

#### Has earned the

## Superior Achievement

rating for 2017 for



# FISCAL MANAGEMENT & FINANCIAL CONDITION

from the

**Texas Education Agency** 

Dr. Martha Salazar-Zamora, Superintendent Jim Ross, Chief Financial Officer

### Tomball Independent School District Annual Financial Accountability 2017 Management Report

The financial accountability rating report issued by the Texas Education Agency (TEA) is called the *Financial Integrity Rating System of Texas*, or **FIRST**. TEA issues this financial rating each year based on financial data required to be submitted to the Agency by each school district through the Public Education Information Management System (PEIMS). The PEIMS financial data of each school district is used to answer a series of specifically designed financial questions. The resulting financial ratings issued are A=Superior (90-100 points), B=Above Standard (80-89 points), C=Meets Standard (60-79 points), and F=Substandard Achievement (less than 60 points).

The primary assessment tool for the FIRST rating is the Financial Accountability Rating Worksheet. This worksheet is completed by TEA using PEIMS financial submissions and was redesigned this past fiscal year to create measurements desired by the Legislature to assess the overall financial condition of each school district, and the fiscal efficiency of district administrators.

The Financial Accountability Rating Worksheet for 2017 contains fifteen (15) questions, or indicators, assessing the 2015-2016 fiscal year of the District. This worksheet was 15 indicators last year and 20 indicators in prior years. Indicator questions 1 through 5 are considered to be critical indicators of financial condition and fiscal management, and are answered as either Yes or No. Indicator questions 6 through 15 are assigned a numerical score based on the numerical measurement used. The highest possible score is to receive "Yes" on indicators 1 through 5 and a numerical score of 100 on the remaining questions. Financial ratings are:

- A=Superior (90-100 points),
- B=Above Standard (80-89 points),
- C=Meets Standard (60-79 points), and
- F=Substandard Achievement (less than 60 points)

The 2017 School FIRST rating for Tomball ISD as reported by TEA is that of an **A** for "**Superior**"; scoring a **100** of the possible 100 points on the financial accountability rating worksheet, and receiving "**Yes**" on all indicators. Tomball ISD received the same top rating of "Superior Achievement" in all years from 2002-2016, with a perfect School FIRST ratings score in 2002 through 2008 and 2010 through 2016. The 2009 School FIRST rating score was an 84 of the possible 85, with the 1 point lost for a question on the 65% rule that was deleted the following year of 2010. The official TEA 2017 ratings worksheet follows with each of the indicator questions answered for Tomball ISD.

**<u>NOTE</u>**: The wording used in the indicator questions, and the reason behind each question, can be confusing to non-accountants. Therefore, following the rating worksheet question is a brief explanation of what each indicator question means or measures, and how Tomball ISD actually scored on that indicator question.

#### **2016-2017 RATINGS BASED ON SCHOOL YEAR 2015-2016 DATA**

#1. Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?

This indicator question is designed to identify whether our district has problems producing financial statements for auditors; and consequently, is able to submit an independently audited Annual Financial Report to TEA in a timely manner. The audit due date was February 28<sup>th</sup>, 2017 and TEA received our audit on January 18, 2017. The answer for Tomball ISD to this indicator is **YES** we passed.

#2a. Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)

A "Modified" opinion on our financial report means the District needs to correct some of its reporting or financial controls for a 'clean audit' opinion to be expressed by the independent auditors. Therefore, our district's goal is to receive an "Unmodified Opinion" on our Annual Financial Report. The answer for Tomball ISD to this indicator is **YES**, we have an Unmodified Opinion or 'clean audit'.

#2b. Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)

Based on the independent auditor's professional opinion regarding the accuracy of the financial statements the disclosure of a material weakness in internal controls on our financial report means the District needs to correct some of its procedures in controlling the accuracy of financial reporting. A "material weakness" is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. The answer for Tomball ISD to this indicator is **YES**, we have the internal controls in place to assure accurate financial reports.

#3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (=person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)

This indicator question is designed to make certain that our district has paid our debt obligations in a timely manner on bonds issued for school construction. The answer for Tomball ISD to this indicator is **YES**.

#4. Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?

The question is clearly stated regarding the responsibilities. The answer for Tomball ISD to this indicator is **YES** payments have been timely.

#5. Was the total unrestricted net position balance (net of accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Position greater than zero? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator)

This indicator question is designed to measure whether our district has assets available for daily operations. The financial data for Tomball ISD for this indicator showed unrestricted net assets (net of accretion on CABs) totaling \$31,230,818. This indicator also considers whether the District's 5-year percentage change in students was 10% or more. In 2012 the enrollment was 11,076 and in 2016 enrollment was 14,072. This change is 27.05 % which is greater than 10%. Therefore the answer for Tomball ISD to this indicator is **YES** to either of the two questions.

#6. Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (See ranges below.)

The Tomball ISD financial data for this indicator is used in a formula that adds together cash of \$8,518,918 and current investments of \$65,498,315 for a total of \$74,017,233. This total is then divided by the total expenditures for the year of \$110,534,277 and the result is multiplied by 365 to represent the number of days of operations. Using this indicator as written it appears Tomball ISD had sufficient cash on hand for 244.42 days of operations, which is greater than 90 days for the highest score. The question does not take

into account there may be current liabilities that would reduce the asset of cash, and therefore this indicator could be misleading. The answer for Tomball ISD to this indicator is **YES** the general fund was sufficient to cover the operating expenses.

[Score: 10]

10	8	6	4	2	0
>=90	<90 >=75	<74 >=60	<60 >=45	<45 >=30	<30

#7. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)

This indicator question measured Tomball ISD's current assets of \$92,066,967 against the current liabilities of \$29,685,110. Current assets exceed current liabilities by a ratio of 3.1015 to 1. The answer for Tomball ISD to this indicator is **YES** there were assets sufficient to cover short term debt. [Score: 10]

10	8	6	4	2	0
>=3.00	<3.00 >=2.50	<2.50 >=2.00	<2.00 >=1.50	<1.50 >=1.00	<1.00

#8. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.) (See ranges below.)

This indicator question is answered by taking the long term liabilities of \$394,423,509 minus any net pension liability of \$25,677,839 and dividing that total by the total assets of \$457,524,755. The total is 0.806, and would have scored 4 points. Fortunately, the indicator allows for fast-growing districts to exclude this measurement, by observing fast-growth districts must build for the growth they are currently experiencing and in planning for the future. In the past 5 years student enrollment has increased by 27.05%, therefore the answer is **YES** on long-term solvency. [Score: 10]

10	8	6	4	2	0
<=0.60	>0.60 <=0.70	>0.70 <=0.80	>0.80 <=0.90	>0.90 <=1.00	>1.00

#9. Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

The answer is **YES** Tomball ISD's total revenues of \$117,015,929 exceeded the total expenditures of \$110,534,277 for a surplus. [Score: 10]

**10** points if greater than 0% **0** points if less than 0%

## #10. Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)

This indicator question uses a formula that takes the total revenues of \$146,255,423 then subtracts the total expenditures of \$137,927,886 adds the debt service payment of \$27,393,609 and debt service fund balance \$3,346,322. That amount divided by debt service 27,393,609 equals 1.4262 which is greater than the high reference point of 1.20. The answer for Tomball ISD to this indicator is **YES** there was sufficient debt service coverage for the year. [Score: 10]

10	8	6	4	2	0
>=1.20	<1.20 >=1.15	<1.15 >=1.10	<1.10 >=1.05	<1.05 >=1.00	<1.00

## #11. Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)

The indicator question measures the percentage of the budget that a Texas school district spends on administration based on the size of the district. This ratio takes administrative costs and divides them by instructional costs to arrive at this percentage. Tomball ISD's Administrative Cost Ratio (ACR) is 0.0643 and well below the state normal percentage for a district our size. Tomball ISD's answer to this indicator is **YES**, we strictly control our administrative costs. [Score: 10]

ADA Size	10	8	6	4	2	0
10,000 and	<= 0.0855	> 0.0855 <=	> 0.1105 <=	> 0.1355 <=	> 0.1605 <=	> 0.1855
Above	. 0.0000	0.1105	0.1355	0.1605	0.1855	7 011000
5,000 to	<= 0.1000	> 0.1000 <=	> 0.1250 <=	>0.1500 <=	> 0.1750 <=	> 0.2000
9,999	<b>\- 0.1000</b>	0.1250	0.1500	0.1750	0.2000	/ 0.2000
1,000 to	<= 0.1151	> 0.1151 <=	> 0.1401 <=	> 0.1651 <=	> 0.1901 <=	> 0.2151
4,999	<- 0.1131	0.1401	0.1651	0.1901	0.2151	> U.Z 131
500 to 999	<= 0.1311	> 0.1311 <=	> 0.1561 <=	> 0.1811 <=	> 0.2061 <=	> 0.2311
500 10 999	<= 0.1311	0.1561	0.1811	0.2061	0.2311	> 0.2311
Less than	<= 0.2404	> 0.2404 <=	> 0.2654 <=	> 0.2904 <=	> 0.3154 <=	> 0.3404
500	<= 0.2404	0.2654	0.2904	0.3154	0.3404	> 0.3404
Charca	<=0.3364	> 0.3364 <=	> 0.3614 <=	> 0.3864 <=	> 0.4114 <=	> 0.4364
Sparse	<=0.3304	0.3614	0.3864	0.4114	0.4364	> 0.4304

#### Additional Information:

In the 2017 School FIRST rating for this indicator is based on a student enrollment greater than 10,000. Since this indicator is measuring the often contentious issue of administrative costs and salaries, it seems important to demonstrate how the ACR has remained relatively unchanged over the years. In a time of rising salaries and increased costs there has been a conscious and concerted effort to hold down administrative costs at Tomball ISD. The measurement methodology used to determine this ratio has not been changed since 1999. TEA has officially released the following ACR percentages for Tomball ISD in previous FIRST reports:

Fiscal Year Ending	2009	<u>2010</u>	<u> 2011</u>	2012	<u>2013</u>	<u> 2014</u>	<u> 2015</u>	<u> 2016</u>
Admin Cost Ratio %	6.54	6.46	6.77	6.86	6.60	6.59	6.93	6.43

#12. Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff?) (If the student enrollment did not decrease, the school district will automatically pass this indicator.)

This indicator measured the student to staff ratio for 2015-2016 at 7.61 students to 1 staff. Compared to three years earlier the 2013-2014 student to staff ratio was 7.66 students to 1 staff. Also student enrollment did not decrease so Tomball ISD automatically passes and the answer to this indicator is **YES**. [Score: 10]

#### **10** points if YES

**0** points if NO

#13. Did the comparison of Public Education Information Management (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?

This indicator measures whether the data reported in our PEIMS submission and our Annual Financial Report 'matches up' to within 3 percent. Tomball ISD reported a total of \$110,534,257 in expenditures in all funds, and had a total data submission matching error of \$88. This is well below the 3% variance, and the answer for Tomball ISD to this indicator is **YES**. [Score: 10]

#### **10** points if less than 3%

**0** points if greater than 3%

#14. Did the external independent auditor indicate that the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)

Material noncompliance identified in an audit report indicates funds were expended that were not allowable by the grant or law. The answer for Tomball ISD to this indicator is **YES**, our independent auditors have not identified and reported material noncompliance.

[Score: 10]

[Score: 10]

#### **10** points if YES

**0** points if NO

#15. Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?

The district did not receive an adjusted repayment schedule.

**10** points if YES

**0** points if NO

#### SUMMARY

The Financial Integrity Rating System of Texas for 2017 uses fifteen financial indicator questions to assess the quality of fiscal management and the financial condition of our school district. A "Yes" or "No" answer is determined for every indicator question and ten questions receive a numerical score to indicate the level of realization. Tomball ISD received a *YES* answer on all 15 indicator questions and a numerical score of 100 of 100 possible points in the FIRST rating. This score released by the Texas Education Agency officially confirms the financial management practices and fiscal condition of Tomball ISD are sound and the district has passed this financial review.

The FIRST rating is the tool used by the Texas Education Agency to actually measure fiscal management and condition. However, this assessment tool does not examine the quality of financial reporting and disclosure to user groups. For the benefit of the public being served, understandable and descriptive annual financial reports that have been independently audited for accuracy should be provided by the district.

The highest recognition in governmental finance reporting is receiving a *Certificate for Excellence in Financial Reporting* for annual financial reports from the Association of School Business Officials, International (ASBO) or the Government Finance Officers Association (GFOA). Both of these associations are dedicated to enhancing the professional financial management of governments by identifying, recognizing and promoting the highest quality financial reporting practices of governmental entities. Annual financial reports submitted for review to these two associations are subjected to very stringent and discerning requirements. Only the best in format and disclosure will receive the *Certificate for Excellence in Financial Reporting*.

For the 2015-2016 fiscal year - the year of review for this FIRST rating - Tomball ISD received the *Certificate for Excellence in Financial Reporting* from both GFOA and ASBO for the eighth consecutive year. For the 2015-2016 fiscal year 78 of the 1,024 school districts in Texas received the GFOA Certificate for Excellence in Financial Reporting, 50 received the ASBO Certificate for Excellence in Financial Reporting, and only 48 received this award from both associations. Only 4.69% of Texas school districts received such recognition from both associations for the preparation of financial reports for 2015-2016, and very few districts can boast of receiving both GFOA and ASBO recognition for 18 consecutive years.

Prior to issuing bonds the District has been reviewed financially by the national rating agencies of Standard & Poor's and Moody's. These reports can be found online and have been attached to this FIRST report as a much stronger indicator of actual financial condition Standard & Poor's recognizes Tomball ISD's financial strength as AA+ rating. In Texas only 16 of 1,024 school districts have an AA+ rating with S&P. Moody's Investor Services recognizes Tomball ISD's financial strength as Aa1, which is equivalent to the AA+ S&P rating.

#### **DISCLOSURES**

Annual disclosures in accordance with Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, *Commissioner's Rules Concerning Financial Accountability Rating System* have been added for increased "transparency". The Commissioner's Rule concluded that TEA has the discretionary authority to add to the specific disclosures if desired. The disclosures and the format that are included in the financial management report are those required by the Commissioner for the year of review and are:

- (A) a copy of the superintendent's most current employment contract, attached to this financial management report and available upon request;
- **(B)** a summary schedule for the fiscal year (12-month period) of total reimbursements received by the superintendent and each board member. The summary schedule separately reports reimbursements for meals, lodging, transportation, motor fuel, and other items (the summary schedule of total reimbursements is not to include reimbursements for supplies and materials that were purchased for the operation of the school district);

	Dr. Martha								
Reimbursements	Salazar-Zamora,	Huey Kinchen,		Sam		Mark			
for the 12-month	Superintendent	Superintendent	Kathy	Gregson,	John	Lewandowski,	Lee	Michael	Matt
period ending	04/01/17-	09/01/16-	Handler,	Vice	McStravick,	Assistant	Mcleod,	Pratt,	Schiel,
August 31, 2017	08/31/17	03/31/17	President	President	Secretary	Secretary	Trustee	Trustee	Trustee
Meals	1,868	60	0	0	0	0	0	0	0
Lodging	616	704	0	0	0	0	0	0	0
Transporation	183	-	0	0	0	0	0	0	0
Motor Fuel	1,158	710	0	0	0	0	0	0	0
Other	2,073	244	0	0	0	0	0	0	0
TOTAL	\$ 5,898	\$ 1,718	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**(C)** a summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services. The schedule separately reports the amount received from each entity;

Name(s) of Entitiy(ies) paying compensation or fees to the Superintendent for services for the 12-month period ending August 31, 2017	Dr. Martha Salazar-Zamora, Superintendent 04/01/17-08/31/17	Huey Kinchen, Superintendent 09/01/16-03/31/17
Amount Paid	\$0	\$0

**(D)** a summary schedule for the fiscal year of the total dollar amount by the executive officers and board members of gifts that had an economic value of \$250 or more in the aggregate in the fiscal year. This reporting requirement only applies to gifts received by the school district's executive officers and board members (and their immediate family as described by Government Code, Chapter 573, Subchapter B, as a person related to another person within the first degree by consanguinity or affinity) from an outside entity that received payments from the school district in the prior fiscal year, and gifts from

competing vendors that were not awarded contracts in the prior fiscal year. This reporting requirement does not apply to reimbursement of travel-related expenses by an outside entity when the purpose of the travel is to investigate or explore matters directly related to the duties of an executive officer or board member, or matters related to attendance at education-related conferences and seminars whose primary purpose is to provide continuing education (this exclusion does not apply to trips for entertainment related purposes or pleasure trips). This reporting requirement excludes an individual gift or a series of gifts from a single outside entity that had an aggregate economic value of less than \$250 per executive officer or board member;

Gifts that aggregate at or over \$250 for the 12-month period ending August 31, 2017	Superintendent	Huey Kinchen, Superintendent 09/01/16- 03/31/17	Kathy Handler, President	Sam Gregson, Vice President	John McStravick, Secretary	Mark Lewandowski, Assistant Secretary	Lee Mcleod, Trustee	Michael Pratt, Trustee	Matt Schiel, Trustee
Summary Amounts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**(E)** a summary schedule for the fiscal year of the dollar amount by board member for the aggregate amount of business transactions with the school district. This reporting requirement does not duplicate the items disclosed in the summary schedule of reimbursements received by board members;

Business Transactions between Board Members and the school district for the 12-month period ending August 31, 2017	Kathy	Sam Gregson, Vice President	John McStravick, Secretary	Mark Lewandowski, Assistant Secretary	Lee Mcleod, Trustee	Michael Pratt, Trustee	Matt Schiel, Trustee
Summary Amounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0

#### SUPERINTENDENT'S EMPLOYMENT CONTRACT

THE STATE OF TEXAS §

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COUNTY OF HARRIS

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THIS SUPERINTENDENT'S EMPLOYMENT CONTRACT ("Contract") is by and between the Board of Trustees (the "Board") of the Tomball Independent School District (the "District") and Huey Kinchen (the "Superintendent").

#### WITNESSETH:

WHEREAS, at the meeting of the Board on June 11, 2013, the Board, acting on behalf of the District, offered Huey Kinchen employment as Superintendent of Schools for the District; and

WHEREAS, Huey Kinchen has accepted the Board's offer of employment as Superintendent of Schools for the District;

NOW, THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to Section 11.201 of the Texas Education Code, have agreed, and do hereby agree, as follows:

#### I. Term

- 1.1 Term of Contract. The Board, by and on behalf of the District, employs the Superintendent, and the Superintendent accepts employment as Superintendent of Schools for the District, for a term of two (2) years, commencing on July 1, 2016 and ending on June 30, 2018.
- 1.2 Term Extension. On or about July of each year of this Contract, the Board will review the Superintendent's performance, and the District may, by action of the Board, and with the agreement of the Superintendent, extend the term of this Contract for an additional twelve-month period in the manner herein provided in this Section 1.2. The Board, in its sole discretion, may vote at a meeting of the Board each year whether to extend this Contract for an additional year and, if so, to set the annual base salary of the Superintendent for such year in accordance with Section 3.1. Such extension, if any, shall be in the form of a written addendum or amendment to this Contract, or a new contract. The Superintendent does not have any legal entitlement to, expectation of, or property interest in any such extension.

#### II. Employment

2.1 Duties. The Superintendent is the chief executive of the District and shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in the job description and as may be assigned by the Board, and shall comply with all Board directives, state and federal law, district policies, rules, and regulations as they exist or may hereafter be adopted or amended. Specifically, it shall be the duty of the Superintendent to recommend for employment all professional employees of the District, subject to the Board's approval. The Superintendent shall employ all other personnel consistent with the Board's policies and direct, assign, reassign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. The Superintendent shall organize, reorganize,

and arrange the staff of the District, and develop and establish administrative regulations, rules, and procedures that the Superintendent deems necessary for the efficient and effective operation of the District, consistent with the Board's lawful directives, the Board's policies, and state and federal law. The Superintendent shall have the authority to accept all resignations of employees of the District consistent with the Board's policies, except the Superintendent's resignation, which must be accepted by the Board to be effective. The Superintendent shall perform all duties of the Superintendent for the District with reasonable care, diligence, skill, and expertise.

- 2.2 Certification. The Superintendent shall at all times during the term of this Contract hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the Texas Education Agency, plus any other certificates required by law. This includes provisional certification.
- <u>2.3 Reassignment.</u> The Superintendent shall not be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.
- 2.4 Board. The Superintendent or the Superintendent's designee shall attend all meetings of the Board, both public and closed, with the exception of closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, the Superintendent's salary or benefits, or the Superintendent's evaluation. The Superintendent or designee may also be excluded from any board meeting when the subject is related to conflicts or interpersonal relationships between individual Board members.
- 2.5 Criticisms, Complaints, Etc. The Board, individually and collectively, shall refer all criticisms, complaints, and suggestions called to the Board's attention that a board member deems substantive at the time to the Superintendent for study and appropriate action, and the Superintendent shall review and investigate such matters and inform the Board of the results.

#### III.

- 3.1 Annual Base Salary. The District shall provide the Superintendent with an annual base salary in the amount of Two Hundred Ten Thousand Three Hundred Ten Dollars (\$210,310.00). The Superintendent will be eligible each year during the term of this Contract for no more than the percentage raise received by other administrative employees of the District on twelve month contracts.
- 3.2 Salary Adjustment. At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth above except by mutual written agreement of the parties. Such adjustments, if any, shall be in the form of a written addendum or amendment to this Contract or a new contract and shall be exclusive of any annuity, insurance policy or other benefits.
- 3.3 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 Contract. The District agrees to pay the actual and incidental costs incurred by the Superintendent for travel; such costs may include, but are not limited to, airline tickets, hotels and accommodations, meals, rental car, and other expenses incurred in the performance of the business of

the District. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies.

- 3.4 Life, Health and Other Insurances. The Superintendent will receive, and the District shall provide, indemnity hospitalization, major medical, dental and life insurance coverages, and any other insurance available, on the same basis as provided to administrative employees of the District on twelvementh contracts.
- 3.5 Vacation, Holidays, Sick Leave. The Superintendent may take, at the Superintendent's choice, subject to the Board's approval, the same number of days of vacation authorized by policies adopted by the Board for administrative employees of the District on twelve-month contracts, the days to be in a single period or at different times. The vacation days taken by the Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Contract. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees of the District on twelve-month contracts. The Superintendent is hereby granted the same sick leave benefits as authorized by Board policies for administrative employees of the District on twelve-month contracts.
- 3.6 Annual Physical Examination. The Superintendent shall undergo an annual physical examination performed by a licensed physician mutually acceptable to the Board and the Superintendent. The physician shall submit a confidential statement to the Board President verifying the Superintendent's fitness to perform the Superintendent's duties and copies of all such statements shall be maintained in the Superintendent's personnel file. All such statements of the Superintendent's fitness shall be kept confidential to the full extent authorized by law. The District shall pay all costs of the annual physical examination.
- 3.7 Professional Growth. 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 and 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 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 Board deem appropriate, to attend such seminars, courses, or meetings. 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, as approved by the Board, deemed necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable costs and expenses for such attendance or membership.
- 3.8 Outside Consultant Activities. The Superintendent shall not serve as a consultant or receive a reimbursement of expenses and/or be paid an honorarium for consultant services outside of his employment as superintendent of the District.

3.9 Civic Activities. The Superintendent is encouraged to participate in community and civic affairs including Chambers of Commerce and civic clubs within or affecting the District. The memberships and other reasonable expenses of the Tomball Area Chamber of Commerce, Tomball Rotary Club, and/or other Tomball area based organizations shall be borne by the District. The Board may approve the payment of other memberships and expenses requested by the Superintendent.

#### IV. Annual Performance Goals

4.1 Development of Goals. The Superintendent and the Board President, or designee, shall develop annual performance goals for the Superintendent that shall be submitted to the Board for consideration and adoption. The performance goals approved by the Board shall at all times be reduced to writing and shall be reasonably related to the District's goals, mission and/or vision as set by the Board.

#### V. Review of Performance

- <u>5.1 Time and Basis of Evaluation.</u> The Board shall evaluate and assess in writing the performance of the Superintendent at least once each contract year during the term of this Contract. The evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and annual goals.
- <u>5.2 Confidentiality.</u> The evaluation of the Superintendent shall at all times be conducted in closed or executive 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.
- <u>5.3 Evaluation Format and Procedure.</u> The evaluation format and procedure shall be in accordance with the Board's policies and procedures and state and federal law.

#### VI. Renewal and Nonrenewal of Employment Contract

<u>6.1 Renewal/Nonrenewal.</u> Renewal or nonrenewal shall be in accordance with Board policy and applicable law.

#### VII. Termination of Employment Contract

- 7.1 Mutual Agreement. This Contract may be terminated by mutual written agreement of the Superintendent and the District, acting through the Board, upon such terms and conditions as may be mutually agreed upon.
- 7.2 Retirement or Death. This Contract shall be terminated upon the retirement or death of the Superintendent.
- 7.3 Dismissal for Good Cause. The District, acting through the Board, may dismiss the Superintendent during the term of the Contract for good cause.

7.4 Termination Procedure. In the event that the District, acting through the Board, terminates this Contract for "good cause," the Superintendent shall be afforded the rights as set forth in the Board's policies and applicable state and federal law.

#### VIII. Miscellaneous

- **8.1** Controlling Law. This Contract shall be governed by, and interpreted and enforced in accordance with, the laws of the state of Texas and shall be performable in Harris County, Texas, unless otherwise provided by law.
- **8.2 Complete Agreement.** This Contract embodies the entire agreement between the parties and cannot be varied except by mutual written agreement of the parties except as expressly provided herein.
- 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. All existing agreements and contracts, both verbal and written, between the parties regarding the employment of the Superintendent have been superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.

EXECUTED this 9<sup>th</sup> day of August, 2016.

ATTEST

Assistant Secretary, Board of Trustees

TOMBALL INDEPENDENT SCHOOL DISTRICT

Michael Pratt

President, Board of Trustees

Huey P. Kinchen, Jr.

Superintendent of Schools

#### SUPERINTENDENT'S EMPLOYMENT CONTRACT

THE STATE OF TEXAS

8

COUNTY OF HARRIS

THIS SUPERINTENDENT'S EMPLOYMENT CONTRACT ("Contract") is by and between the Board of Trustees (the "Board") of the Tomball Independent School District (the "District") and Dr. Martha Salazar-Zamora (the "Superintendent").

#### WITNESSETH:

WHEREAS, at the meeting of the Board on March 7, 2017, the Board, acting on behalf of the District, offered Dr. Martha Salazar-Zamora employment as Superintendent of Schools for the District; and

WHEREAS, Dr. Martha Salazar-Zamora has accepted the Board's offer of employment as Superintendent of Schools for the District;

NOW, THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to Section 11.201 of the Texas Education Code, have agreed, and do hereby agree, as follows:

#### I. Term

- 1.1 Term of Contract. The Board, by and on behalf of the District, employs the Superintendent, and the Superintendent accepts employment as Superintendent of Schools for the District, for a term of three (3) years and three (3) months, commencing on April 1, 2017 and ending on June 30, 2020. Beginning July 1, 2017, and thereafter during the term of this Contract and any extension thereof, the Contract Year shall be from July 1<sup>st</sup> through the following June 30<sup>th</sup>.
- 1.2 Term Extension. Beginning in July 2018, on or about July of each year of this Contract, and any extension thereof, the Board will review the Superintendent's performance, and the District may, by action of the Board, and with the agreement of the Superintendent, extend the term of this Contract in the manner herein provided in this Section 1.2. Such extension, if any, shall be in the form of a written addendum or amendment to this Contract, or a new contract. The Superintendent does not have any legal entitlement to, expectation of, or property interest in any such extension.

#### II. Employment

2.1 Duties. The Superintendent is the chief executive of the District and shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in the job description and as may be lawfully assigned by the Board, and shall comply with all lawful Board directives, state and federal law, district policies, rules, and regulations as they exist or may hereafter be adopted or amended. Specifically, it shall be the duty of the Superintendent to recommend for employment all professional employees of the District, subject to the Board's approval. The Superintendent shall employ all other personnel consistent with the Board's policies and direct, assign, reassign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. The

Superintendent shall organize, reorganize, and arrange the staff of the District, and develop and establish administrative regulations, rules, and procedures that the Superintendent deems necessary for the efficient and effective operation of the District, consistent with the Board's lawful directives, the Board's policies, and state and federal law. The Superintendent shall have the authority to accept all resignations of employees of the District consistent with the Board's policies, except the Superintendent's resignation, which must be accepted by the Board to be effective. The Superintendent shall perform all duties of the Superintendent for the District with reasonable care, diligence, skill, and expertise. All 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** Certification. The Superintendent shall at all times during the term of this Contract hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the Texas Education Agency, plus any other certificates required by law. This includes provisional certification.
- <u>2.3 Reassignment.</u> The Superintendent shall not be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.
- 2.4 Board. The Superintendent or the Superintendent's designee shall attend all meetings of the Board, both public and closed, with the exception of closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, the Superintendent's salary or benefits, or the Superintendent's evaluation. The Superintendent or designee may also be excluded from any board meeting when the subject is related to conflicts or interpersonal relationships between individual Board members.
- 2.5 Criticisms, Complaints, Etc. The Board, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints, and suggestions called to the Board's attention either: (a) to the Superintendent for study and/or appropriate action, and the Superintendent shall refer such matter(s) to the appropriate District employee or shall investigate such matter(s) and shall within a reasonable time inform the Board of the results of such efforts; or, (b) to the appropriate complaint resolution procedure as established by District Board policies.
- 2.6 Indemnification. To the extent it may be permitted to do so 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 with 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 or with conscious indifference or reckless disregard, nor does it apply to criminal investigations or proceedings, nor to any investigations or proceedings in which the District and the Superintendent are adverse to each other; 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. The selection of Superintendent's legal counsel shall be with the mutual agreement of Superintendent and the District if such legal counsel is not also District's legal counsel. 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 2.6 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly.

- 2.6.1 During the term or any extended term of this Contract, the Superintendent shall cooperate with the District in the defense of any and all demands, claims, suits, actions and legal proceedings brought against the District.
- 2.6.2 After termination of this Contract, the Superintendent agrees to provide reasonable assistance to and cooperate with the District, its Trustees, agents, and attorneys in response to, or in defense of, any demand, claim, complaint, suit, action or legal proceeding brought against the District, its Trustees, or agents, arising from any acts or events alleged to have occurred during the term of Superintendent's employment with the District, at no additional expense to the District other than reimbursement to Superintendent for her documented reasonable and necessary out-of-pocket expenses, plus reimbursement of any salary lost by Superintendent by virtue of her taking time off from her then current employment to assist the District at its request. If Superintendent is not employed at the time, the District shall compensate Superintendent at Superintendent's daily rate of pay, calculated by dividing the salary (section 3.1) under the most current Contract by 226. Requests for assistance from Superintendent with respect to such matters shall be made through the Board of Trustees' President, any successor superintendent, and/or legal counsel for the District, and the amount to be reimbursed to Superintendent shall be mutually agreed upon in advance.
- 2.6.3 Except as expressly set forth herein, both the District's obligation and the Superintendent's obligation under this Section 2.6 shall survive the termination of this contract.

#### III.

- 3.1 Annual Base Salary. The District shall provide the Superintendent with an annual base salary in the amount of Two Hundred Fifteen Thousand Dollars (\$215,000.00). This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies.
- 3.2 Salary Adjustment. At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth above except by mutual written agreement of the parties. Such adjustments, if any, shall be in the form of a written addendum or amendment to this Contract or a new contract and shall be exclusive of any annuity, insurance policy or other benefits.
- 3.3 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 Contract. The District agrees to pay the actual and incidental costs incurred by the Superintendent for travel; such costs may include, but are not limited to, airline tickets, hotels and accommodations, meals, rental car, and other expenses incurred in the performance of the business of

the District. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies.

- 3.4 Life, Health and Other Insurances. The Superintendent will receive, and the District shall provide, indemnity hospitalization, major medical, dental and life insurance coverages, and any other insurance available, on the same basis as provided to administrative employees of the District on twelvementh contracts.
- 3.5 Vacation, Holidays, Sick Leave. The Superintendent may take, at the Superintendent's choice, subject to the Board's approval, the same number of days of vacation authorized by policies adopted by the Board for administrative employees of the District on twelve-month contracts, the days to be in a single period or at different times. The vacation days taken by the Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Contract. The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees of the District on twelve-month contracts. The Superintendent is hereby granted the same sick leave benefits as authorized by Board policies for administrative employees of the District on twelve-month contracts.
- 3.6 Annual Physical Examination. The Superintendent shall undergo an annual physical examination performed by a licensed physician mutually acceptable to the Board and the Superintendent. The examination will determine the Superintendent's continuing physical fitness to fulfill the duties and responsibilities of the position and may include laboratory analysis of blood, urine, stress, EKG and other procedures as deemed appropriate by the licensed physician. The physician shall submit a confidential statement to the Board President verifying the Superintendent's fitness to perform the Superintendent's duties and copies of all such statements shall be maintained in a sealed envelope in the Superintendent's personnel file. All such statements of the Superintendent's fitness shall be kept confidential to the full extent authorized by law. The District shall pay all costs of the annual physical examination.
- 3.7 Professional Growth. 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 and 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 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 Board deem appropriate, to attend such seminars, courses, or meetings. 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, as approved by the Board, deemed necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable costs and expenses for such attendance or membership.

- 3.8 Outside Consultant Activities. Except as specifically provided in this Section, the Superintendent shall not serve as a consultant or receive a reimbursement of expenses and/or be paid an honorarium for consultant services outside of her employment as Superintendent of the District.
- 3.8.1 Notwithstanding the general prohibition on outside consulting services contained herein, the Superintendent may serve as a consultant, and accept a reimbursement of expenses, under her current consulting agreement with the Ontario-Montclair School District located in Ontario, California, in accordance with that certain Agreement for Services dated July 1, 2015 (the "California Consulting Agreement"), which has been disclosed to the Board, through June 30, 2017. The Superintendent represents that there have been no modifications, amendments or changes to the California Consulting Agreement as disclosed to the Board. The Superintendent covenants and agrees that, during the term of this Contract, the California Consulting Agreement will not be extended or enlarged in scope, responsibility, time commitment or term.
- 3.8.2 The Superintendent represents that the California Consulting Agreement does not, and covenants and agrees that it will not in the future, conflict or interfere with the Superintendent's professional responsibilities to the District and that it is consistent with state and federal law.
- 3.8.3 The Superintendent covenants and agrees to use personal leave (local, state, vacation, non-duty days) for all services provided under or in any way pertaining to the California Consulting Agreement. The Superintendent further covenants and agrees to take not more than five (5) days of personal leave spent outside the District in connection with the California Consulting Agreement through its completion on June 30, 2017.
- 3.9 Civic Activities. The Superintendent is encouraged to participate in community and civic affairs including Chambers of Commerce and civic clubs within or affecting the District. The Board concludes that such participation will serve a legitimate purpose related to the educational mission of the District. The Superintendent may hold offices or accept responsibilities in these professional organizations, provided that such responsibilities do not interfere with the performance of her duties as Superintendent. Prior to engaging in these activities, the Superintendent will notify the Board President in writing of the activity. The Board President will notify the Superintendent if the activity presents a conflict or interferes with the performance of her duties as Superintendent. The memberships and other reasonable expenses of the Tomball Area Chamber of Commerce, Tomball Rotary Club, and/or other Tomball area based organizations shall be borne by the District. The Board may approve the payment of other memberships and expenses requested by the Superintendent.

#### IV. Annual Performance Goals

4.1 Development of Goals. The Superintendent and the Board President, or designee, shall develop annual performance goals for the Superintendent that shall be submitted to the Board for consideration and adoption. The performance goals approved by the Board shall at all times be reduced to writing ("District Goals") and shall be reasonably related to the District's goals, mission and/or vision as set by the Board. The District Goals approved by the Board shall be specific, definitive and measurable, to the extent feasible. The Board agrees to work with and support the Superintendent in achieving the District Goals.

#### V. Review of Performance

- 5.1 Time and Basis of Evaluation. The Board shall evaluate and assess in writing the performance of the Superintendent at least once each contract year during the term of this Contract. The evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and shall include the District's progress towards accomplishing the District Goals.
- <u>5.2 Confidentiality.</u> Unless the Board and the Superintendent expressly agree otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in closed or executive 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.
- 5.3 Evaluation Format and Procedure. The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law. In the event that the Board determines that the performance of the Superintendent is unsatisfactory in any respect, it shall describe in writing, in reasonable detail, specific instances of unsatisfactory performance. The evaluation shall include recommendations as to areas of improvement in all instances where the Board deems performance to be unsatisfactory. A copy of the written evaluation shall be delivered to the Superintendent. The Superintendent shall have the right to make a written response to the evaluation within thirty (30) days of receipt of the written evaluation from the board. That response shall become a permanent attachment to the evaluation in the Superintendent's personnel file. Within sixty (60) days of the delivery of the written evaluation to the Superintendent, the Board shall meet with the Superintendent to discuss the evaluation. The Board shall devote a portion of, or all of, one executive session annually to a discussion of the working relationship between the Superintendent and the Board. 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.

#### VI. Renewal and Nonrenewal of Employment Contract

<u>6.1 Renewal/Nonrenewal.</u> Renewal or nonrenewal shall be in accordance with Board policy and applicable law.

#### VII. Termination of Employment Contract

- 7.1 Mutual Agreement. This Contract may be terminated by mutual written agreement of the Superintendent and the District, acting through the Board, upon such terms and conditions as may be mutually agreed upon.
- 7.2 Retirement or Death. This Contract shall be terminated upon the retirement or death of the Superintendent.
- 7.3 Dismissal for Good Cause. The District, acting through the Board, may dismiss 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) Misrepresentation made by Superintendent in this Contract;
- (r) Failure of any covenant made by Superintendent in this Contract; or,
- (s) Any other reason constituting "good cause" under Texas law.
- 7.4 Termination Procedure. In the event that the District, acting through the Board, terminates this Contract for "good cause," the Superintendent shall be afforded the rights as set forth in the Board's policies and applicable state and federal law.

#### VIII. Miscellaneous

- **8.1 Controlling Law.** This Contract shall be governed by, and interpreted and enforced in accordance with, the laws of the state of Texas and shall be performable in Harris County, Texas, unless otherwise provided by law.
- 8.2 Complete Agreement. This Contract embodies the entire agreement between the parties and cannot be varied except by mutual written agreement of the parties except as expressly provided herein.

- 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. All existing agreements and contracts, both verbal and written, between the parties regarding the employment of the Superintendent have been superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.
- <u>8.4 Conflicts</u>. 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.

EXECUTED this \_\_7 day of March, 2017.

ATTEST:

John E. McStravick

Secretary, Board of Trustees

TOMBALL INDEPENDENT SCHOOL DISTRICT

Kathy Handler

President, Board of Trustees

Dr. Martha Salazar-Zamora

Superintendent of Schools

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