

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:~~

ARTICLE I PURPOSE

This Contract is entered into between Independent School District No. 162, Bagley, Minnesota, hereinafter referred to as the School District, and Erich Heise, hereinafter referred to as the Superintendent, a legally qualified and licensed superintendent who agrees to perform the duties of the Superintendent of the School District.

I.

ARTICLE II APPLICABLE STATUTE

This Contract is entered into between the School District and the Superintendent in conformance with ~~and governed by Minn. Stat.~~ **Minnesota Statutes 123B.143.**

II. ~~Licensure:~~

ARTICLE III LICENSE

The Superintendent shall furnish the School Board, 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.

ARTICLE IV DURATION, ~~Subsequent Contract,~~ EXPIRATIONs, TERMINATIONs DURING THE TERM, MUTUAL CONSENT, AND CONTINGENCY

A. Section 1. Duration: This Contract is for a term of three years commencing **July 1, 2025**, and ending **June 30, 2028**. 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~~ **in this Contract.**

B. Section 2. Subsequent Contract: ~~If the School Board takes action authorizing the negotiation of a subsequent Contract, the parties will act in good faith to complete negotiations and enter the subsequent Contract before the end of this Contract. This action will include a provision that, in the event that negotiations for a subsequent Contract have not been completed by the end of this Contract's term, the parties will enter into a subsequent Contract for the term set forth in the School Board's action and that the new subsequent Contract's compensation and benefits level in the last year of this Contract is the same as in the current Contract pending final negotiations of compensation and benefit terms for the new 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. Section 3. Expiration: This Contract shall expire at the end of the term specified in ~~III, A. hereof~~ Section 1 above. 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. Minnesota Statutes 123B.143, Subd.1.

~~D.~~ Section 4. 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. Minnesota Statutes 122A.40, Subd. 9 and Subd. 13, but, except for purposes of describing grounds for discharge, the provisions of M.S. Minnesota Statutes 122A.40 shall not be applicable. If the School Board proposes to terminate the Superintendent during the term of this Contract for cause as described in M.S. Minnesota Statutes 122A.40, Subd. 9 or Subd. 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 to the School Board Chair 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 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 on the parties, subject to 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 in this section within the fifteen (15) day calendar period, the Superintendent shall be deemed to have acquiesced 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.~~ Section 5. Mutual Consent: This Contract may be terminated at any time ~~by the parties~~ by mutual consent of the School Board and the Superintendent.

F. Section 6. 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.

Section 7. Notice of Intent: The Superintendent bears the responsibility in this Contract for reasonably notifying the School Board in writing of the notice requirement in order for it to be binding and effective. Failure of the School Board to take action authorizing the negotiation of a subsequent Contract in the first six months of the final year of this Contract, will serve as notice to the Superintendent that the School Board will not enter into a subsequent Contract.

IV.

ARTICLE V 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 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.

ARTICLE VI
DUTY YEAR AND LEAVES OF ABSENCE

A. Section 1. 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~~ **duties** on those legal holidays on which the School District Board 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. Section 2. Vacation: The Superintendent shall earn ~~twenty-five (25)~~ **thirty (30)** 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 ten (10) 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. **Upon voluntary termination of employment or expiration of the Contract, if not offered a subsequent Contract, the Superintendent shall be entitled to payment for any unused vacation days earned and accrued pursuant to the provisions of this section; however, if the Superintendent is involuntarily terminated, the Superintendent shall not be entitled to unused earned and accrued vacation days.**

C. Section 3. Holidays. The Superintendent shall be entitled to ~~ten (10)~~ **twelve (12)** 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 | 5. Christmas Eve Day | 9. President's Day |
| 2. Labor Day | 6. Christmas Day | 10. Good Friday |
| 3. Thanksgiving Day | 7. New Year's Eve Day | 11. Memorial Day |
| 4. Day after Thanksgiving | 8. New Year's Day | 12. Juneteenth |

D. Section 4. Earned Sick and Safe Time (ESST): **The Superintendent shall earn ESST at the rate of 1.667 hours per pay period (twenty (20) days per year). These days will be granted effective July 1 of each contract year. Unused ESST leave can be accumulated to a maximum of two hundred (200) days. Upon voluntary termination of employment or expiration of the Contract, if not offered a subsequent Contract, the Superintendent shall be entitled to payment for unused ESST days earned and accrued, pursuant to the provisions of this section; however, if the**

Superintendent is involuntarily terminated, the Superintendent shall not be entitled to unused earned and accrued ESST days. The Superintendent shall earn, use, and accumulate ESST in conformance with the School District's Employment Policies and Minnesota Statutes 181.9445 – 181.9448.

~~E.~~ Section 5. Emergency Leave: The Superintendent may be granted paid emergency leave during the Contract year at the discretion of the School Board Chair.

~~F.~~ Section 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 to be determined after conferencing ~~conferencing~~ **conferring** with the School Board Chair. Days utilized will not be deducted from ~~the Superintendent's ESST~~ **leave**.

~~G.~~ Section 7. Disability: If the Superintendent is unable to perform ~~their~~ **their** regular duties because of personal illness or disability and has exhausted all accumulated **ESST** leave, the School District ~~Board~~ **Board** shall provide additional paid **ESST** 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.~~ Section 8. Medical Leave: ~~The Superintendent may be placed on a leave of absence for health reasons pursuant to the procedures outline in Minnesota Statutes 122A.40, Subd. 12.~~

- ~~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 place 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.~~

Section 9. Workers' Compensation: Pursuant to Minnesota Statutes Chapter 176, the Superintendent injured on the job in the service of the School District and collecting workers' compensation insurance may draw ESST 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 ESST leave.

Section 10. Jury Service: The Superintendent who serves on jury duty shall be granted the day or days necessary as stipulated by the court to discharge this responsibility without any salary deduction or loss of basic leave allowance. The compensation received for jury duty service shall be remitted to the School District.

Section 11. Military Leave: Military leave shall be granted pursuant to applicable law.

Section 12. Insurance Application: A Superintendent on unpaid leave is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions. The Superintendent shall pay the entire premium for such insurance commencing with the beginning of the leave and shall pay to the School District the monthly premium in advance. In the event the Superintendent is on paid leave from the School District under Section 4 above, or supplemented by ESST leave pursuant to Section 9 above, the School District will continue insurance contributions as provided in this Contract until paid leave is exhausted. Thereafter, the Superintendent must pay the entire premium for any insurance retained.

VI.

ARTICLE VII 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, Dental, 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, 2022 through June 30, 2023	—\$20,000
July 1, 2023 through June 30, 2024	—\$21,000
July 1, 2024 through June 30, 2025	—\$22,000

Section 1. Health and Hospitalization: The School District shall provide the Superintendent and the Superintendent's dependents with Minimum Value (highest deductible) health and hospitalization coverage under the School District's group health and hospitalization plans at the expense of the School District. If the Superintendent chooses a lower deductible plan, the balance of the premium shall be paid by the Superintendent through payroll deduction.

Section 2. Dental, Life, and Long-Term Disability Insurance: The School District shall provide an annual allowance of \$6,000 for the Superintendent to purchase insurance from the School District providers covering Dental, 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.

In the event this Contract will cause or does cause penalties, fees, or fines to be assessed against the School District, the parties agree to reopen negotiations that result in a revised Contract between the parties that eliminates or reduces penalties, fees, or fines to be assessed against the School District. The amount of any reduction in the School District's contribution toward the Superintendent's healthcare benefits as a result of addressing the "highly compensated employee" component of the ACA will be placed into another School District provided benefit (i.e., a retirement HRA, salary, etc.) as agreed upon between the parties.

~~B.~~ Section 3. Supplemental Medical Reimbursement: The School District will pay the Superintendent up to ~~\$2,000.00~~ **\$3,000** 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.~~ Section 4. 403(b) Match: The School District will make a matching contribution of ~~\$3,600~~ **\$6,000** annually towards an approved 403(b) plan as directed by the Superintendent.

~~D.~~ Section 5. 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.~~ Section 6. 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 article. It is understood that~~ The School District's only obligation is to purchase the insurance policies described ~~herein~~ **in this article**, and no claim shall be made against the School District as a result of denial of insurance benefits by an insurer if the School District has purchased the policies and paid the premiums described ~~herein~~ **in this article**.

Section 7. Eligibility: The eligibility of the Superintendent and the Superintendent's dependents and beneficiaries for insurance benefits shall be governed by the terms of the insurance policies purchased by the School District pursuant to this article.

VII.

ARTICLE VIII OTHER BENEFITS

A. Section 1. Tax-Sheltered Annuities: The Superintendent ~~will be~~ **is** 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. Section 2. Automobile Expense Vehicle: ~~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 vehicle at the rate established by School Board Policy pursuant to M.S. § Minnesota Statutes 471.665, Subd. 1, as allowed by Internal Revenue Service guidelines.~~

C. Section 3. 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 such attendance 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 statements to be processed and approved as provided by law.

D. Section 4. 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 forty percent (40%) 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. the Superintendent shall receive payment for unused accumulated ESST and vacation days, as per Article VI, Sections 2 and 4 above. 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 as required by law. In the event of the Superintendent's death, severance will be paid directly to the beneficiary(ies).~~

E. Section 5. Computation of Daily Rate of Pay: The Superintendent's daily rate of pay for purposes of payout of unused ESST leave, vacation, retirement, severance, or other reasons shall be 1/260th of the last year's annual basic Contract amount.

F. Section 6. Continued Insurance Coverage: ~~Upon the Superintendent's retirement or resignation, the Superintendent shall remain eligible to maintain membership in the School District's group health insurance plan following his resignation or termination until he/she reaches the age of qualifying for Medicare coverage, and he the Superintendent 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 he/she shall be responsible for payment of the group plan premium in effect at that time for other licensed employees of the School District.~~

Section 7. HSA Contribution: The School District shall make an annual matching contribution of \$4000 towards an approved HSA plan as directed by the Superintendent.

VIII.

**ARTICLE IX
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, 2022 through June 30, 2023—\$143,674
July 1, 2023 through June 30, 2024—\$146,188
July 1, 2024 through June 30, 2025—\$149,477~~
- 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.~~

The Superintendent shall be paid an annual salary of \$156,950 for the 2025-2026 Contract year, \$164,797 for the 2026-2027 Contract year, and \$173,036 for the 2027-2028 Contract year. During the term of this Contract, the annual salary may be modified but shall not be reduced. The annual salary shall be paid in equal monthly installments during the Contract year.

IX.

**ARTICLE X
OTHER PROVISIONS**

~~A.~~ Section 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 also serve as a consultant to other school districts or educational agencies, lecture, engage in writing and speaking activities, and engage in other activities if, as solely determined by the School Board, such activities do not impede the Superintendent's ability to perform the duties of the superintendency. However, the Superintendent shall may 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.~~ Section 2. 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 their 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 provided 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 in this regard shall be subject to the limitations as provided in Minnesota Statutes Chapter 466. This indemnification and defense obligation extends to all costs and fees incurred by

the Superintendent in any internal investigation of a claim against the Superintendent that does not result or would not have resulted in substantial disciplinary action against the Superintendent (defined as sufficient to create public data under the final disposition of a disciplinary action provisions of Minnesota Statutes 13.43, Subd. 2). Payment of legal fees includes when the Superintendent incurs individual legal costs in serving as a witness in a claim against the School District. Nothing herein affects the Superintendent's right to legal counsel of the Superintendent's choice or the parties' right to negotiate payment of legal fees as part of a separation agreement.

~~C.~~ Section 3. Dues and Professional Publications: The Superintendent is encouraged to belong to and participate in appropriate professional and, 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 professional and educational **such** 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 School 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.

D. ~~Evaluation and Referrals to the Superintendent~~

**ARTICLE XI
EVALUATE PERFORMANCE**

The School Board shall oversee, direct, and evaluate the Superintendent's performance as the School Board sees fit.

~~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.~~

E.

**ARTICLE XII
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.~~

The provisions of this Contract shall be severable, and if any such provision or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of this Contract or the application of any provision thereof.

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

Superintendent

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

School Board Chair

School Board Clerk