

**BEMIDJI AREA SCHOOLS
BEMIDJI, MINNESOTA**

SUPERINTENDENT'S CONTRACT

The School Board of Independent School District No. 31, Bemidji, Minnesota ("District") enters into this contract with Timothy E. Lutz ("Superintendent"), a legally qualified and licensed Superintendent who agrees to perform the duties of Superintendent of the School District. This contract is entered into between the District and the Superintendent in conformance with Minn. Stat. §123B.143.

IT IS AGREED:

I. DUTIES

- A. The duties and responsibilities of the Superintendent shall be all those duties incident to the office of the Superintendent; those obligations imposed by the laws of the State of Minnesota upon the Superintendent of Schools; service as the executive officer of the Board of Education; and the performance of such other duties as from time-to-time may be assigned by the Board of Education.
- B. The Superintendent shall organize and arrange the administrative and supervisory staff; the Superintendent shall administer the instruction and business affairs of the District with the assistance of the School District staff; the Superintendent has the responsibility for selection, placement and transfer of personnel subject to School Board approval of the selection and retention of the professional staff.
- C. The Superintendent shall abide by the policies, regulations, rules and procedures established by the School Board and the Minnesota Department 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.

II. LICENSE

The Superintendent shall furnish to the District during the term of this agreement a valid license to act as Superintendent of Schools in accordance with the laws of the State of Minnesota.

III. DURATION, EXPIRATION, TERMINATION AND MUTUAL CONSENT

1. Duration

This contract is for a term of three years commencing ~~July 1, 2018~~ **July 1, 2021**, and ending ~~June 30, 2021~~ **June 30, 2024**. It shall remain in full force and effect unless modified by mutual consent of the School Board and Superintendent, or unless terminated as provided herein.

2. Subsequent Contract

At least six (6) months, but no earlier than twelve (12) months, prior to the expiration of this contract, the District and the Superintendent shall give each other, in writing, notice of their intention to negotiate renewal of this contract for a specified period or their decision not to renew the contract. Upon mutual notices of intention to negotiate a renewal of the contract, the parties shall meet with the intention to negotiate a renewal contract prior to the expiration of this contract.

If the District gives notice to the Superintendent of its intention to not renew the contract, the Superintendent may request 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. Upon receipt of such request, the School Board shall hold such a meeting with the Superintendent and the School Board shall not take action not to extend the contract until at least seven (7) days after such meeting.

3. Expiration

This contract shall expire at the end of the term specified in Section 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.

4. Termination During Term

The Superintendent's employment may be terminated during the term of this contract only for cause as defined in M.S. 122A.40, Subd. 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, Subd. 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 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 (15) fifteen 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.

5. Mutual Consent

During the term of this agreement, the District and the Superintendent may mutually agree in writing to terminate this agreement.

6. Contingency

This contract is contingent upon the Superintendent completing the terms of the existing contract.

IV. DUTY YEAR AND LEAVES

1. 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.

2. Vacation

The Superintendent shall receive twenty-five days of annual paid vacation each contract year. Vacation shall be taken at the Superintendent's discretion subject to the approval of the Board of Education. Vacation days may be accumulated to no more than 60 days as of June 30 of each contract year. Up to fifteen 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 will be paid no later than June 30th.

3. Holidays

The Superintendent shall be entitled to twelve (12) paid holidays each contract year as designated by the School Board.

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|---------------------------|----------------------------|
| 1. Fourth of July | 7. New Year's Eve Day |
| 2. Labor Day | 8. New Year's Day |
| 3. Thanksgiving Day | 9. President's Day |
| 4. Day After Thanksgiving | 10. Martin Luther King Day |
| 5. Christmas Eve Day | 11. Good Friday |
| 6. Christmas Day | 12. Memorial Day |

4. Sick Leave

Sick leave shall be earned at the rate of one day per month with maximum accumulation of 200 days. Sick leave shall be granted whenever the Superintendent's absence is due to disease, disorder or illness of the mind or body of the Superintendent. Sick leave may be used for serious illness in the immediate family. Serious illness is defined as an illness of such nature that a physician's attention is required. Immediate family for the purpose of sick leave only is defined as spouse, parent, child, stepchild, brother, sister, son-in-law, daughter-in-law, mother-in-law, father-in-law, brother-in-law, sister-in-law,

grandparents, grandchild, spouse's grandparent or grandchild, or any member of your household.

5. Medical Leave

- a. 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.
- b. If the Superintendent is unable to perform regular duties because of personal illness or disability and has exhausted all sick leave credit available or have 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 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.

6. 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 conferring with the School Board chair. Days utilized will not be deducted from sick leave.

V. INSURANCE

1. Health Insurance

The District shall provide hospitalization and major medical insurance for the Superintendent and the Superintendent's spouse and dependent children as defined by the health insurance contract and in accordance with the basic insurance coverage provided to licensed members of the administrative staff. In no event shall the District's annual contribution exceed the following amount: **~~\$19,920 for 2018-2019, \$20,518 for 2019-2020, and \$21,134 for 2020-2021~~ \$21,134 for 2021-2022, \$21,134 for 2022-2023, and \$21,134 for 2023-2024.** Any additional cost of the insurance selected over and above the amount paid by the District shall be paid through payroll deduction.

2. Supplemental Medical Reimbursement

The District will pay the Superintendent up to \$2,000 for each year of the agreement as reimbursement for health and medical care expenses as defined in

Section 213(e) of the Internal Revenue Code of 1954, as amended, which are not covered by insurance.

3. Term Life Insurance

The District shall provide \$400,000 of term life insurance for the Superintendent during the term of this contract.

4. Long Term Disability

The District shall pay the premium for long term disability insurance for the Superintendent. The benefits provided by this insurance shall take effect (90) ninety days after the Superintendent becomes disabled and shall provide the Superintendent with a monthly compensation during the period of disability of \$6,000.00. If the Superintendent is unable to perform regular duties because of long-term personal illness or disability and has exhausted all accumulated sick leave, the School District shall provide additional paid sick leave until the expiration of the waiting period for long-term disability insurance.

5. Dental Insurance

The District shall provide dental insurance for the Superintendent, spouse and dependent children as defined by the dental insurance contract and in accordance with the basic insurance coverage provided to licensed members of the administrative staff.

6. 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.

7. 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 or insurance benefits if the School District has purchased the policies and paid the premiums described herein.

VI. OTHER BENEFITS

1. 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 Board Policy, and otherwise provided by law.

After initial election of this option and ratification of amount, such participation shall continue from year to year at the specified amount unless the

Superintendent notifies the district by June 1 in the format prescribed by the district. The amount of contributions matched by the district is \$6,700 for each year of this agreement.

2. Automobile Expense

The District shall provide the Superintendent with an annual allowance of \$6,500 for each year of this agreement for business use of the Superintendent's private automobile, pursuant to M.S. §471.665, Subd. 3.

3. Conferences and Meetings

The District will pay for the expense of membership in state and national organizations that are commensurate with the position of Superintendent. The District also will pay all legally valid expenses and fees for attendance at professional conferences and meetings at the local, state and national levels and within such budget constraints as may be approved by the District.

4. Retirement

Upon the Superintendent's retirement, after (6) six years of continuous employment, the School District will permit the Superintendent to participate in the District's health insurance and dental insurance programs. In addition, the School District will pay the family premium for the retiree's health and dental insurance, up to the maximum amount authorized under section V of this agreement, until the Superintendent is provided equivalent group family medical and dental insurance from a subsequent employer or for a period of (10) ten years or until the Superintendent reaches the age of qualifying for Medicare coverage, whichever occurs first. For the purposes of this section, retirement means termination of services in Independent School District No. 31.

5. Severance Pay

The Superintendent shall be entitled to severance pay upon resignation, retirement, death or disability, such severance pay shall be equal to one month's pay for each year completed as Superintendent of Schools for up to (6) six months or 50% of the final year's salary; plus payment for unused accumulated sick leave and vacation days. The total amount shall be paid on the last day of employment. Deductions, such as state and federal income tax, social security, etc. shall be made only as required by law.

6. Physicals

The School District shall reimburse the employee for those expenses not paid for by the district's health and hospitalization insurance plan for the annual physical examination. Leave for physical examination is not charged to sick leave or accumulated vacation.

7. Computation of Daily Rate of Pay

The Superintendent's daily rate of pay for purposes of payout of unused sick leave, vacation, retirement, severance, or other reasons shall be 1/240th of the annual basic contract amount.

VII. SALARY

1. 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.
2. The Superintendent's salary schedule is as follows:

~~July 1, 2018 through June 30, 2019 \$165,000~~
~~July 1, 2019 through June 30, 2020 \$167,500~~
~~July 1, 2020 through June 30, 2021 \$170,000~~

July 1, 2021 through June 30, 2022 \$170,000
July 1, 2022 through June 30, 2023 \$170,000
July 1, 2023 through June 30, 2024 \$170,000

3. The annual salary may be modified but shall not be reduced during the term of this contract.

VIII. OTHER PROVISIONS

1. 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.

2. Indemnification and Provision of Counsel

- a. 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.
(20)
- b. If in the good faith opinion of the Superintendent a conflict exists as to defense to such claim between the legal position of the Superintendent and the legal position of the District, the Superintendent may engage in counsel. In this event the District shall indemnify the Superintendent for the costs of legal defense.

3. Dues

The Superintendent is encouraged to belong to and participate in appropriate professional education and civic organizations where such membership will serve the best interests of the School District. Accordingly, the School District will reimburse the Superintendent, as authorized by Minn. Stat. §123B.02, Subd. 24; to a maximum annual amount of \$600.00, for such membership dues for organizations as required, directed, or permitted, by the School Board. The Superintendent shall present appropriate statements for approval as provided by law.

IX. EVALUATION

The Evaluation of the Superintendent shall be conducted in accordance with SBR 200-10-15. The parties shall mutually develop the evaluation instruments, which may include a self-evaluation component.

X. REFERRALS TO THE SUPERINTENDENT

The School Board members, collectively and individually, shall promptly refer to the Superintendent for study and recommendation, criticisms, complaints and suggestions called to their attention about the Superintendent, other employees, or the operations of the District. The Superintendent in turn will keep the School Board advised of the disposition of such matters.

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.

XII. NOTICE

Any notice or communication permitted or required under this agreement shall be in writing and shall become effective on the day of mailing thereof by registered or certified mail addressed:

If to the Board of Education to:
Chairperson, Board of Education
Bemidji Area Schools
Independent School District No. 31
502 Minnesota Avenue NW
Bemidji, MN 56601

If to the Superintendent to:
Mr. Timothy E. Lutz
Superintendent of Schools
Independent School District No. 31
502 Minnesota Avenue NW
Bemidji, MN 56601

XIII. MISCELLANEOUS

This agreement has been executed in Minnesota and shall be governed in accordance with the laws of the State of Minnesota in every respect.

Paragraph headings and numbers have been inserted for convenience and reference only, and if there shall be any conflict between any such headings or numbers and the texts of this agreement, the text shall control.

The agreement may be executed in one or more counterparts, each of which shall be considered an original, and all of which taken together shall be considered one and the same instrument.

This agreement contains all of the terms agreed upon by the parties with respect to the subject matter of this agreement and supersedes all prior agreements, arrangements and communications between the parties concerning such subject matter whether oral or written.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed in their respective names and in the case of the District by its Chairperson and Clerk on the date and year first written above.

SUPERINTENDENT

INDEPENDENT SCHOOL DISTRICT NO. 31

Timothy E. Lutz

Chairperson, Board of Education

Date

Clerk, Board of Education

Date