

MADISON METROPOLITAN SCHOOL DISTRICT

MADISON, WISCONSIN

EMPLOYMENT AGREEMENT BETWEEN the SCHOOL BOARD AND the SUPERINTENDENT OF SCHOOLS

Parties to the Agreement

- 1.01 IT IS HEREBY AGREED, by and between the School Board of the Madison Metropolitan School District, Dane County, Wisconsin (hereinafter referred to as the "BOARD") and Daniel A. Nerad (hereinafter referred to as "Mr. Nerad" or "ADMINISTRATOR"), that the BOARD does hereby employ the ADMINISTRATOR in the position of Superintendent of Schools (herein, this title is used interchangeably with "District Administrator") and both parties agree that such employment shall be governed by the terms and conditions hereinafter set forth.

Contract Duration

- 2.01 Initial Term of Two Years. The BOARD agrees to employ and does employ Mr. Nerad as Superintendent of Schools for a term of two (2) years. The term of employment shall commence on the 1st day of July 2009, and continue through the 30th day of June 2011. The employment contract year shall be considered as twelve months, running from July 1 to June 30.
- 2.02 One-Year Extension Provision. The term of this contract shall automatically be extended for an additional one-year period unless the BOARD provides written notice to the ADMINISTRATOR of its refusal to extend his contract as provided herein. This provision (inclusive of this paragraph and its sub-paragraphs) is hereinafter referred to as the "extension provision" and is intended to add twelve (12) months to the two-year contract then in effect, effective at the conclusion of the first year of such contract, such that the ADMINISTRATOR would have no less than a two-year contract as of any July 1 unless the BOARD has taken action to not extend the contract and has so notified the ADMINISTRATOR. A new two-year contract resulting from the one-year extension shall itself include this provision and be subject to extension in the same manner.
- a. The BOARD may refuse to grant a one-year extension of this contract, or any subsequent two-year contract resulting from a prior extension for an additional one-year period, provided that the BOARD (1) adopts by motion a resolution denying the one-year extension, and (2) provides the ADMINISTRATOR with written notice of the BOARD's decision no later than February 15 of the first contract year of this, or any subsequent, two-year contract.
 - b. The ADMINISTRATOR shall annually submit written notice of the BOARD's February 15 contract extension decision/notification deadline to the Board President no later than the preceding January 15. A message sent by electronic mail shall be sufficient notice. In the event the ADMINISTRATOR fails to provide such timely written notice, the date for the BOARD to make a decision on the one-year contract extension shall be extended thirty (30) days from the date said notice from the ADMINISTRATOR is received by the Board President.

- c. The effect of a timely BOARD motion and notice of refusal to grant a one-year extension of this contract, or of any subsequent two-year contract incorporating this extension provision, shall be (1) to establish a contract termination date at the end of the two-year contract then in effect (still subject to the non-renewal provisions of Wisconsin Statute § 118.24); and (2) to terminate the extension provision for the remainder of the contract then in effect. Notice of refusal to extend the contract which does not comply with the terms and conditions set forth within this extension provision shall be deemed void and of no effect, and the contract then in effect shall be deemed extended for one year as provided above.
- d. The BOARD may, at its option, choose to consider a motion affirmatively granting any one-year extension that is provided for under this extension provision. However, an extension can only be denied by the passage of a motion and the provision of a notice of refusal to extend the contract which complies with the terms and conditions set forth within this extension provision.
- e. The parties agree that nothing in this extension provision negates, diminishes, or enhances the BOARD's right to terminate the employment contract for just cause as provided in Sub-Paragraph a. of Section 4.03 of this contract.

Contract Renewal and Non-renewal

- 3.01 Renewal and non-renewal of this contract shall be governed exclusively by Section 118.24 of the Wisconsin Statutes.
- 3.02 In the event the BOARD votes to non-renew this two-year contract, or any subsequent two-year contract that expires on or before June 30, 2012, and if the reason(s) for non-renewal would not also be sufficient to justify termination for just cause, the BOARD shall pay the ADMINISTRATOR's expenses, if any, for moving the ADMINISTRATOR's household belongings in an amount not to exceed the amount the BOARD paid for such expenses in connection with the ADMINISTRATOR's move from Green Bay, WI to Madison, WI, plus 5% of said amount per annum after 2008-09. This provision (i.e., Section 3.02) shall be eliminated from any subsequent two-year contract that expires after June 30, 2012.

Termination of Contract

- 4.01 Expiration. This Agreement shall expire and the employment relationship between the ADMINISTRATOR and the BOARD shall terminate on the expiration date established by the duration provisions of this Agreement, above.
- 4.02 Termination by Mutual Agreement. Upon mutual written agreement by the BOARD and the ADMINISTRATOR this contract and the employment of the ADMINISTRATOR may be terminated without penalty or prejudice against either the BOARD or the ADMINISTRATOR. In this event, the BOARD shall pay the ADMINISTRATOR all accrued remuneration and all accrued benefits that are unpaid as of the date of the termination of the contract.

- 4.03 Termination by the BOARD. During the term of this contract, the contract may be terminated by the BOARD effective at the end of any month in which any of the following events occur:
- a. Dismissal by the BOARD for just cause; or
 - b. Disability as specified in the District's long-term disability insurance policy (termination for disability or incapacity under any other circumstance must meet the standard of "just cause"); or
 - c. The death of the ADMINISTRATOR.

Prior to taking any action to dismiss the ADMINISTRATOR for cause under Sub-Paragraph a. of this Section, the BOARD shall provide the ADMINISTRATOR with advance written notice of the reason(s) it is considering dismissal. Within ten (10) days after receiving notice of the proposed action, the ADMINISTRATOR may request a hearing before the BOARD, and said hearing shall occur within thirty (30) days of the ADMINISTRATOR's receipt of the written notice unless continued for cause or by the consent of the parties. Within ten (10) days after the conclusion of the hearing, or, when a hearing is not requested, within ten (10) days after the expiration of the time for making such request, the BOARD shall by resolution act to terminate or to continue this Agreement.

- 4.04 Termination by Resignation. The ADMINISTRATOR agrees to provide at least five (5) months written notice to the BOARD in the event he unilaterally resigns from this position prior to the expiration of the contract. In the event the ADMINISTRATOR fails to provide at least five (5) months written notice of resignation under this Article, the BOARD may refuse to release the ADMINISTRATOR from this Agreement and/or seek such damages and other remedies as may be available.

Responsibilities of the Superintendent of Schools

- 5.01 The ADMINISTRATOR shall maintain throughout the life of this contract and all subsequent contracts a valid and appropriate State of Wisconsin District Administrator's license/certificate as may be required by the laws of the State of Wisconsin. This Agreement shall be rendered null and void in its entirety if the ADMINISTRATOR fails to maintain said valid license/certificate throughout his term of employment.
- 5.02 The ADMINISTRATOR agrees to perform at a professional level of competence the services, duties, requirements and responsibilities required by applicable federal, State and local laws, regulations and ordinances, and by the rules, regulations and policies of the BOARD which are now existing or which may be hereafter enacted by the BOARD. Such services, duties, requirements and responsibilities shall include, but shall not be limited to, the following:
- a. Administering and supervising instruction in all schools according to BOARD policies and directives, and according to all applicable federal, State and local laws, regulations and ordinances.
 - b. Recommending policy changes and implementing BOARD directives.

- c. Recommending instructional and administrative appointments, promotions, demotions and dismissals.
- d. Preparing and recommending an annual budget for the BOARD.
- e. Providing leadership for the administrative, instructional and non-instructional staff.
- f. Managing the financial and other assets of the BOARD.
- g. Representing the school system throughout the community.
- h. Placing, assigning and transferring of all personnel.
- i. Recommending to the BOARD the creation of new positions.

- 5.03 The ADMINISTRATOR shall endeavor to maintain and improve his professional competence by available appropriate means, including subscription to and reading of appropriate periodicals, maintenance of membership in appropriate professional organizations, and attendance at a reasonable number of professional meetings and/or in educational courses or seminars. The BOARD shall provide an annual budget to pay for the costs associated with such subscriptions, memberships and/or attendance (including costs of travel and lodging), and the ADMINISTRATOR shall provide an accounting for that budget upon BOARD request. The ADMINISTRATOR shall periodically report to the BOARD regarding the nature and content of the ADMINISTRATOR's professional development activities. The ADMINISTRATOR shall give the Board President prior notice of planned attendance at any professional meeting and/or educational course or seminar that occurs out-of-state, and the ADMINISTRATOR shall secure the approval of the Board President for attendance at any out-of-district conference, seminar or other professional meeting that is scheduled to last beyond three consecutive days.
- 5.04 The BOARD shall pay the cost for the ADMINISTRATOR to retain approved memberships in community organizations and participate in approved community functions where there is a benefit to the District of such membership and/or participation.
- 5.05 The ADMINISTRATOR agrees to devote full time to the duties and responsibilities normally expected of the ADMINISTRATOR's position during the term of this contract. The ADMINISTRATOR shall not engage in any pursuit, or accept any other employment, which interferes or conflicts with the proper discharge of the ADMINISTRATOR's duties and responsibilities. Although the ADMINISTRATOR may undertake consultative work, speaking engagements, writing, lecturing, or other professional engagements that do not interfere with the proper discharge of the ADMINISTRATOR's duties and responsibilities, the BOARD reserves the right, in its discretion, to determine whether such outside pursuits or other employment materially interfere or conflict with the ADMINISTRATOR's duties and responsibilities.

Salary Compensation

- 6.01 Contract Year. Each July 1 to June 30 contract year consists of a minimum of 225 working days,

exclusive of all unpaid vacation days and unpaid holidays provided herein. Work in excess of 225 working days does not entitle the ADMINISTRATOR to additional salary compensation or additional accrual of benefits. The position of Superintendent of Schools regularly requires work beyond the standard working hours of the schools and the administrative offices.

- 6.02 2009-2010 Salary. For the period July 1, 2009 through June 30, 2010, the ADMINISTRATOR shall be paid a total annual salary of \$203,462.50 or such other amount, not less than the 2008-09 salary of \$198,500, as may be determined at the discretion of the BOARD via a motion establishing a specific annual salary at a different amount (see Section 6.03, below). Such salary shall be paid in periodic installments in accordance with the method by which the other administrative personnel of the MMSD are paid, less deductions required by federal or state law and less other authorized deductions.
- 6.03 Salary after 2008-2009. The BOARD shall determine the ADMINISTRATOR's salary for each July 1 to June 30 contract year that follows June 30, 2009. However, in no circumstances shall the full-time annual salary for any July 1 to June 30 contract year be less than the full-time annual salary paid to the ADMINISTRATOR in the immediately preceding contract year. Further, in each of the first four (4) contract years following June 30, 2009, and assuming the ADMINISTRATOR remains under a full-time contract as Superintendent of Schools, the absence of any BOARD action establishing a specific annual salary prior to July 1 of each contract year shall result in the ADMINISTRATOR receiving a two and one-half percent (2.50%) annual salary increase over the prior year's total annual salary.

Employer Contribution to a 403(b)

- 7.01 For the period commencing July 1, 2009 and ending June 30, 2010, the BOARD shall make an employer contribution, for the benefit of the ADMINISTRATOR, in the total annual sum of \$10,000 into a District-sponsored 403(b) account. The BOARD shall make such contribution and the contribution shall be accrued by the ADMINISTRATOR in equal monthly installments. The BOARD shall contribute the total annual sum of \$10,000 in like manner for each 12-month period thereafter for which the ADMINISTRATOR is employed as Superintendent.

Insurance Coverage and Other Benefits

- 8.01 Health Insurance. The BOARD shall pay 90% of each monthly premium for a single or family group health insurance plan, which plan may be selected from the group plan(s) offered to all MMSD non-represented professional employees. If elected, coverage commences on the first of the month following one month of employment. The 10% employee contribution is made by payroll deduction on a pre-tax basis.
- 8.02 Dental Insurance. The BOARD shall pay 90% of each monthly premium for a single or family group dental insurance plan, which plan may be selected from the group plan(s) offered to all MMSD non-represented professional employees. If elected, coverage commences on the first of the month following one month of employment. The 10% employee contribution is made by payroll deduction on a pre-tax basis.
- 8.03 For each year of this contract, including years added by the extension provision of the contract, the BOARD shall also pay:

- a. 85% of the cost of providing the ADMINISTRATOR with basic group term life insurance as provided under the District's standard plan (defined as "one times salary"). Coverage commences on the first of the month following one month of employment;
- b. 100% of the cost of providing the ADMINISTRATOR with Long Term Disability insurance coverage under the District's standard LTD plan; and
- c. The employee required contribution percentage for participation in the Wisconsin Retirement System (WRS).

8.04 For each year of this contract, including years added by the extension provision of the contract, The ADMINISTRATOR shall also be entitled to:

- a. Thirteen (13) personal illness days each year, which if unused are subject to unlimited accumulation. The ADMINISTRATOR may take "family illness leave," charged against personal illness leave, to the extent permitted and as further defined in the benefits policies applicable to MMSD administrators other than the Superintendent of Schools as of July 1, 2008;
- b. Twenty-five (25) unpaid vacation days each contract year; except that in any contract year that includes more than 260 weekdays, one (1) additional day of unpaid vacation shall be granted. Up to five (5) unused vacation days may be carried over to the following contract year. Other unused vacation days are forfeited without payment or other compensation;
- c. One (1) paid holiday each year (Martin Luther King, Jr. Day);
- d. Nine (9) unpaid regular holidays each year, to be designated by the BOARD;
- e. One (1) unpaid floating holiday each year;
- f. One (1) paid personal leave day per year which is deducted from the personal illness account;
- g. Up to five (5) days of bereavement leave without loss of compensation shall be permitted per occurrence for a death in the immediate family (as "immediate family" is defined for purposes of "family illness leave"). One (1) day of personal illness leave may be used for the death of a friend;
- h. Up to two (2) days per contract year without loss of compensation for legal reasons such as adoption proceedings, settlement of wills, real estate closings, etc.;
- i. District payments of the employer required contribution toward Wisconsin Retirement System (WRS) benefits, the employer share of Medicare, and the employer share of Social Security; and
- j. The opportunity to access all MMSD employee-paid benefit options in which MMSD employees pay 100% of the cost related to exercising the option.

8.05 Personal illness days and vacation days are credited at the outset of the contract year, but are

earned and accrued on a pro-rata basis throughout the contract year (i.e., One-twelfth of the total annual allotment is earned and accrued for each month of the contract year.).

- 8.06 Any medical examination or fitness for duty examination that is required by the BOARD shall be paid for by the BOARD to the extent the cost is not covered by insurance.

Transportation Allowance

- 9.01 The BOARD shall provide the ADMINISTRATOR with a \$300.00 per month transportation allowance intended to cover all travel and transportation expenses associated with work-related travel within Dane County, including (but not limited to) such expenses associated with the use of a personal automobile for such travel and transportation.

Business Expenses

- 10.01 It is anticipated and agreed that the ADMINISTRATOR will from time to time incur certain necessary expenses while conducting the official business of the District. The BOARD agrees to reimburse the ADMINISTRATOR for such necessary expenses incurred on behalf of the District, subject to the approval of such expenses by the BOARD or its designee.
- 10.02 If the ADMINISTRATOR uses his personal automobile for business travel outside of Dane County, the District will reimburse the ADMINISTRATOR at the IRS standard reimbursement rate for business travel then in effect.

Evaluation

- 11.01 At least once each year, the BOARD of Education will provide the ADMINISTRATOR with a written evaluation of the ADMINISTRATOR's performance. Each BOARD evaluation of the ADMINISTRATOR shall cover, at a minimum, an assessment of the ADMINISTRATOR's performance with respect to (1) the ADMINISTRATOR's significant job responsibilities; and (2) any specific goals or expectations that had been established for the ADMINISTRATOR for the period covered by the evaluation. As part of the evaluation process, the BOARD may require the ADMINISTRATOR to complete a self-evaluation that summarizes the progress on District goals and on any more-specific goals or expectations that had been established for the period covered by the evaluation.
- 11.02 For contract years following the 2008-2009 contract year, the contractually-required annual formal performance evaluation shall take place prior to the end of January.

Post-Employment Benefits

12.01 Eligibility. To earn and qualify for the post-employment benefits provided under Sections 12.01 through 12.03 of this Agreement, the ADMINISTRATOR must:

- a. Be at least 55 years old;
- b. Have at least six (6) complete years of full-time service as Superintendent of Schools for the Madison Metropolitan School District prior the date of retirement;
- c. Provide the School BOARD with a written resignation and Retirement Plan Agreement that establishes the ADMINISTRATOR's date of retirement at least ten (10) months prior to the intended effective date of the retirement; and
- d. Fulfill his contractual obligations until the established date of retirement without committing any act or omission having a nexus to his duties and responsibilities as Superintendent of Schools that constitutes a felony under Wisconsin or federal law; willful and wanton disregard for his fiduciary responsibilities to the District; or substantial and deliberate indifference toward the legal rights, health or safety of any person to whom a duty of care is owed in connection with his employment.

12.02 Benefits to be Provided by the BOARD. If the ADMINISTRATOR has met each of the eligibility requirements established in Section 12.01 of this Agreement, the BOARD will provide the following post-employment benefits:

- a. Post-Employment 403(b) Contribution. The BOARD shall make a \$37,500 post-employment employer contribution to an account held in the ADMINISTRATOR's name in a District-sponsored 403(b) plan. Half of the total contribution shall be paid into the account during January of the tax year following the tax year in which the ADMINISTRATOR retires. The remaining half of the total contribution shall be paid into the account no later than July 31 of the tax year following the tax year in which the ADMINISTRATOR retires. The ADMINISTRATOR shall have a vested right to the total contribution as of the effective date of his retirement, and vested contributions shall be paid to the ADMINISTRATOR's estate or any duly designated beneficiary in the event of the death of the ADMINISTRATOR prior to the payment.
- b. Conversion of accumulated personal illness leave into District-paid post-employment health insurance premium contributions. Prior to the eligible administrator's date of retirement established under Section 12.01, the ADMINISTRATOR's accumulated personal illness leave shall have no value. Effective with the date of retirement, the District shall establish an account which may be used to pay insurance premiums for insurance continuation in retirement. Apart from the payment of said insurance premiums as a benefit, the account has no cash value. The total value of the benefit for purposes of insurance premium payments shall be the number of unused, accumulated days of personal illness leave multiplied by \$700 per day. The ADMINISTRATOR shall begin to draw on the account to pay for the full cost of insurance premiums (either standard coverage or Medicare supplemental coverage, if applicable) for insurance continuation in the month following the month in which his pre-retirement contractual insurance coverage lapses. The ADMINISTRATOR may not defer payments from the account (i.e., the benefit contemplates only uninterrupted continuation coverage). The

ADMINISTRATOR shall have a vested right to this post-employment insurance benefit as of the effective date of his retirement, and a surviving spouse may continue to use any remaining value in the account exclusively for the continuation of group health insurance premiums in the event of the death of the retired ADMINISTRATOR during the benefit period. Payments for premiums as described in this Sub-Paragraph will continue until the value of the account has been exhausted. The payments toward insurance shall be forfeited under the terms specified in the Retirement Plan Agreement (see Section 12.03, below).

- 12.03 Retirement Plan Agreement. The District and the ADMINISTRATOR shall execute a written Retirement Plan Agreement which sets forth, at a minimum:
- a. The Post-Employment Benefits identified in Section 12.02 of this Agreement;
 - b. The effective date of the ADMINISTRATOR's resignation for purposes of retirement;
 - c. The 403(b) account into which the benefit provided under Section 12.02, Sub-Paragraph a., of this Agreement shall be paid;
 - d. The statement that the purpose of the Post-Employment Benefits is to facilitate the ADMINISTRATOR's retirement and that the ADMINISTRATOR agrees to forfeit the benefit (or any remaining portion of the benefit) provided under Section 12.02, Sub-Paragraph b., of this Agreement if the ADMINISTRATOR accepts full-time employment (not including interim appointments of not more than twelve months) in a similar administrative capacity in any public school district following his retirement from the Madison Metropolitan School District.

Other Provisions

- 13.01 This Agreement contains all the terms agreed upon by the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, arrangements and communications between the parties concerning such subject matter, whether oral or written. This Agreement may be modified or amended only through a subsequent written instrument that has been approved by a majority of the full membership of the BOARD.
- 13.02 In case of a direct conflict between any rules, regulations or policies of the BOARD and any specific provisions of this Agreement, the Agreement shall control.
- 13.03 If any article or part of this Agreement is held to be invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any part should be restrained by any tribunal, the remainder of the Agreement shall not be effected thereby.

13.04 In the event of any disagreement or controversy between the parties concerning this Agreement, Wisconsin law shall be controlling.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the latest date reflected in the signature section below.

Daniel A. Nerad 11/14/09
DANIEL A. NERAD DATE

FOR the SCHOOL BOARD OF the MADISON METROPOLITAN SCHOOL DISTRICT; CITY OF MADISON; DANE COUNTY; WISCONSIN:

By: Arlene Silveira 9/29/09
ARLENE SILVEIRA, SCHOOL BOARD PRESIDENT DATE

By: Maya Cole 9.29.09
MAYA COLE, SCHOOL BOARD CLERK DATE

Action by the School BOARD in adopting this contract is recorded in the BOARD minutes of February 9, 2009.

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