



SCHOOL BOARD ACTION REPORT

DATE: April 13, 2018
FROM: Director Leslie Harris, Board President
Director Rick Burke, Board Vice-President
LEAD STAFF: N/A
For Introduction: April 25, 2018
For Action: April 25, 2018

1. TITLE

Approval of Superintendent Employment Agreement

2. PURPOSE

This Board action report approves of a Superintendent Employment Agreement (“Agreement”) between Denise Juneau and Seattle School District No. 1 (“District”), which was negotiated by Board President Leslie Harris and Board Vice-President Rick Burke. The Board action report also authorizes Director Harris to sign the Agreement.

3. RECOMMENDED MOTION

I move that the School Board approve the terms of the Superintendent Employment Agreement with Denise Juneau, as attached to this Board action report, and authorize Board President Leslie Harris to take the necessary steps to sign and implement this Agreement. Immediate action is in the best interest of the District.

4. BACKGROUND INFORMATION

A. Background

Superintendent Larry Nyland’s employment agreement, amended by the Board on December 7, 2016, includes an end date of June 30, 2018. The Board engaged in a search process for a new superintendent. After multiple rounds of interviews taking place on March 22-23 and March 29-30, the Board voted on Wednesday, April 4 to select Denise Juneau as its finalist and to authorize the Board President and Vice President to engage in contract discussions with her for the position of Superintendent. Those contract discussions have resulted in the attached Agreement being presented to the Board for approval.

This is a 3-year agreement with annual options for extension. State law limits superintendent contracts to three years. Significant terms of the contract include the following:

- A base annual salary of \$295,000.
- Performance compensation in the amount of \$15,000. For the 2018-19 contract year this bonus will be earned upon successful adoption by the Board of a District

Strategic Plan and a Superintendent performance evaluation structure. In future years, other goals may be identified to determine eligibility for the performance compensation amount.

- Retention compensation in the one-time amount of \$30,000, which is payable in July 2023 upon five continuous years of service as superintendent.
- A Tax Sheltered Annuity Plan contribution by the District on June 30 of each year in the amount of 4% of base salary, which equals \$11,800 for the first year in June 2019.
- A \$700 per month vehicle allowance, which includes local travel expenses.
- The payment of reasonable moving expenses.
- A provision for employee benefits and leave days.
- During the initial transition prior to July 1, 2018, the payment for up to 15 days of contract work at a per diem rate.
- An agreement by the superintendent to maintain a residence within the City limits of Seattle within 6 months of signing the agreement.

B. Alternatives

Not approve the attached contract. This is not recommended because the finalist candidate may be unwilling to renegotiate certain terms.

C. Research

The Board has received salary benchmarking data from its search consultant firm.

RCW 28A.400.010 gives the Board its statutory authority to elect and contract with a superintendent.

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will include paying the costs of the following:~~be _____.~~

- An initial base salary of \$295,000
- Potential annual performance compensation of \$15,000
- Potential one-time retention compensation of \$30,000, payable in July 2023
- Tax Sheltered Annuity contributions of 4% of base salary, which equals \$11,800 in the first year of the contract.
- Annual compensation of \$8,400 for local travel expenses.
- One-time reasonable moving expenses
- Costs related to employee benefits and leave days
- Payment for contract work at a per diem rate for up to 15 days during the initial transition period

The revenue source for this motion is general funds and is included in the budget.

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. COMMUNITY ENGAGEMENT

With guidance from the District’s Community Engagement tool, this action was determined to merit the following tier of community engagement:

- Not applicable
- Tier 1: Inform
- Tier 2: Consult/Involve
- Tier 3: Collaborate

The statutory authority to select a new superintendent is given to the Board by State law. During its search process, the Board has provided several avenues for community input. In January, the Board organized focus groups, a survey, and a Town Hall conducted by its search consultant, Ray and Associates. The Board used the information collected through these measures to develop the candidate profile used for recruiting candidates. During the semi-finalist interviews, several partners participated by listening to the interviews and providing feedback to the Board about each candidate. The finalists were presented to the public and went on school tours, talked with the media, and participated in a public forum, answering questions generated by community members. The week of March 26, the public was able to submit their feedback about the finalists online or in person at the community forum; the Board received hundreds of comments about the finalists.

7. EQUITY ANALYSIS

Throughout its search process, the Board has communicated to candidates the importance of the District’s equity initiatives.

8. STUDENT BENEFIT

The selection of the superintendent will have numerous impacts throughout the District.

9. WHY BOARD ACTION IS NECESSARY

- Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)
- Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)
- Adopting, amending, or repealing a Board policy
- Formally accepting the completion of a public works project and closing out the contract
- Legal requirement for the School Board to take action on this matter

Board Policy No. 1005, Responsibilities and Authority of the Board, provides the Board shall approve this item

Other: _____

10. POLICY IMPLICATION

This action implements Board Policy Nos. 1005, Responsibilities and Authority of the Board, and 1640, Responsibilities and Authority of the Superintendent.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Executive Committee meeting on April 19, 2018. The Committee reviewed the motion and moved it forward for consideration by the Full Board.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, Board President Leslie Harris will sign the Agreement on behalf of the Board. Denise Juneau will take over official duties as Superintendent on July 1, 2018, but may participate in agreed upon orientation activities prior to her official start date.

13. ATTACHMENTS

- Superintendent Employment Agreement (for approval)

SEATTLE SCHOOL DISTRICT NO. 1

SUPERINTENDENT'S EMPLOYMENT AGREEMENT

This Superintendent's Employment Agreement ("Agreement") is entered into by and between the Board of Directors ("Board") of Seattle School District No. 1 ("District") and Denise Juneau ("Superintendent"). In accordance with the Board's action of April 25, 2018, the District hereby employs the Superintendent as the Superintendent of Schools for the District.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Board and Superintendent (collectively referred to as the "Parties") agree as follows:

1. TERM

This Agreement shall be effective upon execution of both Parties and shall expire on June 30, 2021, unless extended by mutual written agreement or as discussed below. The official start date of the Superintendent shall be July 1, 2018. Beginning on January 1, 2021 and each January 1 thereafter, the Board shall notify the Superintendent if it intends to extend this Agreement for an additional year. If the Board does not notify the Superintendent of its intent to renew this Contract by January 1, 2021 and each January 1 for each subsequent year thereafter, this Agreement will be extended for an additional year. The Superintendent shall provide written notice of this automatic renewal provision to the Board President. Such notice shall be provided at least 60 days, but not more than 120 days prior to the Board meeting where renewal or nonrenewal is to be considered.

2. POWERS AND DUTIES

- A. In accordance with state law, including RCW 28A.400.010 and RCW 28A.400.030 and the rules, policies, and procedures as established by the Board, including Board Policy No. 1640 (Responsibilities & Authority of the Superintendent), the Superintendent shall serve on a full-time basis and have charge of the administration of the schools; shall be the chief executive officer and chief administrative officer of the District and official secretary for the Board; shall direct and assign teachers, principals, 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 District; shall select, place, and transfer personnel; shall implement and from time to time suggest and recommend the adoption or amendment of policy or procedure deemed necessary for the well ordering of the District; and, in general, the Superintendent shall perform all duties incident to the Office of the Superintendent and carry out such other duties and directives as may be prescribed by the Board from time to time, all subject to the approval of the Board to the extent required by law. Without the written consent of the Superintendent, the Board shall not reassign the Superintendent to another position in the District and it shall not reassign the Superintendent's duties to other employees in the District.
- B. The Superintendent shall devote her entire time, attention, and energy to the business of the District and related professional activities. The Superintendent is an exempt

employee and is expected to work weekends and evenings, in addition to normal work week hours. With prior approval of the Board President, the Superintendent may engage, with or without honorarium, in consulting work, speaking engagements, writing, lecturing, or other professional duties and obligations, up to a maximum of five (5) days per year (unpaid leave shall be used on these days if the Superintendent is being paid an honorarium), provided each undertaking does not interfere with, or create a conflict with the performance of her duties under this Agreement or violate any Board policy, including Board Policy No. 5251 (Ethics).

3. BOARD/SUPERINTENDENT COMMUNICATIONS AND RELATIONSHIPS

Prior to August 1, 2018, the Board and Superintendent shall meet to discuss and refine how they shall communicate and work together. Periodically thereafter, the Board and Superintendent shall meet to review the process regarding how they will communicate and work together.

The Board, individually and collectively, shall refer to the Superintendent for her study, review, recommendation, or action, all significant complaints and suggestions that are brought to their attention or that each Board member may have regarding the operation of the District or the performance of the Superintendent. Communications between the Parties will follow Board policies, including Board Policy No. 1220 (Board Officers & Duties of Board Members) and Board Policy No. 1620 (Board-Superintendent Relationship).

4. EMPLOYMENT PROVISIONS

- A. Commencing July 1, 2018 through June 30, 2019, the Superintendent shall receive an annual base salary of \$295,000. In addition, on June 30, 2019, the Superintendent will receive \$15,000 as performance compensation (a bonus) if, by June 30, 2019, the Board and the Superintendent have mutually agreed on and the Board has adopted: (i) a new District strategic plan and (ii) a Superintendent performance evaluation structure for performance compensation in subsequent years of this Agreement (2019-20 and 2020-21 school years). The Board shall ensure that there is time during Board meetings for discussion and agreement regarding the District's strategic plan and the performance evaluation structure and the Board's adoption of the District strategic plan and performance evaluation structure shall not be unreasonably withheld. The Superintendent performance evaluation structure will be used by the Board and the Superintendent to determine and agree on criteria for the performance compensation for the Superintendent for the 2019-20 and 2020-21 school years.
- B. No later than the first legislative meeting of the Board in September, the Board, based on the annual evaluation, any state cost of living adjustment, and a discussion with the Superintendent regarding her performance shall determine whether or not to increase her annual base salary. In addition, no later than September of 2019 and each subsequent September of this Agreement, the Board and the Superintendent shall meet to agree on whether the performance compensation of \$15,000 shall be increased and upon the performance evaluation structure criteria to be used for determining performance compensation. Any new base salary shall be effective retroactive to July 1.

- C. The Superintendent shall receive retention compensation if she is employed as Superintendent for the District for five (5) continuous years, from July 1, 2018 through June 20, 2023, in the amount of \$30,000. The retention compensation shall be paid in July 2023. The retention compensation shall not be prorated in the event of termination or expiration of the Agreement.
- D. The Superintendent shall receive the same medical, dental, and vision insurance benefits, as provided to other non-represented classified supervisory personnel. The Superintendent shall be allowed twelve (12) sick leave days, two (2) personal leave days, and other fringe benefits as are provided to other non-represented classified supervisory personnel, including a District contribution to the Department of Retirement system. Accrued and unused sick leave may be cashed out under the same conditions as other non-represented classified supervisory personnel.
- E. The Superintendent shall receive thirty (30) days of vacation annually, exclusive of holidays. Vacation taken in a block in excess of three (3) days, will require prior notification to and approval by the Board President. Annually, at the Superintendent's discretion, she shall be entitled to cash out a maximum of fifteen (15) vacation days each contract year. On the same terms and conditions as other non-represented classified supervisory personnel, unused vacation will be compensated upon termination of employment up to a maximum of 240 hours. Any cash out shall be at the per diem rate listed in Section 4.M.
- F. The Superintendent shall receive twelve (12) paid holidays. The holidays will be set as follows:
- Independence Day
 - Labor Day
 - Veterans' Day
 - Thanksgiving Day
 - Day after Thanksgiving
 - Christmas Eve Day
 - Christmas Day
 - New Year's Eve Day
 - New Year's Day
 - Martin Luther King Day
 - Presidents' Day
 - Memorial Day
- G. The Superintendent will be entitled to the use of electronic devices to perform her duties, including but not limited to a District-provided smart phone, laptop, tablet, and computer with Internet connection, home printer/fax/scan machine and any monthly charges associated with such devices, all for official business in accordance with law and District policy.

- H. In lieu of expense reimbursement for in-District travel on District business, the Superintendent shall receive \$700 per month for operation of a personal automobile for work-related travel within the school system and community. Pursuant to RCW 42.24.090, it is the determination of the Board that this means of reimbursement is less costly than providing an automobile to the Superintendent. Any use of a personal vehicle for travel on District business outside of the District shall be reimbursed in accordance with District policy and regulations for reimbursement. The Superintendent understands that this is a taxable benefit.
- I. The Board expects the Superintendent to continue to engage in activities for her professional growth. Therefore, the District will pay the Superintendent's dues in two (2) educational professional associations and for the expenses of attending the meetings and conferences of those professional associations. Membership in other professional organizations shall be subject to the approval of the Board President. The time spent by the Superintendent in attending meetings of the approved professional associations will be part of the Superintendent's normal business and shall not be considered personal or vacation time. The Board expects the Superintendent to participate in civic and community organizations, and as a result, the District shall pay for the annual dues for the Superintendent to be a member of two (2) civic or community organizations. Participating in additional civic or community organizations shall be subject to approval of the Board President, which approval shall not be unreasonably withheld.
- J. On June 30th of each year of this Agreement, beginning with the 2019-20 school year, the District shall make a contribution to the Superintendent's 403(b) Tax Sheltered Annuity ("TSA") Plan of his or her choosing in the amount of 4% of her base salary (e.g., $.04 \times \$295,000 = \$11,800$). This contribution shall be reported to the Washington State Retirement System as salary compensation as may be permitted by the regulations of that agency. The TSA payment shall not be prorated in the event of termination or expiration of the Agreement prior to June 30.
- K. The Superintendent agrees that, during the term of the Agreement and after the Agreement expires or is terminated, at the District's request, she will participate in and provide the District assistance in preparing for any administrative, judicial, or other hearing to defend any decisions made by the Superintendent or the District during the term of the Agreement. After the Agreement expires or is terminated, the Board and the Superintendent agree that the Superintendent will be paid for such participation at the per diem rate of pay listed in Section 4.M, with a 4-hour minimum, plus reasonable travel expenses, if necessary.
- L. The Superintendent agrees to maintain a residence within the City limits of Seattle within 6 months of signing the Agreement.
- M. The per diem rate of pay for the Superintendent shall be based on the following formula: (Annual Base Salary/2060 hours per year x 8 hours per day).

5. MOVING EXPENSES

The District will reimburse the Superintendent for one-time reasonable moving expenses from Missoula, Montana to Seattle, Washington. The Superintendent is required to submit three estimates with the District prior to the move and the District is allowed to pick the lowest cost estimate. The reimbursement shall be made after the move is completed.

6. TRANSITIONAL WORK

The Board and the Superintendent agree that the Superintendent will work and be paid for up to fifteen (15) days of transitional work at her per diem rate of pay listed in Section 4.M, prior to July 1, 2018, for days worked, as agreed upon and approved in advance by the Board President. Travel and accommodations, if required, will be reimbursed using established District reimbursement rates and rules.

7. TERMINATION; SEVERANCE PAY

A. This Agreement may be terminated by:

1. Mutual agreement.
2. Retirement, provided the Superintendent gives the Board at least six months' notice of the proposed retirement.
3. Resignation, provided the Superintendent gives the Board at least six months' notice of the proposed resignation.
4. A permanent disability that makes the Superintendent unable to perform the duties of superintendent. For the purpose of this Agreement "permanent disability" means a medically determinable physical or mental impairment of the Superintendent, which (1) results from the Superintendent's sickness or injury; (2) requires the regular care of a medical doctor, for which the Board may require a doctor's report as proof; and (3) for a period of four (4) consecutive months prevents the Superintendent from performing the substantial and material duties of superintendent. The existence of a permanent disability shall be based on a medical opinion from a physician acceptable to both the Superintendent and the Board or a determination by the federal Social Security Administration. In the event the Parties are not able to agree on the choice of a physician, each shall select a physician who, in turn, shall select a third physician to render such medical opinion. The District shall pay all costs relating to the determination of whether the Superintendent has incurred a permanent disability. This provision shall not preclude the District and Superintendent from engaging in the interactive process to determine whether a reasonable accommodation could be provided to permit the Superintendent to perform the essential functions of the position.
5. The Board may terminate without cause the Superintendent's employment with the District at any time prior to the expiration of this Agreement. If the Board exercises this option to terminate, the District shall pay the Superintendent, as

severance pay, twelve months of compensation listed in Section 4.A. The Superintendent shall be entitled to COBRA benefits, and the District shall pay the costs of such benefits for a period of 12 months. The Superintendent may cash out any allowable accrued vacation hours. This severance pay shall be paid in twelve separate monthly installments. No other benefits or compensation will be paid, which includes all other benefits and payments listed in Section 4 not previously discussed, except for any accrued and unpaid benefits and expenses.

6. The Board may terminate the Superintendent's employment if it determines, in its sole discretion, that probable cause exists. Probable cause includes, but is not limited to violation of the conduct, behaviors, or actions listed in the District's Policy on Unprofessional Conduct of Staff (Policy No. 5006) and Staff Disciplinary Action and Discharge (Policy No. 5281).

The Board shall not terminate this Agreement under this Paragraph 6 until a written statement of the cause for termination, including the underlying facts giving rise thereto, has first been delivered to the Superintendent. The Superintendent shall then be entitled to a conference with the Board, at which time the Superintendent shall be given a reasonable opportunity to address the written statement of grounds for termination, including the underlying facts. The Superintendent shall have the right, at her own expense, to have a representative of her choice at the conference with the Board. If the Agreement is terminated for sufficient cause, no compensation or benefits under Section 4 shall be paid or provided after the Board makes a final decision, except for any accrued and unpaid benefits and expenses.

All employment rights are governed by this Agreement and the parties agree that the employment and termination provisions in RCW 28A.400 and RCW 28A.405 are superseded by this Agreement and are not applicable.

7. Death.
 - B. Additional Circumstances Warranting Severance Pay: If a termination under Section 6.A.6 is determined to lack sufficient cause or if there is a finding that the Superintendent is not disabled as provided in Section 6.A.4, the District shall pay the Superintendent severance pay as set forth in this Section 6.A.5 and shall reimburse her for any reasonable attorney's fees and legal costs the Superintendent expended to challenge such actions.
 - C. By written notice to the Superintendent, the Board may terminate this Agreement at any time after the Superintendent has been absent from performing the duties under this Agreement for whatever cause for a continuous period of four months. All obligations of the Board shall cease upon such termination, except for the Superintendent's right to remain in inactive employment status and utilize available accrued leave. The Board reserves the right to require the Superintendent to submit to a medical examination, either physical or mental, when the Board reasonably questions the Superintendent's medical fitness for duty. In such case, the procedures in Section 6.A.4 shall be followed.

8. EVALUATION

No later than September 30, 2018 and no later than June 30 for each subsequent school year, the Superintendent and the Board shall meet to agree on a format, evaluation instrument and goals for the Superintendent's evaluation. The Parties agree that Board Policy No. 1630 (Evaluation of the Superintendent) allows the Board to establish the evaluative criteria. Prior to September 30, 2018, the Board and Superintendent shall develop a Board procedure under Board Policy No. 1630 to establish a process for conducting the Superintendent's evaluation. This procedure shall include the receipt of a Superintendent self-appraisal, the need for executive sessions to discuss the Superintendent's performance, the Board members who shall draft the Superintendent's evaluation/narrative, and due dates. The Parties understand that the Superintendent evaluation/narrative is a public document and will be posted on a board agenda.

The Board shall evaluate the Superintendent's performance annually in June of each year, based on annual goals discussed and agreed upon by the Board and Superintendent from the prior June. For the June 2019 evaluation, the Board and Superintendent will agree to goals by September 30, 2018. Any of the timelines and deadlines pertaining to the evaluation of the Superintendent's performance may be adjusted at the request of either party by mutual written agreement of the Board and the Superintendent.

9. INDEMNIFICATION

As provided in School Board Policy 6530 (Insurance) and to the fullest extent provided by law, the District shall defend and indemnify the Superintendent against claims or actions against her arising out of an act or omission occurring within the scope of her employment.

10. MISCELLANEOUS

- A. If any provision of this Agreement should be found contrary to law, the remainder of the Agreement shall continue in effect.
- B. This Agreement constitutes the entire understanding and agreement between the Parties and contains all the agreements between them with respect to the subject matter hereof. It also supersedes any and all other agreements or contracts, either oral or written, between the Parties with respect to the subject matter hereof. There are no additional verbal or written agreements that add to, subtract from, or modify the terms thereof.
- C. If any dispute, proceeding, or lawsuit related to the Superintendent's employment under this Agreement ("Dispute") arises, the Parties shall seek to resolve the Dispute through mediation. Either party may give written notice to the other party. The Parties will jointly appoint a mutually acceptable mediator, seeking assistance in such regard from Judicial Dispute Resolution or another mutually agreeable mediation service if they have been unable to agree upon such appointment within ten (10) working days following submission of the Dispute to mediation. The Parties shall seek in good faith to commence the mediation not later than thirty (30) days after the notice of mediation is delivered.

- D. Any suit or action relating to this Agreement shall be brought exclusively in King County, Washington in either federal or state court. In any such action, the substantially prevailing party shall be entitled to recover its costs, including reasonable attorney fees, from the other party.
- E. Any notice required to be given under this Agreement shall be deemed sufficient if it is in writing and sent by mail to the residence of the Superintendent or to the President of the Board at District offices or hand delivered to the Superintendent or President, as applicable.
- F. This Agreement may be altered, amended, or terminated on terms arrived at by mutual written consent of the Parties hereto.

SUPERINTENDENT

SEATTLE SCHOOL DISTRICT NO. 1

Denise Juneau
Superintendent

Leslie S. Harris
President, Board of Directors

Date: _____

Date: _____

Attest:

John Cerqui
Deputy General Counsel

Date: _____