintendent shall be granted bereavement leave for a death within the Superintendent's immediate or close family. The time utilized shall be in a reasonable amount and shall be determined after conferencing with the School Board Chair. Days utilized will not be deducted from sick leave.
- G. Disability.
If the Superintendent is unable to perform regular duties because of personal illness or disability and has exhausted all accumulated sick leave, the School District shall provide additional paid sick leave at a salary equal to the Superintendent's regular salary, for up to an additional thirty (30) days or until the expiration of the waiting period for long-term disability insurance, whichever occurs earlier.
- H. Medical Leave
1. Statutory Reference. The Superintendent and School Board agree to incorporate by reference and be bound by the provisions of M.S. 122A.40, Subd. 12 relating to suspension and leave of absence for health reasons.
 2. Procedure. If the Superintendent is unable to perform regular duties because of illness or disability and has exhausted all sick leave credit available or has become eligible for long term disability compensation and has not been suspended or placed on leave of absence pursuant to M.S. 122A.40, Subd. 12, the Superintendent shall, upon request, be granted a medical leave of absence, without pay, up to one year in duration. The School Board may, in its discretion, extend such a leave upon written request. A request for medical leave of absence or extension thereof pursuant to this section shall be accompanied by a written statement from a physician outlining the condition of health and estimated time at which the Superintendent is expected to be able to resume normal responsibilities. The Superintendent, when on medical leave of absence, is eligible to continue to participate in group insurance programs as permitted under the insurance policy provisions, but the Superintendent shall pay to the School District the entire premium for such programs as the Superintendent wishes to retain commencing with the beginning of the leave. If medical leave of at least one full year is granted pursuant to this section, the Superintendent voluntarily waives any right to a leave of absence to which the Superintendent might otherwise be entitled pursuant to M.S. 122A.40, Subd. 12.

VI. Insurance:

- A. Health, Hospitalization, 403(b) plan, Term Life and/or Long Term Disability Insurance.
The School District shall provide an allowance for the Superintendent to purchase insurance from the School District providers covering Health, Hospitalization, Term Life and/or Long Term Disability Insurance, or to provide a district matching contribution equal to the contribution of the Superintendent, up to the legal maximum, to an approved 403(b) plan as directed by the Superintendent. Any excess costs for insurance, above the allowance, shall be the sole responsibility of the Superintendent. The allowance provided to the Superintendent, by ISD #162, will be as follows:
July 1, 2018 through June 30, 2019 - \$15,000 Annually
- B. Supplemental Medical Reimbursement
The District will pay the Superintendent up to \$2,000.00 for each contract year as reimbursement for health and medical expenses not paid by other sources. The areas eligible for reimbursement will include medical, dental & eye care and health and life insurance premiums. Balances shall not be carried over from one contract year to the next.

C. 403(b) Match.

The School District will contribute an annual match towards an approved 403(b) plan as directed by the Superintendent and in accordance with the following schedule:

<u>Years of Experience</u> <u>In ISD #162</u>	<u>Amount Contributed</u>
0-3	\$360
4-9	\$650
10-14	\$1130
15-19	\$2000
20-24	\$2500
25+	\$3000

D. Liability.

The School District shall provide, at School District expense, liability insurance naming the Superintendent as an insured, along with the School District, in an amount not less than that which is required by law for the School District.

E. Claims Against the School District.

The eligibility of the Superintendent or the Superintendent's dependents or beneficiary for insurance benefits shall be governed by the terms of the insurance policies purchased by the School District pursuant to this section. It is understood that the School District's only obligation is to purchase the insurance policies described herein, and no claim shall be made against the School District as a result of denial by an insurer of insurance benefits if the School District has purchased the policies and paid the premiums describe herein.

VII. Other Benefits:

A. Tax-Sheltered Annuities.

The Superintendent will be eligible to participate in a tax-sheltered annuity plan through payroll deduction established pursuant to Section 403(b) of the Internal Revenue Code of 1986, Minnesota Statutes, Section 123B.02, Subd. 15, and School District policy, and as otherwise provided by law.

B. Automobile Expense.

When district provided transportation is unavailable for out of town business, the School District shall compensate the Superintendent for business use of the Superintendent's private automobile at the rate established by School Board Policy pursuant to M.S. § 471.665, Subd. 1.

C. Conferences and Meetings.

The School District shall pay full reimbursement for all legally valid expenses and fees for the Superintendent's attendance at professional conferences and meetings with other educational agencies when attendance thereof is required, directed, or permitted by the School Board. The Superintendent may annually attend a National AASA Conference or NSBA Conference. The Superintendent shall periodically report to the School Board relative to all meetings and conferences attended. The Superintendent shall file itemized expense statement to be processed and approved as provided by law.

D. Severance Pay.

If the Superintendent leaves the employment of the School District for any reason, the School Board agrees to pay an amount equal to thirty five percent (35%) of all unused sick leave at the Superintendent's daily rate at the time of severance. Severance pay shall be paid by the School District to a Health Care Savings Plan pursuant to Minnesota Statutes, Chapter 352.98 in thirty-six to sixty (60) equal monthly installments over three to five years as stated by the Superintendent in writing, commencing at the time of severance. In the event of the Superintendent's death, severance will be paid directly to the beneficiary(s) through monthly installments and not paid into a HCSP.

E. Computation of Daily Rate of Pay

The Superintendent's daily rate of for purposes of payout of unused sick leave, vacation, retirement, severance, or other reasons shall be 1/260th of the of the last year's annual basic Contract amount.

F. Continued Insurance Coverage

The Superintendent shall remain eligible to maintain membership in the School District's group health insurance plan following his resignation or termination until he reaches the age of qualifying for Medicare coverage and he shall be responsible for payment of the group premiums in effect at that time for other licensed employees of the School District. In the event of the death of the Superintendent, the Superintendent's spouse shall remain eligible to retain membership in the School District's group health insurance plan until the age of qualifying for Medicare coverage and she shall be responsible for payment of the group premiums in effect at that time for other licensed employees of the School District.

VIII. Salary:

- A. In consideration of the salary and other compensation and benefits provided by this contract, the Superintendent agrees to perform faithfully the duties of Superintendent of Schools as set forth in this agreement.
- B. The Superintendent's salary is as follows:
July 1, 2019 through June 30, 2020 - \$132,500
July 1, 2020 through June 30, 2021 - \$137,100
July 1, 2021 through June 30, 2022 - \$141,900
- C. In the event the School District chooses to implement performance pay incentives, based upon the attainment of District goals, the Superintendent shall be eligible to participate as determined by mutual consent of the School Board and the Superintendent.
- D. The annual salary may be modified, but shall not be reduced during the term of this Contract. The salary shall be paid in 12 equal installments during the Contract years.

IX. Other Provisions:

A. Outside Activities.

While the Superintendent shall devote full time and due diligence to the affairs and the activities of the School District, the Superintendent may serve as a consultant to other school districts or educational agencies, lecture, engage in writing and speaking activities, and engage in other activities if such activities do not impede the Superintendent's ability to perform the duties of the Superintendent. The Superintendent shall not engage in other employment, consultant service or other activity for which a salary, fee, or honorarium is paid without the prior approval of the School Board.

B. Indemnification and Provision of Counsel.

In the event that an action is brought or a claim is made against the Superintendent arising out of or in connection with the Superintendent’s employment, and the Superintendent is acting within the scope of employment or official duties, the School District shall defend and indemnify to the extent permitted by law. Indemnification, as provided in this section, shall not apply in the case of malfeasance in office or willful or wanton neglect of duty, and the obligation of the School District herein shall be subject to the limitations as provided in Minnesota Statutes, Chapter 466.

C. Dues and Professional Publications

The Superintendent is encouraged to belong to and participate in appropriate professional and educational organizations when such membership will serve the best interests of the School District. Accordingly, the School District will pay the membership dues for professional and educational organizations as are required, directed, or permitted by the School Board. The School Board will pay for the annual fee for the Minnesota Board of Administrators. The School District will provide up to \$100 per year to the Superintendent for purchases of professional publications. The Superintendent shall present appropriate statements for approval as provided by law.

X. Evaluation and Referrals to the Superintendent

The School Board shall provide the Superintendent with periodic opportunities to discuss Superintendent/School Board relationships and shall inform him, at least annually, of any inadequacies as perceived by the School Board. The School Board, collectively and individually, may promptly refer to the Superintendent for study and recommendation, any criticisms, complaints and suggestions called to its attention about the Superintendent, other employees, or the operations of the School District. The Superintendent in turn will keep the School Board advised of the disposition of such matters.

The School Board and Superintendent shall adhere to the principles of the MSBA’s “Guide to the Working Relationship Between the School Board and the Superintendent” as contained in the MSBA’s School Board Service Manual including, but limited to, suggested procedures for resolving Superintendent-School Board differences. The School accepted principles of progressive discipline in the event of differences or perceived differences.

XI. Severability:

If any provision of this Contract is held to be invalid by operation of law, the remainder of the Contract shall not be affected thereby and shall remain in full force and effect.

This Contract shall be effective only upon signatures of the Superintendent and of the officers of the School Board after authorization for such signatures by the officers is given by the School Board in appropriate action in its minutes.

IN WITNESS WHEREOF, I have subscribed my signature this _____ day of _____, 20_____.

IN WITNESS WHEREOF, I have subscribed my signature this _____ day of _____, 20_____.

Superintendent

Chair

Clerk