



Financial Management Performance Report

District Status for 2012-2013

Public Meeting

October 27, 2014



This report contains an explanation of Palestine ISD's rating according to Schools FIRST- the State's financial accountability rating system for Texas public schools.

Palentine Independent School District
 School FIRST Rating Worksheet
 Comparison of Indicators for Fiscal Years 2012 and 2013

| FIRST INDICATOR DESCRIPTION | 2011-12 PALESTINE ISD DATA | 2011-12 RESPONSE | 2012-13 PALESTINE ISD DATA | 2012-13 RESPONSE |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------|------------------|
| 1. Was the total fund balance less reserved fund balance greater than zero in the general fund? | The total unreserved fund balance for the period ended 8/31/12 was \$9,964,560. | Yes | The total unreserved fund balance for the period ended 8/31/13 was \$ 10,053,185. | Yes |
| 2. Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more) | The total unrestricted net asset balance was \$12,810,974. | Yes | The total unrestricted net asset balance was \$11,948,392. | Yes |
| 3. Were there <u>no</u> disclosures in the annual financial report and/or other sources of information concerning default on bonded indebtedness obligations? | Palentine ISD has not defaulted on bonded indebtedness. | Yes | Palentine ISD has not defaulted on bonded indebtedness. | Yes |
| 4. Was the annual financial report filed within one month after the January 28 th deadline? | The financial report was approved by the PISD Board of Trustees and subsequently received by TEA January 25. | Yes | The financial report was approved by the PISD Board of Trustees and subsequently received by TEA January 10. | Yes |
| 5. Was there an unqualified opinion in the annual financial report? | The independent auditors gave an unqualified, or 'clean', opinion in the annual report. | Yes | The independent auditors gave an unqualified, or 'clean', opinion in the annual report. | Yes |
| 6. Did the annual financial report <u>not</u> disclose any instance(s) of material weaknesses in internal controls? | The independent auditors found no material weaknesses in internal controls. | Yes | The independent auditors found no material weaknesses in internal controls. | Yes |
| 7. Was the 3-year average percent of total tax collections (including delinquent) greater than 98%? | The tax collection rate for 2011-12 was 98.8% | 5 | The tax collection rate for 2012-13 was 99.18% | 5 |
| 8. Did the comparisons of PEIMS data to like information in the annual financial report result in an aggregate variance of less than 3% of expenditures per fund type? | The variance between PEIMS data and the annual financial report was 0%. | 5 | The variance between PEIMS data and the annual financial report was 0%. | 5 |

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 9. Were debt-related expenditures (net of Instructional Facilities Allotment and/or Existing Debt Allotment) less than \$350 per student? | The district spent \$1,303.98 per student in debt-related expenditures, net of the Existing Debt Allotment. | 1 | The district spent \$1,258.52 per student in debt-related expenditures, net of the Existing Debt Allotment. | 1 |
| 10. Was there no disclosure in the annual audit report of material noncompliance? | The independent auditor's report did not disclose any instances of material noncompliance. | 5 | The independent auditor's report did not disclose any instances of material noncompliance. | 5 |
| 11. Did the district have full accreditation status in relation to financial management practices? (e.g. no master or monitor assigned) | PISD did not have a Financial Conservator or Monitor assigned. | 5 | PISD did not have a Financial Conservator or Monitor assigned. | 5 |
| 12. Was the aggregate of budgeted expenditures and other uses less than the aggregate of total revenues, other resources, and fund balance in the general fund? | The difference between budgeted revenues, other resources, and fund balance as compared to budgeted expenditures and other uses was \$11,075,546. | 5 | The difference between budgeted revenues, other resources, and fund balance as compared to budgeted expenditures and other uses was \$10,415,183. | 5 |
| 13. If the district's aggregate fund balance in the general fund and capital projects fund was less than zero, were construction projects adequately financed? (To avoid creating or adding to the fund balance deficit situation) | The fund balance in the general fund was \$10,105,354. The fund balance in the capital projects was \$2,256,622. | 5 | The fund balance in the general fund was \$10,053,185. The fund balance in the capital projects was \$314,707. | 5 |
| 14. Was the ratio of cash and investments to deferred revenues (excluding net delinquent taxes receivables) in the general fund equal to or greater than 1:1? (If deferred revenues are less than net delinquent taxes receivable, then answer this indicator 'Yes'.) | Deferred revenues of \$1,553,079 were \$94,854 less than net delinquent taxes receivable of \$1,458,225. | 5 | Deferred revenues of \$0 were \$-1,279,163 less than net delinquent taxes receivable of \$ 1,279,163. | 5 |

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|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------|
| 15. Was the administrative cost ratio less than the standard in state law of 14.01% for a district with 1,000 to 4,999 students? | PISD's administrative cost ratio was 10.08% | 5 | PISD's administrative cost ratio was 10.17% | 5 |
| 16. Was the ratio of students to teachers within the ranges for a district with 1,000 to 4,999 students (11.5:1 to 22:1)? | The 2011-12 student-teacher ratio was 13.722:1. | 5 | The 2012-13 student-teacher ratio was 13.0096:1. | 5 |
| 17. Was the ratio of students to total staff within the ranges for a district with 1,000 to 4,999 students (6:3 to 14:1)? | The 2011-12 student-staff ratio was 7.4581:1. | 5 | The 2012-13 student-staff ratio was 7.0863:1. | 5 |
| 18. Was the decrease in undesignated unreserved fund balance less than 20% over two fiscal years? | Total revenues of \$23,762,072 were greater than operating expenditures of \$22,220,777 in the general fund. | 5 | Total revenues of \$25,587,261 were greater than operating expenditures of \$24,021,624 in the general fund. | 5 |
| 19. Was the aggregate total of cash and investments in the general fund more than \$0? | The total cash and investments at 8/31/11 was \$10,658,082. | 5 | The total cash and investments at 8/31/12 was \$10,455,927. | 5 |
| 20. Were investment earnings in all funds (excluding Debt Service Fund and Capital Projects Fund) meet or exceed the 3-month Treasury Bill rate? | Investment earnings did meet or exceed the 3-month Treasury Bill | 5 | Investment earnings did meet or exceed the 3-month Treasury Bill | 5 |
| | | | | |
| | Score | 66 | Score | 66 |
| Schools FIRST Rating | | Superior Achievement | | Superior Achievement |

Palestine Independent School District
School FIRST Rating Worksheet
Comparison of Indicators for Fiscal Years 2012 and 2013

Notes to the Schools FIRST Report:

Determination of Rating:

- A.** Did the District answer 'No' to indicators 1, 2, 3 or 4? *OR* Did the District answer 'No' to both 5 and 6? If so, the District's rating is **Substandard Achievement**.
- B.** Determine rating by applicable range for summation of the indicator scores (Indicators 7-20)

| | |
|-----------------------------------|-------|
| Superior Achievement | 64-70 |
| Above Standard Achievement | 58-63 |
| Standard Achievement | 52-57 |
| Substandard Achievement | <52 |



Disclosures

Reporting requirements for the financial management report for Schools FIRST public hearing are found in **Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing, Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System**. This rule describes requirements for the five (5) disclosures explained below that are to be presented as appendices in the Schools FIRST financial management report.

1. Superintendent's Employment Contract

The school district is to provide a copy of the superintendent's employment contract that is effective on the date of the Schools FIRST hearing in calendar year 2014. In lieu of publication in the Schools FIRST financial management report, the school district may chose to publish the superintendent's employment contract on the school district's Internet site. **If published on the Internet**, the contract is to remain accessible for twelve months.



Disclosures

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2013

| For the Twelve-month Period Ended August 31, 2013 | | | | | | | | |
|---------------------------------------------------|--------------------------------|--------------------|-----------------|-----------|-----------------|-----------------|------------|--------------|
| Description of Reimbursements | Jason Marshall, Superintendent | Stanley Sokolowski | Janie Sepulveda | Dyna Tutt | Michael Bennett | Rickey Ferguson | Wade Hobbs | Dana Staples |
| Meals | \$1059.70 | \$32.61 | \$ | \$ | \$25.75 | \$ | \$ | \$113.74 |
| Lodging | \$3607.69 | | | | | \$579.52 | | \$531.21 |
| Transportation | \$2413.50 | \$252.00 | \$271.49 | | | \$300.72 | \$252.00 | |
| Motor Fuel | \$94.98 | | | | \$252.00 | | | |
| Other | \$306.25 | \$291.43 | \$291.43 | \$291.43 | \$291.43 | \$586.43 | \$291.43 | \$641.43 |
| Total | \$7482.12 | \$576.04 | \$562.92 | \$291.43 | \$569.18 | \$1466.67 | \$543.43 | \$1286.38 |

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2013, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

Meals – Meals consumed off of the school district’s premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

Lodging - Hotel charges.

Transportation - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls.

Motor fuel – Gasoline.

Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.



Disclosures

3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2013

| | |
|---------------------------------------------------|-----|
| For the Twelve-Month Period Ended August 31, 2013 | |
| Name(s) of Entity(ies) | |
| | \$0 |
| | |
| | |
| | |
| Total | \$0 |

Note – Compensation does not include business revenues from the superintendent’s livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.



Disclosures

4. Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2013

| | | | | | | | | |
|---------------------------------------------------|--------------------------------|--------------------|-----------------|-----------|-----------------|-----------------|------------|--------------|
| For the Twelve-Month Period Ended August 31, 2013 | | | | | | | | |
| | Jason Marshall, Superintendent | Stanley Sokolowski | Janie Sepulveda | Dyna Tutt | Michael Bennett | Rickey Ferguson | Wade Hobbs | Dana Staples |
| Summary Amounts | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. Gifts received by first degree relatives, if any, will be reported under the applicable school official.



Disclosures

5. Business Transactions Between School District and Board Members for Fiscal Year 2013

| For the Twelve-Month Period Ended August 31, 2013 | Stanley Sokolowski | Janie Sepulveda | Dyna Tutt | Michael Bennett | Rickey Ferguson | Wade Hobbs | Dana Staples |
|---------------------------------------------------|--------------------|-----------------|-----------|-----------------|-----------------|------------|--------------|
| Summary Amounts | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

Note - The summary amounts reported under this disclosure are not to duplicate the items reported in the summary schedule of reimbursements received by board members.



Disclosures

6. A summary schedule of the data submitted to the Texas Education Agency for the financial solvency provisions of Texas Education Code, §39.0822.

A. Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC Section 39.0822

General Fund – First Quarter Expenditures by Object Code

Report 2013-14 First-Quarter (first three months of fiscal year 2013-14) General Fund expenditures by object code whole numbers.

| | | | |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--------------------|
| Payroll | Expenditures for payroll costs | Object codes 6110-6149 | \$4,937,642 |
| Contract Costs | Expenditures for services rendered by firms, individuals, and other organizations | Object code series 6200 | \$1,128,335 |
| Supplies and Materials | Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities | object code series 6300 | \$744,766 |
| Other Operating | Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay | Object code series 6400 | \$338,928 |
| Debt Service | Expenditures for debt service | Object code series 6500 | \$0 |
| Capital Outlay | Expenditures for land, buildings, and equipment | object code series 6600 | \$110,681 |



Disclosures

B. Districts with a September 1-August 31 fiscal year

Within the last two years, did the school district:

| | Check the Answer | Yes | No |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----|----|
| Draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and | | | XX |
| For the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61? | | | XX |

C. Financial exigency disclosure:

| | Check the Answer | Yes | No |
|--------------------------------------------------------------------------------|------------------|-----|----|
| Has the school district declared financial exigency within the past two years? | | | XX |
| | | | |



Disclosures

D. Selected trend information.

Did the report supplemental comments or explanations for significant trends or measures involving:

| | Check the Answer | Yes | No |
|---------------------------------------------------------|------------------|-----|----|
| Student-to-staff ratios? | | | XX |
| Fund Balances in General Fund? | | | XX |
| Major construction projects | | | XX |
| Defaulted on any debts within past two years | | | XX |
| Budget figures and projected revenues and expenditures? | | | XX |
| Other? | | | XX |

If yes, excerpt comments or explanations provided to TEA below.

E. Superintendent:

| | |
|-------------------------------------------------------------------------------|---|
| | |
| How many superintendents has your school district had in the last five years? | 2 |

F. Business Manager:

| | |
|---------------------------------------------------------------------------------|---|
| | |
| How many business managers has your school district had in the last five years? | 2 |

EMPLOYMENT CONTRACT

duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

- 2.2 **Professional Certification and Records.** The Superintendent shall at all times during the term of this Contract, and any renewal or extension thereof, hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the State Board for Educator Certification or the Texas Education Agency and any other certificates required by law. If the Superintendent's certification expires, is canceled, or is revoked, this Contract is void.
- 2.3 **False Statements and Misrepresentations.** The Superintendent represents that any records or information provided in connection with his employment application are true and correct. Any false statements, misrepresentations, omissions of requested information, or fraud by the Superintendent in or concerning any required records or in the employment application may be grounds for termination or nonrenewal, as applicable.
- 2.4 **Consultant Activities.** The Superintendent agrees to devote his time, skill labor and attention to performing his duties, but may, with prior written consent of the Board, undertake consulting work, speaking engagement, lecturing, training and other professional duties.
- 2.5 **Board/Superintendent Relations.** The members of the Board, individually and collectively, shall promptly refer all criticisms, complaints and suggestions called to their attention to the Superintendent for study and recommendation. The Superintendent shall investigate and respond to the Board concerning all such matters referred to him in a reasonable and timely manner. The Superintendent shall have the right to attend all Board meetings, public and closed, with the exception of closed meetings devoted to consideration of any action or inaction on the Superintendent's contract, salary, benefits, evaluation, interpersonal relationships between or among individual Board members or when the Board is acting in its capacity as a tribunal.

3. COMPENSATION

- 3.1 **Salary.** The District shall provide the Superintendent with an annual salary in the sum of ONE HUNDRED THIRTY THREE THOUSAND AND NO/100 DOLLARS (\$133,000.00). This annual salary rate shall be paid to the Superintendent in installments consistent with the Board's policies.

EMPLOYMENT CONTRACT

- 3.2 **Salary Adjustments.** At any time during the term of this Agreement, the Board may, in its discretion, review and adjust the salary of the Superintendent. In no event, however, shall the Superintendent be paid less than the salary set forth in Section 3.1 of this Agreement nor will the Superintendent receive less compensation/benefits than the total gross amount under Section 3 of this Agreement. Further, adjustments to salary and any other compensation under Section 3 of this Agreement shall not be based on any general increase for District administrators.
- 3.3 **Professional Growth and Membership Fees.** The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance at the participation in appropriate professional meetings at the local, regional, state, and national levels. The Board shall encourage the use of data and information sources, and shall encourage the participation of the Superintendent in pertinent education seminars and courses offered by public or private institutions or by educational associations, as well as the participation in informational meetings with those individuals whose particular skills, expertise, or backgrounds would serve to improve the capacity of the Superintendent to perform the Superintendent's professional responsibilities for the District. In its encouragement of the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent as the Superintendent and the Board deem appropriate, to attend such seminars, courses or meetings. The District does hereby agree to provide in the District's budget during the term of this Contract for the benefit of the Superintendent, a professional development budget per contract year to be used for registration, travel, meals, lodging, and other related expenses. The District shall pay the Superintendent's membership dues to the American Association of School Administrators and the Texas Association of School Administrators, as well as other memberships necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable cost and expense for such attendance and membership. The Superintendent is encouraged to participate in community and civic affairs.
- 3.4 **Business Expenses.** The District shall pay or reimburse the Superintendent for reasonable expenses incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Agreement. The District agrees to pay the actual and incidental costs incurred by the Superintendent plus out of district expenses; such costs may include, but are not limited to, gasoline, hotels and accommodations, meals, rental car, airfare and other expenses incurred in the performance of the business of the District. The Superintendent shall comply with all

EMPLOYMENT CONTRACT

policies, procedures and documentation requirements in accordance with Board policies and established procedures, which shall be subject to review by the District's independent auditors.

- 3.5 **Communications Allowance.** The District shall not provide the Superintendent with a communications allowance.
- 3.6 **Insurance.** The District shall offer to the Superintendent the same health insurance coverage that is provided by the District to all other professional employees.
- 3.7 **Intra-district Travel.** The District shall provide the superintendent with an intra-district travel stipend of SIX THOUSAND AND NO/100 DOLLARS (\$6,000) per year paid in monthly increments of FIVE HUNDRED AND NO/100 CENTS (\$500.00). This allowance shall cover all travel within a 20-mile radius of the district. Travel outside this area will be reimbursed at Texas state rate. Reimbursement for intra-district travel is in addition to the compensation provided for in Section 3.4. However, the Superintendent shall not be entitled to compensation for the same expense under this provision and Section 3.4. The Superintendent shall comply with all policies, procedures and documentation requirements in accordance with Board policies and established procedures, which shall be subject to review by the District's independent auditors.
- 3.8 **Residency Requirement.** The Superintendent shall maintain residence within the boundaries of the District for the length of his tenure as Superintendent. The District shall offer to the Superintendent for his residential use certain property owned by the District as set out and per the terms found in Addendum A.
- 3.9 The District shall provide the full cost of an investment-based life insurance policy for the Superintendent. The payments may be made to the insurance company at the discretion of the Superintendent.
- 3.10 **A. Vacation/Holidays.** The Superintendent may take the same number of days annually as is awarded to all District administrators per year. These vacation days are in addition to any leave available to the Superintendent under board policy. The Superintendent shall observe the same holidays and breaks as provided for other 12-month administrators in the Board's adopted annual calendar. The Superintendent shall schedule vacation and leave days at times that will least interfere with the performance of the Superintendent's duties.

B. Accrued but unused state and local sick leave days, vacation days, and personal leave days shall accumulate from year to year during the term of this Contract, in accordance with state law and local policy. Should this Contract be terminated or non-renewed, accrued and accumulated but unused state and local sick leave days, vacation days and personal leave days shall be paid in a lump sum to the Superintendent or his survivors, at the Superintendent's current daily rate of pay. In addition, the Superintendent may choose to be paid for these days at his discretion to avoid a large one-time expenditure for the district.

4. REVIEW OF PERFORMANCE

4.1 Time and Basis of Evaluation. The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this Contract. The Board's evaluation and assessment of the Superintendent shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and shall be based on the District's progress towards accomplishing the District Goals.

4.2 Confidentiality. Unless the Superintendent expressly requests otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in closed session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.

4.3 Evaluation Format and Procedure. The evaluation format and procedure shall be in accordance with the evaluation instrument selected by the Board in accordance with this section 4, the Board's policies and state and federal law. In the event the Board deems that the evaluation instrument, format and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

5. RENEWAL OF PERFORMANCE

5.1 Renewal/Non-renewal. Extension and/or nonrenewal shall be in accordance with Board policy, Texas Education Code Chapter 21, Subchapter E, and applicable law.

6. TERMINATION OF EMPLOYMENT

- 6.1 **Mutual Agreement.** This Agreement may be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as may be mutually agreed upon.
- 6.2 **Death/Retirement.** This Agreement shall be terminated upon the death of the Superintendent or upon the Superintendent's retirement under the Teacher Retirement System of Texas.
- 6.3 **Consolidation.** A determination by the Board that a consolidation of the district with one or more other school districts requires that the contract of the Superintendent be terminated during the term shall constitute good cause for dismissal.
- 6.4 **Termination for Good Cause.** The Board may terminate the employment of the Superintendent during the term of the Contract for good cause. The term "good cause" is defined as follows:
- (a) Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;
 - (b) Incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication from the Board; provided, however, the terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent a reasonable opportunity to remediate any incompetency or inefficiency;
 - (c) Insubordination or failure to comply with lawful written Board directives;
 - (d) Failure to comply with the Board's policies or the District's administrative regulations;
 - (e) Neglect of duties;
 - (f) Drunkenness or excessive use of alcoholic beverages;
 - (g) Illegal use of drugs, hallucinogens, or other substances regulated by the Texas Controlled Substances Act;
 - (h) Conviction of a felony or crime involving moral turpitude;
 - (i) Failure to meet the District's standards of professional conduct;
 - (j) Failure to comply with reasonable District professional development requirements regarding advanced course work or professional development;

- (k) Disability, not otherwise protected by law, that impairs performance of the required duties of the Superintendent;
- (l) Immorality which is conduct the Board determines is not in conformity with the accepted moral standards of the community encompassed by the District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency, or depravity;
- (m) Assault on an employee or student;
- (n) Knowingly falsifying records or documents related to the District's activities;
- (o) Conscious misrepresentation of facts to the Board or other District officials in the conduct of the District's business;
- (p) Failure to fulfill requirements for superintendent certification;
- (q) Failure to maintain rapport with the Board of Trustees; or,
- (r) Any other reason constituting "good cause" under Texas law.

7. PROFESSIONAL LIABILITY

7.1 To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District does hereby agree to defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Superintendent in the Superintendent's individual or official capacity as an employee and as Superintendent of the District, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees, arose or does arise in the future from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment of the District; excluding, however, any such demand, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that Superintendent committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the District or by Superintendent. A legal defense may be provided through insurance coverage, in which case Superintendent's right to agree to legal counsel provided for him will depend on the terms of the applicable insurance contract. To the extent this Section 7.1 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this section shall survive the termination of this contract, including that the

EMPLOYMENT CONTRACT

District has no duty to defend, hold harmless, or indemnify the Superintendent for any demand, claim, suit, action, judgment, expense, or attorneys' fee incurred in any legal proceedings brought against Superintendent in the Superintendent's individual or official capacity which does not arise from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment of the District. No individual member of the Board shall be personally liable for indemnifying and defending the Superintendent under this paragraph.

- 7.2 The Superintendent shall reasonably cooperate with the District in the defense of any and all demands, claims, suits, actions and legal proceedings brought against the District. The Superintendent's obligation under this paragraph shall continue after the termination of this Contract.

8. MISCELLANEOUS

- 8.1 **Controlling Law.** This Contract shall be governed by the laws of the State of Texas and shall be performable in Anderson County, Texas, unless otherwise provided by law.
- 8.2 **Entire Agreement and Amendment.** In entering into this Contract, the parties understand and represent that all existing agreements and contracts, written and verbal, between the parties regarding the Superintendent's employment are superseded by this Contract, and it constitutes the entire agreement between the parties. This Contract may only be amended in writing and by mutual agreement of the parties.
- 8.3 **Savings Clause.** In the event any one or more of the provisions contained in this Contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- 8.4 **Conflicts.** In the event of any conflict between the terms, conditions, and provisions of this Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.

EMPLOYMENT CONTRACT


EXECUTED this, the 23rd day of January, 2014.

PALESTINE INDEPENDENT SCHOOL DISTRICT

By: 
President, Board of Trustees

By: 
Secretary, Board of Trustees

SUPERINTENDENT


Jason Marshall