

The School Board selected Jeremy Schmidt as the next superintendent. His contract was negotiated with the board administrative negotiations committee (Connie, Aaron.) **I recommend approving the contract:**

## **SUPERINTENDENT'S CONTRACT**

The School Board of Independent School District No. 726, Becker, Minnesota ("School District") enters into this contract with Jeremy Schmidt, a legally qualified and licensed superintendent, who agrees to perform the duties of superintendent of schools 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, Subd.1.

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, Expiration, Termination and Mutual Consent:

A. Duration:

1. This contract is for a term of three (3) years commencing July 1, 2019 and ending June 30, 2022. It shall remain in full force and effect unless modified by mutual written consent of the School Board and the Superintendent, or unless terminated as provided herein.
2. "Contract year" as referred to in this contract shall be defined as the period July 1 to June 30.

B. Subsequent Contract.

1. Notice by Superintendent: The notice provisions of this Contract shall obligate the School Board only if, no later than September 1 immediately prior to the expiration of this Contract, the Superintendent provides written notice to each

member of the School Board calling to his/her attention the notice requirements as contained in this section; provided that, if the Superintendent provides this notice after September 1, the deadlines in Subd. 2. and Subd. 5. below shall be extended by the same number of days that the Superintendent's notice is delayed beyond September 1.

2. Preliminary: The School Board will take action to determine whether to offer the Superintendent a subsequent contract no later than November 1<sup>st</sup> immediately preceding to the expiration of this contract and shall give the Superintendent written notice of its action.
3. Preliminary Notice: At least thirty (30) days before taking action not to offer the Superintendent a subsequent contract, the School Board shall give preliminary written notice of its intent not to offer a subsequent contract.
4. Request for Meeting: Within ten (10) days thereafter the Superintendent may request a meeting with the School Board to discuss its intentions, the reasons therefor, 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 fifteen (15) calendar days hold a meeting with the Superintendent.
6. Final Action: School Board: The School Board shall delay 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. Effect: The time line 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 time line in writing. The time line 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.
8. Noncompliance: Noncompliance with the provisions of Paragraph III, B, shall not in any way effect the provisions of Paragraph III, C, herein.

C. Expiration

This contract shall expire at the end of the term specified in Paragraph III, A, 1 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, notwithstanding the provisions of Paragraph III, B, hereof.

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 the 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, 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 event, the parties shall jointly or separately 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 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 mutual consent of the School Board and the Superintendent.

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 employees of the schools 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 Board of Education. The Superintendent shall have the right to attend all School Board meetings and all School Board and citizen committee meetings, serve as an ex-officio member of the School Board and all 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 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 School Board administrative policy.

B. Vacation

1. The Superintendent shall earn thirty (30) working days of annual paid vacation each contract year.
2. The Superintendent may bank up to a maximum of twenty (20) days of unused vacation from one contract year to be used in the subsequent contract year. However, the superintendent shall be entitled to payment at the daily rate of pay, for up to ten (10) vacation days not taken at the end of the contract year in which they were earned.
3. Upon voluntary termination of employment, the Superintendent shall be entitled to payment for any unused vacation days earned during final year of employment in the district. If the Superintendent is involuntarily terminated, he/she shall not be entitled to unused earned and accrued vacation days.
4. The board, at its discretion, may pay the superintendent for any or all the balance of accrued vacation time upon the mutually agreed termination of employment. Payment will be at the highest daily rate of pay earned during this contract.

C. Holidays

The Superintendent shall be entitled to eleven (11) paid holidays each contract year. These paid holidays are: July 4<sup>th</sup>, Labor Day, Thanksgiving Day, the Friday after Thanksgiving, The last working day before Christmas Day, Christmas Day, New Year's Eve Day, New Year's Day, President's Day or Martin Luther King Day, Good Friday and Memorial Day.

D. Sick Leave

The Superintendent shall earn paid sick leave at the rate of 15 days per year, which may be accumulated to a maximum of 130 days. The district will advance the superintendent thirty (30) days of sick leave upon employment. However, fifteen (15) days of this advancement are not part of the accumulation until the start of the second year of employment.

E. Workers' Compensation

Pursuant to M.S. Chapter 176, the Superintendent injured on the job in the service of the School District and collecting workers' compensation insurance may draw sick leave and receive full salary from the School District, the salary to be reduced by an amount equal to the insurance payments, and only that fraction of the days not covered by insurance will be deducted from accrued sick leave.

F. Personal Leave

The Superintendent shall be entitled to three (3) days of personal leave each contract year. Unused leave may transfer to the following year, but may not accumulate to any more than five (5) days per year.

G. Bereavement/Emergency Leave

The Superintendent shall be granted paid bereavement/emergency leave during the contract year at the direction of the School Board. Leave taken under this provision will be deducted from the Superintendent's accrued sick leave.

H. Legal Leave

The Superintendent who is duly subpoenaed as a witness in any court case shall be entitled to one (1) day's pay, per occurrence, for that purpose provided the Superintendent is not a party in the case. In cases where the School Board and/or School District is a party in the litigation, the Superintendent shall be entitled to his daily rate of pay while attending as a witness at the request of the School Board. The Superintendent shall be entitled to his daily rate of pay for court appearances.

necessary in legal proceedings connected with job-related civil liability cases as set forth in M.S. § 466.01 et seq. The Superintendent shall receive his daily rate of pay while serving on jury duty. Reimbursement for jury duty mileage shall be retained by the Superintendent. All other reimbursements for jury duty shall be remitted to the School District by the Superintendent.

I. Medical Leave

1. The Superintendent and School District 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. If the Superintendent is unable to perform regular duties because of personal illness or disability and has exhausted all sick leave credit 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 Paragraph 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 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 Paragraph, 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.
3. If the Superintendent is unable to perform his/her regular duties because of personal illness or disability and has exhausted all accumulated sick leave, the School Board shall provide additional paid sick leave at a salary equal to the Superintendent's regular salary until the expiration of the waiting period for long-term disability insurance. This subdivision (V, J, 3) will sunset June 30, 2016.

VI. Insurance

A. Health and Hospitalization

Section 1.

The School District shall contribute 100% of the \$20 Co-Pay Plan (or a plan of comparable worth) not to exceed the following monthly amount for the 2019-2020, 2020-2021 and 2021-2022 school years: \$2,200 toward the premium for dependent coverage for the Superintendent employed by the School District who qualifies for and is enrolled in the School District group health and hospitalization plan and who qualifies for dependent coverage. Any additional cost of the premium shall be borne by the Superintendent and shall be paid by payroll deduction.

If the Superintendent selects a plan which meets the Internal Revenue Service requirements to be used in conjunction with a Health Savings Account (HSA), the District will contribute the following monthly amount for the 2019-2020, 2020-2021 and 2021-2022 school years: \$2,200. This amount will first be applied to the insurance premium. The remaining amount, if any, shall be paid by the district into a Health Savings Account (HSA) in the Superintendent's name on a monthly basis up to the annual amount allowable by the IRS. The Superintendent may choose to contribute an additional amount to his HSA account through payroll deduction up to the applicable IRS limits. If the Superintendent selects the HSA account he is not eligible for the medical reimbursement benefit.

- B. Dental Insurance: The School District shall pay the total premium, single or family, for the superintendent participating in the School District group dental insurance program.

- C. Life Insurance

The School District shall provide a group term life insurance plan providing \$300,000 of coverage for the Superintendent, payable to the Superintendent's named beneficiary, at the expense of the School District.

- D. Long Term Disability Insurance

The School District shall pay the total of the premium for the Superintendent.

- E. Liability Insurance

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.

- F. 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 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 described herein.

VII. Other Benefits:

A. Automobile

The School District shall compensate the Superintendent for business use of the Superintendent's private automobile at the current IRS mileage reimbursement rate.

B. 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, Minnesota Statutes Section 123B.02, Subd. 15, and School District policy, and as otherwise provided by law. The School District shall match the Superintendent's contributions to a 403(b) Plan or contribute to another tax sheltered account subject to a maximum School District contribution of \$5,000 per contract year.

C. Conferences and Meetings

The School District shall pay all legally valid expenses and fees for the Superintendent's attendance at one national educational conference or convention per contract year. The School District shall also pay all legally valid expenses and fees for professional meetings with other educational agencies when attendance thereof is required, directed, or permitted by the School Board. The Superintendent shall attempt to advise the School Board of all meetings and conferences that the Superintendent will be attending and shall periodically report to the School Board relative to all meetings and conferences attended. The Superintendent shall file itemized expense statements to be processed and approved as provided by law.

D. Professional Dues and Subscriptions

The Superintendent is encouraged to belong to and participate in appropriate professional, educational, economic development, community, and civic organizations when such membership will serve the best interests of the School District. Accordingly, the School District will pay the membership dues for such organizations as are

required, directed, or permitted by the School Board. The Superintendent shall present appropriate statements for approval as provided by law.

E. Phone

The district will reimburse the superintendent \$600 per year for purchase and maintenance of a cell phone and cell phone plan of the Superintendent's choice. The Superintendent will be expected to carry and have the cell phone active during working hours. The cell phone number will be made available to the District Office, Board Members and Members of the Executive Council.

F. Medical Examination

The Superintendent shall have a comprehensive medical examination not less than once every three years. A summary document from the physician certifying the fitness of the Superintendent to perform the duties of the position shall be provided to the School Board Chair. The cost of said examination not covered by the School District's insurance program shall be paid by the School District.

VIII. Salary

The Superintendent shall be paid a salary of \$164,500 for the period of July 1, 2019 through June 30, 2020; for the contract year July 1, 2020 through June 30, 2021 shall be paid a salary of \$166,968; for the contract year July 1, 2021 through June 30, 2022 shall be paid a salary of \$169,472.

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 Superintendency. 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. Defense and indemnification shall not apply to any dispute arising out of or directly or indirectly related to the terms and conditions of employment set forth in this contract or otherwise and shall also not apply to criminal proceedings.

C. Severance Pay

1. The Superintendent qualifying for severance benefits under Paragraph IX, C, shall receive the following benefits:
  - a. Health Insurance. After six (6) years of consecutive full time employment, the superintendent shall be entitled to one year of family coverage for each year of service. Health Insurance coverage shall continue after severance from the district for the Superintendent and dependents for a maximum of six (6) years or until the superintendent is eligible for Medicare, whichever comes first. The Health Insurance coverage shall begin within five years after severance from the district as determined by the superintendent. This continuing benefit will be at coverage levels in existence at the time of severance of employment. In the event of the superintendent's death his beneficiary shall be entitled to any remaining health coverage accumulated under this provision. If the superintendent is employed in a position which provides for health insurance, the district's contribution is suspended during that period of employment.
  - b. Vacation. Vacation shall be paid out as accrued in Paragraph V, B, 3.
  - c. Unused Sick Leave. The Superintendent shall receive payments for unused accumulated sick leave and current unused sick leave up to a maximum of 130 days. Unused sick leave shall be paid at eighty-five 85% according to the payment rate set forth in Paragraph IX, C, 1, d.
  - d. Severance Pay. After six (6) years of continuous full-time employment in the district, the superintendent shall be paid severance an amount equal to one half (1/2) of a months salary per year worked. One half of the total amount shall be paid on the last day of employment and the remainder shall be paid on the second day of the next calendar year. If

the Superintendent dies while employed or before the entire accrued amount is paid, it shall be paid to the Superintendent's named beneficiary, or if there is none, to the Superintendent's estate. Payment for unused sick leave and/or vacation is calculated as the daily rate of pay based on the earning of the highest service year covered in this contract. A service year's salary shall be the sum of the base salary in Article VIII and any performance based compensation earned during the contract year. The daily rate of pay shall be calculated by dividing the total earnings of that service year by 260.

- e. All retirement (severance) payments under this Article as determined by mutual agreement between the district and the superintendent will be made directly into the superintendent's 403b retirement account within the IRS allowable limits and regulations, or to a health savings account within allowable legal limits, or as a deferred lump sum payment as described in subdivision (d.)
- f. If the Superintendent pleads guilty to or is convicted of a felony, no severance pay will be paid.

D. 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 \_\_\_\_\_, 2019

\_\_\_\_\_  
Jeremy Schmidt  
Superintendent

IN WITNESS WHEREOF, I have  
subscribed my signature this \_\_\_\_\_  
Day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Aaron Jurek  
Board Chairman

\_\_\_\_\_  
Mark Swanson  
Board Clerk