

# **EMPLOYMENT CONTRACT**

**BY AND BETWEEN**

**DR. TRACY S. SHANK**

**AND THE**

**SOUTH EASTERN BOARD OF SCHOOL DIRECTORS**

This Employment Contract is made and entered into this 3rd day of November, 2006, by and between the Board of School Directors of the South Eastern School District, hereinafter referred to as BOARD, and Dr. Tracy S. Shank, hereinafter referred to as SUPERINTENDENT.

WHEREAS, BOARD desires to provide SUPERINTENDENT with a written Employment Contract in order to enhance administrative stability and continuity within the schools which the BOARD believes generally improves the quality of its overall educational program; and, WHEREAS, the BOARD and SUPERINTENDENT believe that a written Employment Contract is necessary to describe specifically their relationship and to serve as the basis of effective communication between them as they fulfill their governance and administrative functions in the operation of the educational programs of the schools; and

WHEREAS, the Board of School Directors of the South Eastern School District, at a regularly scheduled meeting duly and properly called on the 2nd day of November, 2006, did appoint Dr. Tracy S. Shank, to the position of SUPERINTENDENT for the South Eastern School District in accordance with the provisions of the Public School Code of 1949.

NOW, THEREFORE, the BOARD and SUPERINTENDENT, for the consideration herein specified, agree for the term of this Employment Contract including any extensions the SUPERINTENDENT shall be entitled to:

**1. TERM**

The BOARD, in consideration of the promises herein contained of SUPERINTENDENT, hereby employs; and SUPERINTENDENT, in consideration of the promises herein contained of BOARD, accepts employment as SUPERINTENDENT for a term commencing November 3, 2006 and terminating November 2, 2010.

The BOARD may, by specific action and by specific consent of SUPERINTENDENT, extend the termination date of this Employment Contract in intervals of three (3), four (4), or five (5) years under such terms as may be mutually agreed upon by both parties. The BOARD shall notify the SUPERINTENDENT in writing of its intention not to extend the termination date of this Employment Contract twelve (12) calendar months prior to the date of expiration. If written notice is not given, the Employment Contract shall automatically renew with the same terms and conditions in force as of the date of termination.

**2. AUTHORITY OF SCHOOL BOARD/BOARD AND SUPERINTENDENT**

The BOARD, on its own behalf and on behalf of the electors of the South Eastern School District, and the SUPERINTENDENT hereby retain and reserve all power, rights, authority, duties and responsibilities conferred upon and invested in each respective party by the laws and the Constitution of the Commonwealth of Pennsylvania save for any power of rights limited by the express terms of this Employment Contract.

**3. PROFESSIONAL SERVICES**

During the term of this Employment Contract, in consideration of the employment, compensation, and other conditions and benefits set forth herein, the SUPERINTENDENT shall put forth best efforts in providing quality professional services; and, shall faithfully perform the duties and discharge the responsibilities assigned as SUPERINTENDENT. The SUPERINTENDENT shall provide (12) months of full and regular service each year.

**4. RESPONSIBILITIES**

The following shall be the responsibilities of the SUPERINTENDENT;

- A. The SUPERINTENDENT shall diligently and conscientiously devote full and exclusive time and attention, and best efforts, to the discharge of duties as the SUPERINTENDENT in the South Eastern School District.
- B. The SUPERINTENDENT shall report to, and be under the direct supervision of the Board of School Directors.
- C. The SUPERINTENDENT shall carry out those duties and responsibilities assigned to the SUPERINTENDENT by the Board of School Directors.
- D. The SUPERINTENDENT shall perform duties in accordance with the provisions of the School Code and the policies and directives of the Board of School Directors duly adopted and promulgated by official action of the Board.

**5. PROFESSIONAL GROWTH OF SUPERINTENDENT**

The BOARD encourages the continuing professional growth of the SUPERINTENDENT through participation in:

- A. operations, programs, and other activities conducted or sponsored by local, state, national, and international school administrator and school board associations
- B. seminars and courses offered by public or private educational institutions; and
- C. informational meetings with other persons whose particular skills or backgrounds would serve to improve the capacity of SUPERINTENDENT to perform the professional responsibilities associated with the position.

In its encouragement, the BOARD shall reimburse SUPERINTENDENT for costs reasonably and necessarily incurred to attend and participate in meetings, conferences, graduate courses, conventions, and seminars related to the duties of the position or the educational program of the South Eastern School District. As a minimum, the SUPERINTENDENT shall be permitted to attend at least one state/national/international professional conference each year and/or one state/national/international professional development seminar each year.

## 6. COMPENSATION

The BOARD shall compensate the SUPERINTENDENT at an annual base amount of one hundred twenty five thousand dollars paid bi-weekly in equal installments according to the district's normal pay schedule, effective November 3, 2006. The SUPERINTENDENT may be eligible for an annual salary increase as established by the Board of School Director on its behalf by its President and Vice President in June of each fiscal year.

The SUPERINTENDENT shall be eligible to receive an annual bonus payable as a performance based stipend in August of each fiscal year beginning with the 2006-2007 fiscal year. The performance bonus shall be determined by the Board of School Directors on its behalf by its President and Vice President in June of each fiscal year.

It is intended that the SUPERINTENDENT'S annual compensation is the total of (a) the amount reflected on the W-2 form (the SUPERINTENDENT'S compensation includes, and is not in addition to any amounts paid to SUPERINTENDENT which constitute taxable income), plus (b) any amount which SUPERINTENDENT elects to have paid for a tax sheltered annuity (i.e. 403B).

Any adjustment in compensation made during the life of this Employment Contract shall be in the form of an amendment and become part of this Employment Contract.

## 7. FRINGE BENEFITS

A. In addition to the base compensation described in paragraph 6, the SUPERINTENDENT shall be entitled to any and all fringe benefits and insurances which are provided to other professional administrative employees as set forth in the Compensation Plan for Act 93 Personnel then in effect. For the term of this Employment Contract including any extensions, the SUPERINTENDENT shall also be entitled to full family medical, dental and vision insurance (if offered by the district) benefits with one hundred percent (100%) of the premiums of said insurance benefits to be paid by the district. In the event of any differences between the benefits set forth in this employment contract and the Compensation Plan for Act 93 Personnel, the benefits most advantageous to SUPERINTENDENT shall control.

B. The BOARD shall pay either directly or as reimbursement to the SUPERINTENDENT, the cost of membership fees, and other costs for service or community organizations, including, but not limited to the annual membership dues for the Association of School Administrators, the Pennsylvania Association

of School Administrators, and any other professional organizations in which SUPERINTENDENT feels is necessary to maintain and improve her professional skills, as permitted by state law and as approved by BOARD in the annual budget.

- C. **SICK LEAVE.** Sick leave days shall be issued at the rate of thirteen (13) sick days per fiscal year. Sick leave days shall be granted in full on July 1 of each fiscal year. Unused sick leave shall be carried from one fiscal year to the next, with no limit on the number of days accumulated. The application of sick days for illness within the immediate family and bereavement leave shall apply as defined in the Compensation Plan for Act 93 Personnel. Payment for all accumulated sick leave shall be made upon retirement from the Pennsylvania School Employee's Retirement System. Said payment shall be based upon SUPERINTENDENT'S per diem compensation rate (1/260<sup>th</sup>) in effect at the time of retirement.
- D. **VACATION/HOLIDAYS.** The SUPERINTENDENT shall be granted in full twenty (20) vacation days per fiscal year. All unused vacation days may be carried forward from one fiscal year to the next. The SUPERINTENDENT may elect to 1) be paid in full for unused vacation days at her per diem compensation rate or 2) may carry unused vacation days to the next fiscal year, or 3) she may utilize any combination of the two options. Said payment shall be based upon SUPERINTENDENT'S per diem compensation rate (1/260<sup>th</sup>). Upon termination of employment for any reason, SUPERINTENDENT shall be paid in full for all unused vacation days. Said payment shall be based upon SUPERINTENDENT'S per diem compensation rate (1/260<sup>th</sup>) in effect at the time of termination. Paid Holidays shall be issued in accordance with the Compensation Plan for Act 93 Personnel and shall not be considered for payment upon termination.
- E. **LEAVE.** The SUPERINTENDENT shall be granted in full five (5) personal leave days per year. Unused personal days may be carried forward to the next school year not to exceed the annual maximum carryover of eight (8) days. Personal days that exceed the maximum shall be converted to sick leave. Upon termination of employment for any reason, the SUPERINTENDENT shall be paid in full for all unused personal leave days. Said payment shall be based upon SUPERINTENDENT'S per diem compensation rate (1/260<sup>th</sup>) in effect at the time of termination. Bereavement leave shall be issued in accordance with the Compensation Plan for Act 93 Personnel. Sabbatical leave for the restoration of health shall be granted in accordance with the Public School Code of 1949, as amended, and the corresponding policies of the South Eastern School District. Child rearing leave shall be provided in accordance with the policies of the South Eastern School District.
- F. **CONTINUATION OF HOSPITALIZATION/MAJOR MEDICAL BENEFITS.** Upon retirement under the Pennsylvania School Employee's Retirement System (PSERS), the SUPERINTENDENT may elect to participate in the hospitalization and major medical insurance plan of the South Eastern School District until the age when she is eligible for Medicare, provided the SUPERINTENDENT has served the district with a minimum of five (5) consecutive years, cumulative years in administrative positions, and the SUPERINTENDENT agrees to pay the monthly administrative employee compensation rate. If the SUPERINTENDENT has served a minimum of fifteen (15) consecutive years in the district, cumulative

years in administrative positions, the SUPERINTENDENT may elect to participate in the hospitalization and major medical insurance plan of the district at the full expense of the South Eastern School District until the age when the SUPERINTENDENT is eligible for Medicare. The SUPERINTENDENT will be responsible for the full difference between the cost of individual coverage and the dependent coverage cost if the SUPERINTENDENT chooses to continue coverage for dependents, until the age when the SUPERINTENDENT is eligible for Medicare.

- G. **DEATH BENEFIT.** In the event of the death of the SUPERINTENDENT during the term and any extensions of this Employment Contract, the South Eastern School District shall pay SUPERINTENDENT'S designated beneficiary or beneficiaries an amount equal to two times the value of SUPERINTENDENT'S base salary at the time of death. Beneficiaries may be determined under the criteria established by the Pennsylvania School Employees Retirement System.
- H. **SOCIAL SECURITY.** The SUPERINTENDENT is a member of the Social Security System. Social Security benefits may start as early as age 62. Benefits are available to severely disabled persons unable to work for not less than one (1) calendar year. Medicare is considered a social security benefit.

#### **8. MILEAGE REIMBURSEMENT**

The BOARD shall reimburse the SUPERINTENDENT for using her personnel vehicle to travel on school district business both within and outside the district boundaries at the maximum mileage reimbursement rate as established by the Internal Revenue Service on July 1 of each fiscal year. Reimbursable travel shall not include SUPERINTENDENT'S normal daily commute from home to work. The SUPERINTENDENT shall maintain and submit a mileage log for travel on school district business.

#### **9. PROFESSIONAL LIABILITY**

- A. The BOARD agrees that it shall defend, hold harmless and indemnify the SUPERINTENDENT from any and all demands, claims, suits, actions and legal proceedings brought against SUPERINTENDENT in either an individual capacity, or an official capacity as agent and employee of the district, provided the incident arose while SUPERINTENDENT was acting within the course and scope of this Employment Contract and such liability coverage is within the authority of the school board to provide under state law. Criminal litigation is excluded. In no case will individual board members be considered personally liable for defending, holding harmless or indemnifying the SUPERINTENDENT against such demands, claims, suits actions and legal proceedings.
- B. The BOARD shall not, however, be required to pay any costs of any legal proceedings in the event BOARD and SUPERINTENDENT have adverse interests in such litigation unless the results of said litigation expressly direct the BOARD to do so.

#### **10. GOALS AND OBJECTIVES**

The SUPERINTENDENT and BOARD shall meet to establish the SUPERINTENDENT'S goals and objectives for the fiscal year. Said goals and objectives shall be reduced to writing and may include those district level goals and objectives that are established by the BOARD and within the SUPERINTENDENT'S span of control. Each goal or objective shall include measurable criteria by which SUPERINTENDENT can be objectively evaluated. Each succeeding fiscal year, the SUPERINTENDENT and BOARD shall meet to establish SUPERINTENDENT'S goals and objectives for the next succeeding year, in the same manner and with the same effect as hereto described. This provision shall not be interpreted to prevent district goals and objectives from being clarified and/or amended during a school year, or to excuse the SUPERINTENDENT from compliance with specific directives of the Board. Goals and/or objectives shall not be directly levied as SUPERINTENDENT'S personnel performance goals without the prior consent of the SUPERINTENDENT.

#### 11. PERFORMANCE EVALUATION

The Board of School Directors shall annually evaluate and assess in writing the performance of the SUPERINTENDENT during the term of this Employment Contract. The evaluation and assessment shall be reasonably related to the position and span of control of the SUPERINTENDENT and the goals and objectives of the district for the year in question.

In the event that the Board determines that the performance of the SUPERINTENDENT is unsatisfactory in any respect, the Board shall describe in writing, in reasonable detail, specific instances of unsatisfactory performance. The evaluation shall include recommendations as to areas of improvements in all instances where the Board deems performance to be unsatisfactory. A copy of the written evaluation shall be delivered to the SUPERINTENDENT and she shall have the right to make a written reaction or response to the evaluation. The SUPERINTENDENT shall also have the right to make a direct appeal to the Board in a private, non-public meeting. The SUPERINTENDENT'S response shall become a permanent attachment to the SUPERINTENDENT'S personnel file. The SUPERINTENDENT'S evaluation and the SUPERINTENDENT'S response shall be private and in no manner become public knowledge or record. Within thirty (30) calendar days of the delivery of the written evaluation to the SUPERINTENDENT or as soon thereafter as is reasonably practicable, the Superintendent shall meet with the Board to discuss the evaluation.

#### 12. TERMINATION OF EMPLOYMENT CONTRACT

This Employment Contract or any extension or renewals hereof may be terminated by:

- A. Mutual agreement by both parties, under such terms and conditions as are mutually agreed upon, but shall not be less than the equivalent of (9) month's current base salary plus all fringe benefits, and payment for all vacation and personal days accrued at a rate of SUPERINTENDENT'S per diem compensation rate (1/260<sup>th</sup>) in effect at the time of termination.

B. Retirement and/or resignation of the SUPERINTENDENT with ninety (90) calendar days notice. In both cases SUPERINTENDENT shall be entitled to payment for all vacation and personal days accrued at a rate of SUPERINTENDENT'S per diem compensation rate (1/260<sup>th</sup>) in effect at the time of termination. In the case of retirement, SUPERINTENDENT shall also be entitled to any additional benefits in this Employment Contract associated with retirement as well as the severance pay outlined in the Compensation Plan for Act 93 Personnel, but in no case a lesser severance than that outlined in the Compensation Plan for Act 93 Personnel.

C. Discharge for Cause. Discharge for cause shall occur in accordance with the provisions of and for such reasons as set forth in the Public School Code, as amended.

D. Death of SUPERINTENDENT.

Unless specified elsewhere in this Employment Contract, all salary and benefits shall cease upon date of death, except any and all death benefits, employee benefits, and life insurance properly payable to the beneficiary's of the SUPERINTENDENT and in place on the date prior to death.

The parties recognize and agree that the provisions, such as healthcare and other post employment benefits, in this Employment Contract shall survive and remain binding to both parties after the date this contract is terminated.

**13. SEVERABILITY**

If any provision of this Employment Contract shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid or unenforceable, such judgment shall not affect, impair or invalidate the remainder of the Employment Contract.

**14. APPLICABLE LAW**

This Employment Contract shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

**15. HEADINGS**

The headings in this Employment Contract are for the convenience only and shall not be considered as part of this Employment Contract.

**16. MODIFICATION**

No waiver, change or modification of any terms of this Employment Contract shall be binding unless in writing and signed by both parties as an amendment to this Agreement.

IN WITNESS WHEREOF, the BOARD has caused this Employment Contract to be approved on its behalf by the President of the Board of School Directors, and the

SUPERINTENDENT has approved this Employment Contract effective on the day and year specified in Paragraph 1.

SUPERINTENDENT

BOARD OF SCHOOL  
DIRECTORS OF THE SOUTH  
EASTERN SCHOOL DISTRICT

\_\_\_\_\_  
Tracy S. Shank Ed. D.                      Date

\_\_\_\_\_  
President, Board of Education                      Date

\_\_\_\_\_  
Witness    Date

\_\_\_\_\_  
Secretary, Board of Education                      Date