

COMMUNITY HIGH SCHOOL DISTRICT NO. 128
DEPARTMENT SUPERVISOR CONTRACT
Multi-Year Contract

THIS CONTRACT is made this 28th day of June, 2010, by and between the BOARD OF EDUCATION, COMMUNITY HIGH SCHOOL DISTRICT NO. 128, LAKE COUNTY, ILLINOIS (hereinafter the "BOARD"), and THELMA KRUPP, Department Supervisor (hereinafter the "Department Supervisor").

IT IS AGREED:

1. **EMPLOYMENT** – THELMA KRUPP is hereby hired and retained from JULY 1, 2010 through and including JUNE 30, 2014, and, as it may be later agreed to by the parties, thereafter, as Department Supervisor. The Department Supervisor is employed to work the teacher work year plus an additional fifteen (15) days to be determined by the Superintendent or designee. The Department Supervisor further agrees to remain employed by the Board beyond June 30, 2014, in a TRS covered position, until such time as her combined years of TRS service credit and credit for unused accumulated sick leave total thirty-five (35) years of TRS creditable service.

2. **DUTIES** - The duties and responsibilities of the Department Supervisor shall be those incidental to the office of the Department Supervisor, those set forth in the job description (or, those duties contained in Board Policy, as adopted, and which may be amended from time to time), those obligations imposed by the laws of the State of Illinois upon the Department Supervisor, and to perform other professional duties customarily performed by a Department Supervisor as from time to time may be assigned to the Department Supervisor by the BOARD or the Superintendent. The BOARD reserves the right to reassign the Department Supervisor to different administrative duties from time to time during the term of this Contract, without a loss of pay.

3. **SALARY** – For the 2010-2011 Contract Year, in consideration of the annual salary of One Hundred Twenty One Thousand Two Hundred Sixty Nine Dollars (\$121,269), and for the 2011-2012 Contract Year, in consideration of the annual salary of One Hundred Twenty Eight Thousand Five Hundred Forty Five Dollars (\$128,545), and for the 2012-2013 Contract Year, in consideration of the annual salary of One Hundred Thirty Six Thousand Two Hundred Fifty Seven Dollars (\$136,257), and for the 2013-2014 Contract Year, in consideration of the annual salary of One Hundred Forty Four Thousand Four Hundred Thirty Two Dollars (\$144,432) the Department Supervisor agrees to devote such time, skill, labor and attention to her employment, during the term of this Contract, in order to faithfully perform the duties of Department Supervisor. For the portion of the 2014-2015 fiscal year that Krupp remains employed in a TRS covered position as set forth in Section 1, above, Krupp shall receive a per diem rate equivalent to the per diem rate of her 2013-2014 base salary (1/260th), as well as all other benefits set forth in this Contract. These salary amounts are in consideration of the fact that the Department Supervisory has given notice of her intent to retire during the 2014-2015

fiscal year upon attaining thirty-five (35) years of TRS service credit. Salary shall be paid in equal installments in accordance with the BOARD policy governing payment of salary to other certificated members of the professional staff, less such amounts as provided for in this Contract, and other amounts required by law.

In addition, the Department Supervisor shall receive, separate and apart from, and not to be included in, her base salary, an annual payment of Three Hundred Fifty Dollars (\$350) to be paid by the BOARD in two equal installments on December 1st and June 1st of each contract year.

4. **DEFERRED COMPENSATION** - The Department Supervisor may, at her option, elect to take a reduction in her current salary, or forego a portion of any increase to the compensation paid to her under this Contract, and have those amount(s) contributed by the BOARD on her behalf to a tax sheltered annuity qualified under Section 403(b) of the *Internal Revenue Code of 1986* (the "Code"), as amended, and/or contributed to an eligible deferred compensation plan pursuant to Code Section 457. The amount contributed by the BOARD shall not exceed an amount equal to the maximum allowable contribution under the Code. This provision is intended to be a Salary Reduction Agreement as defined by the Code.

5. **EVALUATION** - The BOARD and the Department Supervisor agree that during each year of this Contract, on or before June 30, 2010, and each June 30 thereafter, there shall be an evaluation of the Department Supervisor's performance under this Contract in accordance with the *Illinois School Code* as clarified by the established administrative evaluation plan of the BOARD. Failure of the BOARD to complete an evaluation does not preclude dismissal or nonrenewal of this Contract.

6. **CERTIFICATE** - The Department Supervisor shall furnish to the BOARD, at the start of this Contract and during the term of this Contract, a valid, appropriate, and properly registered certificate to act as Department Supervisor, in accordance with the laws of the State of Illinois and as directed by the BOARD.

7. **TERMINATION OF CONTRACT** - This Contract may be terminated by:

- A. Mutual agreement of the parties.
- B. Retirement.
- C. Resignation, provided, however, the Department Supervisor gives the BOARD at least ninety (90) school days written notice of the proposed resignation.
- D. Disability of the Department Supervisor. Should the Department Supervisor be unable to perform the duties and obligations of this Contract, by reason of illness, accident, or other causes, and such disability exists for a period of more than 180 calendar days or until the Department Supervisor's accumulated sick and vacation leave is exhausted, whichever is later, the BOARD, at its option, may terminate this Contract, whereupon the respective rights, duties, and obligations of the parties shall thereby terminate. This provision shall not in any way derogate from any long-

term disability benefits that apply by operation of other provisions of this Contract.

- E. Discharge for Cause. Discharge for cause shall constitute conduct which is prejudicial to the School District; including but not limited to neglect of duty or breach of contract. Reasons for a proposed discharge for cause shall be given in writing and the Department Supervisor shall be entitled to appear before the BOARD to discuss such causes. If the Department Supervisor chooses to be accompanied by legal counsel at such meeting, she shall bear any costs involved. Such meeting shall be conducted in closed session. Failure to comply with the terms and conditions of this Contract shall constitute cause for discharge. The BOARD will not arbitrarily or capriciously call for the dismissal of the Department Supervisor.

Nothing shall prohibit the BOARD from suspending the Department Supervisor with or without pay pending completion of the requirements of paragraph E of this section. After the effective date of dismissal the Department Supervisor shall not be entitled to further payments of compensation of any kind under this Contract, except that the Department Supervisor shall be entitled to any vested benefits payable under the terms and provisions of the Illinois Teachers' Retirement System.

8. **PROFESSIONAL ACTIVITIES** - The Department Supervisor shall be encouraged to attend appropriate professional meetings and to attend one national level conference annually, as approved by the Superintendent or designee. Within budget constraints, as approved by the BOARD, the costs of attendance shall be paid by the BOARD.

9. **PERSONAL AND SICK LEAVE** - The Department Supervisor shall be provided with fifteen (15) days of sick leave per year. Unused sick leave shall accumulate without limitation. In addition, the Department Supervisor shall be provided with two (2) days of personal leave per year for personal business matters with the prior approval of the Superintendent or designee. Unused personal days will expire at the end of the year and will not accumulate. Upon written application to the Superintendent or designee, the BOARD shall grant the Department Supervisor a leave of absence without loss of pay for up to three (3) days during each school term for the purpose of observing a recognized religious holiday of the Department Supervisor's faith. This leave shall not be applicable to any religious observance which does not compel absence from employment.

10. **INSURANCE** – The BOARD shall provide long-term disability coverage in accordance with its policy which is presently or may later be applicable to its other Department Supervisors. The BOARD shall provide medical and hospitalization coverage for the Department Supervisor and her eligible dependents and dental insurance coverage for the Department Supervisor in accordance with its policy which is presently or may later be applicable to its teachers. The Department Supervisor will have the option to purchase additional dental coverage for her eligible dependents.

The BOARD shall also provide and pay the premiums for a term life insurance policy for the Department Supervisor during the term of this Contract in the face amount of \$100,000. The BOARD shall assign the ownership of the term life insurance policy to a person or trust designated by the Department Supervisor and upon termination of this Contract shall allow that owner to continue the life insurance policy at her own expense.

11. **MEMBERSHIP DUES** - The Department Supervisor, upon proper substantiation, shall be reimbursed for dues and membership fees for those appropriate professional organizations to which she belongs with prior approval of Superintendent or designee.

12. **TEACHERS' RETIREMENT SYSTEM CONTRIBUTION** - In addition to the base salary paid to the Department Supervisor by the BOARD as expressed in Section 3, the BOARD shall pick up and pay on the Department Supervisor's behalf, the Department Supervisor's contribution to the Illinois Teachers' Retirement System pursuant to the *Illinois Pension Code*, to a maximum of ten percent (10%) of the Department Supervisor's creditable earnings. If the TRS employee contribution rate exceeds ten percent (10%), the amount exceeding ten percent (10%) will be deducted from the Department Supervisor's pay and remitted to TRS.

It is the intention of the parties to qualify all such payments picked up and paid by the BOARD on the Department Supervisor's behalf as employer payments pursuant to Section 414(h) of the Internal Revenue Code of 1986, as amended. The Department Supervisor shall have no right or claim to the funds so remitted except as they may subsequently become available upon retirement or resignation from the Illinois Teachers' Retirement System. The Department Supervisor does not have the option of choosing to receive the contributed amounts directly instead of having those contributions paid by the BOARD to the Illinois Teachers' Retirement System. These contributions are made as a condition of the Department Supervisor's employment for her future service, knowledge and experience.

13. **TEACHERS' HEALTH INSURANCE SECURITY FUND CONTRIBUTION** The BOARD shall pick up and pay on behalf of the Department Supervisor an amount up to three-fourths of one percent (3/4 of 1%) of the base salary stated in Section 3 (the "contribution limit") to the Teachers' Health Insurance Security ("THIS") fund. The BOARD shall remit this contribution to the Illinois Teachers' Retirement System ("TRS") as the fund's collection agent. The parties further expressly acknowledge and agree that the BOARD'S obligation under this section shall not exceed the contribution limit. If the amount of contribution exceeds the contribution limit, then the Department Supervisor shall be solely responsible for the difference between her contribution and the contribution limit. If the amount of the Department Supervisor's contribution is below the contribution limit, then the BOARD'S obligation shall be limited to the actual contribution amount. Payments made by the BOARD to TRS under this section shall not be reportable to TRS as creditable earnings. The parties further agree that said payments shall be excluded from the Department Supervisor's taxable income pursuant to a private letter ruling issued to the IEA-NEA on April 8, 1996.

The BOARD and the Department Supervisor make no commitment or guarantee that the BOARD'S payment of the contribution limit will continue to be excludable from the Department Supervisor's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply.

Because neither party can represent what position the IRS, or any other government entity, will take with respect to these payments and withholdings, it is mutually agreed that each side will be responsible for any miscalculations for which it is legally responsible *without* indemnification or any other recourse from the other side. That is, if it is subsequently determined that the Department Supervisor should have paid taxes on any portion of the contribution limit for which she did not pay taxes, the interest and penalties are the Department Supervisor's responsibility alone. If the BOARD is penalized for failing to withhold enough taxes based on the payroll information in its possession at the time of payment of the contribution limit, those penalties are the BOARD'S responsibility alone. Both the BOARD and the Department Supervisor expressly waive the right to seek indemnification or reimbursement from the other as the result of any government decision on the taxability of these amounts. In the event the IRS, or any other government entity, determines that the Department Supervisor owes more taxes, she has *no* right to seek additional sums from the BOARD.

14. **RETIREMENT** – The retirement benefits stipulated in this section are available to the Department Supervisor, if all four of the following conditions are met:

- A. There is no Early Retirement Option (ERO) penalty, and
- B. The Department Supervisor gives an irrevocable written notice to retire, and
- C. The Department Supervisor gives notice by February 1 in the fifth fiscal year prior to retirement and the Department Supervisor remains employed by the Board as an Department Supervisor for an additional four (4) fiscal years following the fiscal year in which the notice is given.
- D. Nothing about the Department Supervisor's participation in this retirement plan or the Department Supervisor's retirement into the TRS retirement plan requires the Board to pay a penalty or contribution of any kind to TRS.

If all of these conditions are met, the Department Supervisor will receive the following benefits:

- A. The Department Supervisor's base salary, as expressed in Section 3 above, will be increased by six percent (6%) for each remaining year of employment to a maximum of four (4) years. If the Department Supervisor received any additional TRS-creditable compensation in the year notice is given, the Department Supervisor must continue, for each remaining year of employment, to perform the duties that resulted in the additional TRS-creditable compensation in order to be eligible to receive the full six percent increase. If the Department Supervisor resigns or is removed from such duties

in any of the remaining years of employment, the amount of compensation that had been received for those duties will be subtracted, resulting in an annual increase of less than six percent.

- B. The Department Supervisor will be provided with a post-retirement severance payment equal to twenty-five percent (25%) of the Department Supervisor's final base salary. This severance payment will not be due, owing or payable until after the Department Supervisor has retired under TRS rules and regulations and the Department Supervisor has received her final paycheck for regular earnings. It is the intent of the parties that this severance payment will not constitute TRS creditable earnings.
- C. The Department Supervisor will have the option of receiving the retirement severance payment in cash, or for a qualified tax shelter, for post retirement health care, or in such other manner as agreed by the Board and the Department Supervisor.
- D. In no event will the Department Supervisor's increase in total TRS creditable earnings exceed six percent (6%) of their total TRS creditable earnings from the previous fiscal year. This limitation applies even if the Department Supervisor elects to take additional duties while participating in this plan.

Provided, however, none of the benefits set forth in this Section shall be available to any Department Supervisor who fails to begin drawing TRS or IMRF benefits upon retirement from the District or who retires or otherwise leaves the District to accept a similar administrative position in the State of Illinois. In the event any payment due under this Section will cause the Board to have to make an additional contribution or pay a penalty to TRS, the Department Supervisor's post-retirement severance payment will be reduced by the amount of the Board's contribution or penalty.

15. **NOTICE** - Any notice or communication permitted or required under this Contract shall be in writing and shall become effective on the day of mailing thereof by first class mail, registered, or certified mail, postage prepaid, addressed:

If to the BOARD, to:

BOARD OF EDUCATION
COMMUNITY HIGH SCHOOL
DISTRICT NO. 128
50 Lakeview Parkway, Suite 101
Vernon Hills, IL 60061

If to the Department Supervisor to:

Thelma Krupp, Department Supervisor
COMMUNITY HIGH SCHOOL
DISTRICT NO. 128

50 Lakeview Parkway, Suite 101
Vernon Hills, IL 60061

(or at the last address of the Department Supervisor contained in official Business Office records of the BOARD).

16. **BUSINESS EXPENSES** - It is anticipated and agreed that the Department Supervisor shall be required to incur certain personal expenses for the official business of the BOARD. As such, the BOARD agrees to reimburse the Department Supervisor for any such expenses, incurred by her on behalf of the BOARD, subject, however, to the Department Supervisor's substantiation and the BOARD'S approval of such expenses.

17. **BACKGROUND INVESTIGATION** - The BOARD is prohibited from knowingly employing a person who has been convicted of committing or attempting to commit certain criminal offenses. If the required criminal background investigation is not completed at the time this Contract is signed, and the subsequent investigation report reveals that there has been a prohibited conviction, this contract shall immediately become null and void.

18. **ACADEMIC IMPROVEMENT and STUDENT PERFORMANCE GOALS** – This Contract is a performance-based contract. The Department Supervisor shall address and fulfill the student performance and academic improvement goals which are appended to this Contract and made a part hereof. The goals shall be approved by the Department Supervisor's immediate supervisor and the Superintendent and appended to this contract by October 1, 2010.

19. **MISCELLANEOUS**

- A. This Contract has been executed in Illinois, and shall be governed in accordance with the laws of the State of Illinois in every respect.
- B. Section headings and numbers have been inserted for convenience of reference only, and if there shall be any conflict between such headings or numbers and the text of this Contract, the text shall control.
- C. This Contract may be executed in one or more counterparts, each of which shall be considered an original, and all of which taken together shall be considered one and the same instrument.
- D. 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.
- E. This Contract shall be binding upon and inure to the benefit of the Department Supervisor, her successors, assigns, heirs, executors, and personal representatives, and shall be binding upon, and inure to the benefit of the BOARD, its successors and assigns.
- F. Both parties have had the opportunity to seek the advice of counsel.
- G. Except as may otherwise be provided, no subsequent alteration, amendment, change, or addition to this Contract shall be binding upon the parties unless reduced to writing and duly authorized and signed by each of them.

- H. The BOARD retains the right to repeal, change or modify any policies or regulations which it has adopted or may hereafter adopt, subject however, to restrictions contained in the *Illinois School Code* and other applicable law.
- I. If any section, provision, paragraph, phrase, clause or word contained herein is held to be void, invalid or contrary to law by a court of competent jurisdiction, it shall be deemed removed here from, and the remainder of this Contract shall continue to have its intended full force and effect.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed in their respective names and in the case of the BOARD, by its President and Secretary on the day and year first above written.

Department Supervisor

Thelma Krupp

BOARD OF EDUCATION, COMMUNITY HIGH SCHOOL DISTRICT NO. 128, LAKE COUNTY, ILLINOIS.

By: _____
President

ATTEST:

Secretary