

**AMENDMENT NO. 1
TO THE
2011-2013 EMPLOYMENT CONTRACT BETWEEN
DR. DONALD SCHLOMANN AND
COMMUNITY UNIT SCHOOL DISTRICT NO. 303
KANE AND DU PAGE COUNTIES, ILLINOIS
EXTENDING EMPLOYMENT FROM
2013-2017**

WHEREAS, Dr. Donald Schломann (hereinafter “Superintendent”) is currently employed as Superintendent by the Board of Education of Community Unit School District No. 303, Kane and DuPage Counties, Illinois (hereinafter “Board”) (hereinafter collectively referred to as the “Parties”) under an Employment Contract commencing on July 1, 2011, and terminating on June 30, 2013 (hereinafter “Contract”), as dated September 12, 2011; and

WHEREAS, pursuant to paragraph 19 of the Contract, the Contract may be extended or rolled over pursuant to the terms of 105 ILCS 5/10-23.8, which terms include a finding by the Board that the performance and improvement goals contained in Paragraph 3 of the Contract have been met; and

WHEREAS, paragraph 21 of the Contract provides that modification or extension of the Contract must be in writing and executed by both parties, and the parties are desirous of making modification and extension of the Contract.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, including securing the continued services of the Superintendent, the Parties agree as follows:

- A. The second subparagraph of paragraph 7 of the Contract dated September 12, 2011, is hereby amended to read as follows:

The Board shall pay the annual premiums for a Term Life Insurance Policy for the Superintendent with a benefit in the amount of twice the Superintendent’s annual base salary, not to exceed \$500,000.

- B. All other provisions of the Contract dated September 12, 2011, that are in effect as of November 26, 2012, (the effective date of this Amendment) shall remain in effect through June 30, 2013, and shall be deemed null and void as of midnight on that date.
- C. As of July 1, 2013, the following provisions shall govern the Superintendent’s employment in the District:

1. **EMPLOYMENT:** The Superintendent is hereby hired and retained to serve as Superintendent of Schools for Community Unit School District No. 303 (hereinafter referred to as the “District”) from and after July 1, 2013, to and including June 30, 2017. Each period from July 1 to June 30 shall constitute a Contract Year. The Parties acknowledge and agree that this Contract is a performance-based multi-year contract as provided for and defined in Article 10, Section 23.8 of the Illinois *School Code*. The Board hereby finds that the defined performance goals, as specified in Paragraph 3 below, have been met by the Superintendent.

2. **DUTIES AND RESPONSIBILITIES OF THE SUPERINTENDENT:** The duties and responsibilities of the Superintendent will include those duties set forth in the job description for the Superintendent attached hereto as Exhibit A and incorporated herein by reference, those obligations imposed by the laws of the State of Illinois, and any other duties normally performed by a Superintendent that from time to time may be assigned to the Superintendent by the Board, including, but not limited to, the responsibilities set forth in the *Community Unit School District 303 Annual Goals and Actions* document. The Superintendent also annually shall develop and present to the Board personal development goals based on input from the Board. These goals are separate from and in addition to the performance goals established by the Board in Paragraph 3 of this Contract. The Superintendent shall be expected to provide recommendations relative to each item of business being considered by the Board.

3. **PERFORMANCE GOALS:** Annually the Superintendent, with the assistance of his administrative team shall (a) evaluate student performance, which shall include but not be limited to student performance on standardized tests such as the Illinois Scholastic Aptitude Test, internal formative assessment tests, completion of the curriculum, attendance and dropout rates; (b) review the curriculum and instructional services of the District; and (c) report to the Board on his findings as to (i) student performance and (ii) recommendations, if any, for curriculum or instructional changes as a result of his evaluation of student performance. The presentation of the report shall constitute the achievement of the goals and indicators of student performance and academic improvement as required by 105 ILCS 5/10-23.8 of the *School Code*.

4. **SALARY:** The Board hereby employs the Superintendent at a base salary of Two Hundred Twenty-Five Thousand Dollars (\$225,000.00) for each Contract Year (*i.e.*, July 1 – June 30), payable in semi-monthly installments, with deductions as may be required by law and as may be agreed upon between the Superintendent and the Board of Education. Notwithstanding the foregoing, in no event shall the Superintendent be eligible for or entitled to any combination of salary and/or other forms of creditable earnings the total of which would result in the Board owing an “excess salary contribution” to the State of Illinois Teachers’ Retirement System.

The Board shall also pay on behalf of the Superintendent to the State of Illinois Teachers’ Retirement System (“TRS”) and the Teachers’ Health Insurance Security Fund (“THIS”), the Superintendent’s required contributions to said pension system and health fund on all reportable salary and compensation. All contributions shall be calculated as required by the Illinois TRS. The Superintendent shall not have any right or claim to said amounts, except as they may become available at the time of retirement or resignation from the State of Illinois TRS and the

THIS. Both Parties acknowledge that the Superintendent did not have the option of choosing to receive the contributed amounts directly, instead of having such contributions paid by the Board to the TRS and THIS, and further acknowledge that such contributions are made as a condition of employment to secure the Superintendent's future services, knowledge and experience.

5. **RETIREMENT:** The Superintendent has notified the Board of his intent to retire upon the expiration of this Contract, and therefore shall be eligible for the retirement incentive set forth in paragraph 10 of this Contract. The Superintendent shall not be eligible for any other retirement benefits offered in the District through policy, manual, collective bargaining agreement or otherwise. In no event shall the Superintendent be eligible for or entitled to any retirement benefit the exercise of which would result in the Board owing an "excess salary contribution" to the Illinois TRS.

6. **VACATION:** The Superintendent may take up to twenty-two (22) days of vacation each contract year with no loss in salary, and exclusive of legal holidays. Effective July 1, 2014, the Superintendent shall receive one (1) additional paid vacation day (for a total of twenty-three (23) days for the 2014-2015 contract year), and his vacation day allotment shall increase by one day for each newly completed contract year thereafter, up to a maximum total vacation benefit of twenty-five (25) paid vacation days each contract year. This annual allotment of vacation days shall be credited to the Superintendent on July 1st of each year of the Contract. In addition to the foregoing vacation days, the Superintendent shall have as paid holidays the three (3) work days between Christmas and New Year's Day.

The Superintendent shall have the approval of the Board of Education President before taking more than two consecutive school days of vacation. Vacation days must be used by December 31 of the contract year following the contract year in which the days were granted, or the vacation days will be forfeited. The Superintendent may elect, by December 1 of each contract year, to be paid, at his then current *per diem* rate (= current base salary/260 days), for up to five (5) carried over vacation days earned in the prior contract year if such vacation days would otherwise be unused as of December 31 ("redeemed vacation days"). However, the Superintendent shall not be entitled to receive pay for the redeemed vacation days until the following June, and then only if it is determined that such a payment would not cause the Superintendent's creditable earnings for the contract year in which such a payment might be issued to exceed the prior year's creditable earnings by more than six percent (6%) or otherwise result in the Board owing an "excess salary contribution" to TRS. To the extent a payment for redeemed days would cause the Board to owe an excess salary contribution to TRS, the unused vacation days shall be considered forfeited.

In the event of the termination of the Superintendent's employment (whether upon the expiration of this contract, or sooner), the Board will pay the Superintendent the value of all accrued and unused vacation days credited to the Superintendent as of the last day of his employment. Such payment shall be made to the Superintendent after the receipt of his final paycheck for regular earnings from the Board and shall be treated as non-reportable to TRS.

7. **INSURANCE:**

a. **Health Insurance.** The Superintendent shall be eligible to participate in the health (medical, dental and vision care) and long term disability insurance benefits provided by the District on the same terms and conditions applicable to other certificated staff, provided, however, that the Board's contribution toward the cost of family coverage under the District's health insurance benefits shall be no less than 100%.

If, at any time during the term of this Contract, the Board's payment of insurance premiums is deemed to constitute a discriminatory benefit under law or regulation subjecting the Board to potential penalties or increased tax payments, then the Board may, in its discretion, determine to decrease its payment for such insurance and make a corresponding increase in the Superintendent's salary or other compensation to offset the cash value of the reduction in such insurance premium benefit.

b. **Life Insurance.** The Board shall pay the annual premiums for a Term Life Insurance Policy for the Superintendent with a benefit in the amount of twice the Superintendent's annual base salary, not to exceed \$500,000.

8. **SICK DAYS AND PERSONAL LEAVE:** The Superintendent shall be granted paid sick leave, as defined in Section 24-6 of the Illinois School Code of fifteen (15) working days per year. Unused sick leave days may accumulate without limit. In addition, the Superintendent shall be permitted to use up two paid sick leave days each year as personal leave. Unused sick days/personal leave will accrue as sick days in accordance with TRS guidelines.

9. **OTHER FRINGE BENEFITS:** It is expressly understood that, aside from the insurance, retirement and other benefits enumerated in this Contract, the Superintendent is not eligible to participate in any other benefit program offered in the District. Rather, the benefits to which the Superintendent is entitled are set forth in this Contract.

10. **TAX SHELTERED ANNUITIES AND CUSTODIAL ACCOUNTS:**

a. **Elective Deferrals:** From the annual salary stated in Paragraph 4 of this Contract, the Superintendent may (1) annually defer compensation pursuant to and in accordance with the terms of an eligible state deferred compensation plan as described in Section 457(b) of the *Internal Revenue Code* if adopted by the Board, or (2) authorize a salary reduction in order that the Board may purchase an annuity policy or custodial account for the Superintendent as described in Section 403(b) of the *Internal Revenue Code*, provided that the Superintendent confirms that any such deferrals or reductions for purchase of annuities are within *Internal Revenue Code* limitations.

b. **Non-elective Employer Contributions:**

(i) **Base Annuity Contribution.** In addition to the annual base salary stated in Paragraph 4 of this Contract, on behalf of the Superintendent, each Contract Year, the Board shall make a non-elective employer contribution in the amount of \$15,000 to a tax-sheltered annuity policy or custodial account as described in Section 403(b) and/or 457(b) of the *Internal Revenue Code*.

(ii) **Retirement Incentive Annuity Contribution.** In addition to the annual base salary stated in Paragraph 4 and the Base Annuity Contribution stated in Paragraph 10.b(i) of this Contract, the Board shall provide the Superintendent a 6% annual retirement incentive. This retirement incentive shall be provided in the form of a non-elective employer contribution to a tax-sheltered annuity policy or custodial account as described in Section 403(b) and/or 457(b) of the *Internal Revenue Code*. The Retirement Incentive Annuity Amounts shall be calculated as follows:

- **Contract Year 2013-2014 Retirement Incentive Annuity--** an amount equal to 6% of the total of the following amounts paid by the Board in the 2012-2013 Contract Year: the paragraph 4 Base Salary, the Base Annuity Contribution (\$15,000), and redeemed vacation day payments.
- **Contract Year 2014-2015 Retirement Incentive Annuity--** an amount equal to 1) the 2013-2014 Retirement Incentive Annuity plus 2) 6% of the total of the following amounts paid by the Board in the 2013-2014 Contract Year: paragraph 4 base salary, the Base Annuity Contribution, the 2013-2014 Retirement Annuity Contribution, and redeemed vacation day payments.
- **Contract Year 2015-2016 Retirement Incentive Annuity--** an amount equal to 1) the 2014-2015 Retirement Incentive Annuity plus 2) 6% of the total of the following amounts paid by the Board in the 2014-2015 Contract Year: paragraph 4 base salary, the Base Annuity Contribution, the 2014-2015 Retirement Annuity Contribution, and redeemed vacation day payments.
- **Contract Year 2016-2017 Retirement Incentive Annuity--** an amount equal to 1) the 2015-2016 Retirement Incentive Annuity plus 2) 6% of the total of the following amounts paid by the Board in the 2015-2016 Contract Year: paragraph 4 base salary, the Base Annuity Contribution, the 2015-2016 Retirement Annuity Contribution, and redeemed vacation day payments.

(iii) **Contribution Limits.** The Superintendent has not and shall not have the option to choose to receive cash in lieu of any of these Paragraph 10 non-elective employer contributions. These non-elective employer annuity contributions will be made only to the extent such contributions are within *Internal Revenue Code* limitations and provided the Board maintains a 403(b) Plan or 457(b) Plan authorizing such contributions during the term of this contract. The non-elective employer annuity contributions will be made in each Contract Year prior to December 31; however, to the extent the non-elective employer annuity contributions would exceed 403(b) and 457(b) combined contribution limits for plan year 2016 if paid entirely prior to December 31, 2016, the Board may divide the annuity contributions for the 2016-2017 Contract Year into two payments and make the second contribution payment after January 1, 2017. To the extent the non-elective employer annuity contributions as calculated would exceed the 403(b) and 457(b) combined contribution limits in any Contract Year, the Board will instead pay the excess amount to the Superintendent as salary. Notwithstanding the foregoing annuity contribution calculations and excess payment provisions, in no event shall the Superintendent be eligible for or entitled to any combination of salary and/or other forms of creditable earnings the total of which would result in the Board owing an “excess salary contribution” to the Illinois TRS.

11. **PHYSICAL EXAMINATIONS:** The Superintendent shall submit to, and furnish the Board with report of, such comprehensive health examinations as the Board may from time to time require at its expense. The Board shall pay for an annual complete physical examination of the Superintendent to be performed by a physician of the Superintendent’s choice.

12. **AUTOMOBILE ALLOWANCE:** The Superintendent shall receive an automobile allowance of \$7,200.00 each year, payable on the July 1st of each year of this Contract, which shall be deemed reimbursement for transportation expenses incurred in connection with the performance of his official duties in or within the near environs of the District. As an alternative, the Board shall purchase or lease a vehicle for the Superintendent if the Board finds that option to be in the best interests of the School District.

13. **TRAVEL EXPENSES:** Travel expenses incurred by the Superintendent in connection with his official duties (including attendance at a reasonable number of professional association conferences) shall be reimbursed, provided prior Board authorization is given. Documentation of expenses shall be made in accordance with IRS regulations.

14. **PROFESSIONAL AND CIVIC ORGANIZATION FEES, PROFESSIONAL DEVELOPMENT:** Pursuant to prior Board approval, the Board will reimburse the Superintendent for the cost of his joining and maintaining membership in appropriate professional and civic organizations. The Superintendent shall engage in such professional development activities as may be appropriate and the Board shall pay for fees and appropriate expenses for participation in such activities, within the confines of the appropriation for such activities in the annual District budget.

15. **CELL PHONE:** The Board has determined that, by virtue of his job duties, the Superintendent needs to be immediately reachable by the Board and other District administrators and staff in the event of emergencies outside normal work hours and/or when the Superintendent is away from the District. Accordingly, the Board will provide the Superintendent with a cell phone and pay the related monthly cell phone bills. The Board shall make such provision and payments for a business purpose, and not for purposes of compensation of the Superintendent; however, the Superintendent may use the phone for both District and personal business in accordance with IRS guidelines.

16. **EVALUATION:** At least annually, no later than February 1st of each contract year, the Board shall review with the Superintendent: the Superintendent's working relationships with the Board of Education, the faculty staff and community; the performance of the Superintendent in fulfilling the duties and responsibilities set forth under this Contract, in the *Community Unit School District 303 Annual Goals and Actions* document and in the Board of Education's policies and directives; and the Superintendent's progress and attainment of established goals, including the development goals developed by the Superintendent and performance goals and indicators developed by the Board and set forth in Paragraph 3 above. Such review shall be in closed session and may be made semi-annually or annually as the Board of Education may determine from year to year. Such review shall be based upon a written and verbal report to the Board of Education by the Superintendent. The Board shall provide to the Superintendent a written summary of its review.

17. SUPERINTENDENT'S CREDENTIALS/EXCLUSIVE EMPLOYMENT:

Conditions of continued employment of the Superintendent shall include:

- a. his continued possession of a valid certificate to function as a Superintendent of Schools within the State of Illinois;
- b. his continued willingness to devote the required time, skill, labor and attention to his employment as Superintendent, and his avoidance (unless given prior approval by the Board) of outside consultative work, and activities unrelated to the duties of the Superintendency which would conflict with and/or interfere with his full-time responsibilities as Superintendent; and
- c. his physical and mental capacity to discharge the duties and responsibilities of the Superintendency.

18. TERMINATION: This Contract shall terminate and all rights, duties and obligations of the Parties shall cease:

- a. on June 30, 2017, unless otherwise extended by mutual agreement of the Parties;
- b. in the event the Superintendent shall be unable to perform any or all of his duties by reason of illness, injury or other cause and said inability is deemed permanent by competent medical authority hired by the Board; provided, however, termination of this Contract because of physical or mental incapacity shall not result in forfeiture of sick leave, in excess of said period, which the Superintendent may have accrued at that time;
- c. for other good and just cause including, but not necessarily limited to, dishonesty, fraud, incompetence, neglect of duties or failure to follow lawful policy directives of the Board. In the event the Board believes there to be cause for termination under this paragraph, it shall:
 - i. advise the Superintendent verbally or in writing concerning the nature of the asserted cause(s);
 - ii. afford the Superintendent an opportunity to respond to the Board relative to the asserted cause(s); and
 - iii. grant the Superintendent, if he desires it, a written statement of the asserted cause(s) and a hearing before the Board before taking action in open session to terminate this Contract. The Board shall have the right to suspend the Superintendent from duty pending completion of the foregoing steps, if, in the judgment of the Board, the interests of the schools require such suspension. During any such suspension, the salary that otherwise would be due and payable to the Superintendent shall be placed in escrow, with said funds to be released and paid to the

Superintendent if it is determined that there is no cause for termination hereunder, and to be returned to the Board if the Superintendent is not exonerated. Upon termination of this employment Contract for any reason, all payments by the Board to or on behalf of the Superintendent shall cease.

19. **NON-RENEWAL/EARLY TERMINATION:** The non-renewal of this Contract, or the extension of this Contract beyond the termination date set forth above, shall be subject to the following terms:

Non-Renewal: Each Party shall have the obligation to notify the other of any intent not to renew the Contract. The Board shall give such notice of the intent not to renew the Contract to the Superintendent. Optimally, the Board shall give such notice by August 1 of the contract year in which the Contract expires. However, the Board's deadline for providing such notice is April 1 of the contract year in which the Contract expires. The Superintendent shall give such notice of intent not to renew the Contract to the Board by no later than August 1 of the contract year in which the Contract expires. The Board's failure to provide notice of non-renewal by April 1 of the contract year in which the Contract expires shall cause the Contract to be automatically extended by one additional contract year. If the Superintendent has not received a notice of non-renewal from the Board, he shall notify the President and Secretary of the Board by February 1 of the contract year in which the Contract expires, that failure of the Board to give the Superintendent said notice of intent not to renew by April 1 shall extend this Contract for one (1) additional year. The failure of the Superintendent to give the required reminder notice to the Board shall waive the obligation of the Board hereunder to give its notice of intent by April 1.

Notice of intent not to renew given by the Board to the Superintendent shall be in writing and shall state the specific reasons for such non-renewal. The Superintendent may request a Closed Session Hearing by making the request in writing and serving it upon the Board of Education President within ten (10) days after his receipt of such notice. At the hearing, the Superintendent has the privilege of presenting evidence, witnesses and defenses upon and to the grounds for his non-renewal.

It is further agreed that, in the event the Superintendent intends to terminate his employment with the District prior to the expiration of this Contract in order to retire or seek other employment, the Superintendent shall give notice of that intent no less than twelve (12) months prior to his estimated final day of employment in the District unless otherwise mutually agreed. The Parties agree that absent extraordinary circumstances, the last day of employment of the Superintendent shall be the last day of the fiscal year immediately following the fiscal year in which the Superintendent gives notice that he intends to terminate his employment to retire or seek other employment.

20. **WAIVER OF TENURE:** Pursuant to 105 ILCS 5/10-23.8, the Parties acknowledge that the Superintendent is employed under a multi-year Contract, and that the Superintendent waives, for the term of this Contract, all rights to contractual continued service in any position in the District that would otherwise be available under 105 ILCS 5/24-11 through 5/24-16.

21. **ENTIRE AGREEMENT:** This Contract contains the entire agreement of the Parties. No modifications, changes, extension, or discharge thereof, shall be effective unless in writing and executed by both Parties (except for an automatic extension under the provisions of Paragraph 19 and other changes authorized in this Contract).

22. **PRIOR CONTRACTS:** This Contract contains all the terms agreed upon by the Parties with respect to the subject matter of this Contract and supersedes all prior agreements, arrangements, and communications between the Parties concerning such subject matter, whether oral or written.

23. **APPLICABLE LAW:** This Contract has been executed in Illinois and shall be governed in accordance with the laws of the State of Illinois in every respect.


IN WITNESS WHEREOF, the Parties have executed this *Amendment No. 1 to the 2011-2013 Employment Contract Between Dr. Donald Schlomann and Community Unit School District No. 303, Kane and Du Page Counties*, effective this 26th day of November, 2012.

SIGNATURE PAGE TO FOLLOW

**SIGNATURE PAGE OF THE
EMPLOYMENT CONTRACT BETWEEN
DR. DONALD SCHLOMANN AND
COMMUNITY UNITY SCHOOL DISTRICT NO. 303
KANE AND DU PAGE COUNTIES, ILLINOIS**

DR. DONALD SCHLOMANN

**BOARD OF EDUCATION OF
COMMUNITY UNIT SCHOOL
DISTRICT No. 303, Kane and
Du Page Counties, Illinois**



By: Dr. Donald Schломann
Superintendent

Date: 11/27/12


By: Steven Spurling
Board President

Date: Nov. 26, 2012

ATTEST:


By: Michael Vyzral
Board Secretary

Date: Nov. 26, 2012