

SUPERINTENDENT'S EMPLOYMENT CONTRACT

AGREEMENT MADE this 10 day of April, 2025, between the BOARD OF EDUCATION OF HAWTHORN COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 73, LAKE COUNTY, ILLINOIS, hereinafter referred to as the "Board," and DR. PETER HANNIGAN, hereinafter referred to as the "Superintendent." As of July 1, 2025, this performance-based Contract replaces the employment contract currently in effect between the Board and Superintendent. In accordance with 105 ILCS 5/10-23.8, the Superintendent and Board confirm that the Superintendent met the goals and indicators of student performance and academic improvement in the last contract.

W I T N E S S E T H

A. EMPLOYMENT AND COMPENSATION

1. Contract Duration and Annual Salary

The Board hereby employs the Superintendent for five (5) years, commencing on July 1, 2025 and terminating on June 30, 2030, at the following annual salaries: 2025-2026 contract year: \$241,330.38; 2026-2027 contract year: \$260,636.81; 2027-2028 contract year: \$276,275.02; 2028-2029 contract year: \$292,851.52; and 2029-2030 contract year: \$310,422.61. The Superintendent's annual salaries shall be payable in equal installments in accordance with the rules of the Board governing payments of other administrative staff members in the District. The Superintendent hereby accepts employment upon the terms and conditions hereinafter set forth. A contract year is defined as each period during the Contract from July 1 through the immediately following June 30.

2. TRS and THIS Contributions

In addition to the annual salary stated in paragraph A.1 and all other compensation within this Agreement, the Board shall make a contribution on behalf of the Superintendent to the State of Illinois Teachers' Retirement System ("TRS") in satisfaction of the Superintendent's required retirement contribution to TRS. In addition, the Board shall pay the Superintendent's required contribution to TRS for Teacher Retirees' Health Insurance ("THIS"). It is the intention of the parties to qualify all such payments paid by the Board on the Superintendent's behalf as employer payments pursuant to Section 414(h) of the *Internal Revenue Code of 1986*, as amended. The Superintendent does not have any right or claim to said amounts except as they may become available at the time of retirement or resignation from TRS. Both parties acknowledge that the Superintendent did not have the option of choosing to receive the contributed amounts directly, instead of having such contributions paid by the Board to TRS, and that such contributions are made as a condition of employment to secure the Superintendent's future services, knowledge, and experience.

However, if legislation is enacted that limits the employer's ability to perform its obligations or otherwise reduces its obligations under this paragraph, the Board shall pay amount of the required TRS and THIS contributions to the Superintendent as salary, to the extent the total cost of salary and contributions are equal to the Board's total costs prior to enactment of such legislation. In the event of such legislation being enacted, and in order to comply with this provision, adjustment to

the Superintendent's annual salary stated in paragraph A.1 of this Contract shall not require an amendment to this Contract.

3. Salary Adjustments

Other than provided herein, any additional salary adjustments or modifications in the Superintendent's compensation or fringe benefits made during the term of this contract shall be in the form of a written amendment and shall become a part of this contract, but any such adjustments or modifications shall not be construed as a new contract with the Superintendent or as an extension of the termination date of this contract.

4. License

Throughout the term of this Agreement, the Superintendent shall hold a valid and properly registered license issued by the State of Illinois Teachers' Licensure Board qualifying him to act as Superintendent of the School District.

5. Physical

During the term of this Agreement, the Superintendent shall have an annual comprehensive medical examination by a licensed Illinois physician, which shall include any tests deemed necessary by the physician or required by the Board. The Board shall be responsible for the reasonable and customary costs of the medical examination and shall pay the cost of any tests the Board requires which are not customarily included in an annual physical exam. The Superintendent shall provide to the Board a statement from the licensed Illinois physician indicating that the required annual physical exam was performed and that the Superintendent is fit for duty.

6. Waiver of Tenure

The Superintendent acknowledges that by accepting the terms of this multi-year Superintendent's Employment Contract, the Superintendent waives any right to tenure in the School District for the duration of this multi-year contract, pursuant to Section 5/10-23.8 of *The School Code*.

C. BENEFITS

1. Insurance Benefits

The Board will provide the Superintendent with the following 100% Board paid benefits:

a. Health Insurance:

- i. Full (100%) premium coverage under the District's PPO 750 plan for single or family coverage; or
- ii. Full (100%) premium coverage under the District's HMO plan for single or family coverage.

- b. Life Insurance: Term life insurance in the amount of 200% of the Superintendent's creditable earnings, as provided under the program

effective in the District.

- c. AD&D Insurance: Accidental Death and Dismemberment insurance as provided under the program effective in the District.
- d. Dental Insurance: Dental insurance as provided under the program effective in the District.
- e. Long Term Disability Insurance: Long-term disability insurance as provided under the program effective in the District.

If the provision of health insurance contemplated by this contract provision could result in the Board being obligated to pay a penalty, excise tax, or other fee due to changes and/or interpretations of the *Internal Revenue Code* or other laws, or their related rules and regulations, affecting the provision of insurance benefits, the Board may revise its contribution toward such insurance benefit to another form of compensation or combination of compensation and insurance to the extent necessary to avoid the imposition of such penalty, excise tax, or fee. In the event the Board makes such a determination, the Board shall collaborate with TRS so as to avoid the loss of creditable earnings to the extent permitted by law and to the extent a penalty to the Board does not result. The Board's action to revise a benefit under this paragraph shall be in implementation of this provision of this contract and shall not constitute or require an amendment to this contract.

2. Vacation

The Superintendent shall be entitled to paid vacation of thirty (30) work days in each contract year, exclusive of legal and school holidays. Any vacation time in excess of five (5) work days shall be mutually agreed upon by the Board and the Superintendent. The Superintendent must notify the Board President in advance of any planned vacation and at least two (2) weeks in advance to obtain pre-approval for any request for vacation in excess of ten (10) consecutive work days. Vacation must be taken within the twelve (12) month contract year. Christmas and spring recess periods shall constitute work days, when needed, for the smooth and efficient operation of the School District.

The Superintendent may elect to receive compensation (*i.e.*, "cash out") a maximum of ten (10) days of earned, unused vacation days at his per diem rate (base salary divided by 260) for the contract year in which they were granted. The Superintendent shall notify the Board President in writing, with a copy to the Assistant Superintendent of Finance and Business Operations, by no later than June 1 of the contract year, of the number of earned, unused vacation days to be exchanged for pay. Compensation for the exchanged vacation days shall be made no later than the end of the contract year.

3. Sick Leave and Personal Leave

The Superintendent shall be granted sick leave, as defined in Section 5/24-16 of *The School Code*, of fifteen (15) work days per contract year. Unused sick leave days may be accumulated to a maximum of three hundred and forty (340) days.

The Superintendent shall also be granted three (3) days of personal leave per contract year. Earned, unused personal leave days shall not accumulate beyond

four (4) days. Personal leave days accumulated in excess of four (4) days shall be added to the Superintendent's sick leave accumulation. The Superintendent shall not be entitled to payment for any accrued but unused personal leave upon separation of employment for the District for any reason.

4. Business Expenses

The Board shall reimburse the Superintendent for reasonable monthly expenses incurred in the performance of his duties, including travel expenses incurred for out-of-District work at the IRS reimbursement rate. Itemization shall be made by the Superintendent of all expenses incurred and receipts shall be submitted to the Board for review and approval.

The Superintendent shall use his personal automobile to meet the routine transportation needs for the performance of his duties. For this use, the Board shall provide the Superintendent with an automobile stipend in the amount of \$500.00 per month

5. Membership Dues

The Board shall pay for all dues and membership fees to a reasonable number of professional and service organizations. The Superintendent shall provide the Board with a list of professional and service organizations he is a member of.

6. Professional Activities

The Superintendent is expected to attend appropriate professional meetings at the local and state levels, and, subject to prior Board approval, at the national level. All actual and necessary expenses incurred, including conference travel, shall be paid by the Board.

7. Cell Phone

The Board shall reimburse the Superintendent for reasonable expenses associated with his use of a cell phone for District related business up to an amount not to exceed \$1,000 annually.

8. Annuity

From the annual salary stated in paragraph A.1 of this Contract, the Superintendent may (1) annually defer compensation pursuant to and in accordance with the terms of an eligible deferred compensation plan as described in Section 457(b) of the Internal Revenue Code if adopted by the Board and/or (2) authorize a salary reduction in order that the Board may purchase a 403(b) eligible product for the Superintendent as described in Section 403(b) of the Internal Revenue Code, in accordance with the Board's 403(b) Plan, if offered, and provided that the Superintendent confirms that any such deferrals and reductions are within Internal Revenue Code limitations.

In addition, the Board shall make an annual non-elective employer contribution to the Section 403(b) annuity payable as a one-time lump sum no later than July 15 of each contract year. The non-elective contributions will be in the following amounts: by July 15, 2025: \$15,660; by July 15, 2026: \$16,912.80; by July 15, 2027:

\$17,927.57; by July 15, 2028: \$19,003.22; and by July 15, 2029: \$20,143.42. Both parties acknowledge that the Superintendent did not have the option of choosing to receive any of the 403(b) contribution directly or in cash.

9. Other Benefits

The Superintendent is entitled to all other benefits, without regard to any years of service requirements, provided to any other administrative staff members.

C. LIMITATION ON COMPENSATION

Effective with the 2027-2028 contract year, unless otherwise agreed to by the Parties, each contract year, the Superintendent and the Board acknowledge and agree that the compensation and benefits provided under this Agreement are not intended to exceed the TRS six percent (6%) cap on salary increases and/or the TRS cap on the granting of sick days if such increase or granting of sick days would result in the District being assessed a TRS penalty. Effective with the 2027-2028 contract year, the Board reserves the right to adjust the compensation and benefits provided under this Agreement to prevent exceeding, and/or to address the consequences of having exceeded, the TRS six percent (6%) cap and/or the TRS normal allotment sick day cap if such increase or granting of sick days would result in the District being assessed a TRS penalty. The adjustment of the Superintendent's TRS creditable earnings under this Paragraph shall be in implementation of this provision of this Agreement and shall not constitute or require an amendment to this Agreement.

D. POWERS AND DUTIES

1. The Superintendent shall have charge of the administration of the schools under the direction of the Board. The Superintendent shall be the chief executive officer for the Board; recommend the selection of, and direct and assign, teachers and other employees of the School District under the Superintendent's supervision; organize and direct the administrative and supervisory staff; make recommendations to the Board concerning the budget, building plans, location of sites, and the selection of textbooks, instructional material, and courses of study; direct the keeping of all records and accounts, and aid in the making of all reports, as required by the Board; recommend rules, regulations, and procedures deemed necessary for the welfare of the School district; and, in general, perform all other duties incident to the office of the Superintendent as may be prescribed by the Board from time to time.
2. The Superintendent shall devote his full working time, attention, and energy to the business of the School District and related professional activities. With the permission of the Board President, the Superintendent may attend university courses, seminars, or other professional growth activities; serve as a consultant to another district or educational agency for a short-term duration without loss of salary; lecture; and engage in writing activities and speaking engagements. The Superintendent may not jeopardize the functioning of the School District by any lengthy and conspicuous absence for such professional activities.

E. STUDENT PERFORMANCE AND ACADEMIC IMPROVEMENT GOALS

The Superintendent acknowledges that this multi-year contract is a performance-based contract which includes the goals and indicators of student performance and academic improvement determined by the Board to measure the performance and effectiveness of the Superintendent as mandated under Section 5/10-23.8 of *The School Code*. The goals and indicators of student performance and academic improvement will be a part of this contract as Appendix A. At minimum, the Superintendent's goals and indicators of student performance and academic improvement shall include the following:

Annually, the Superintendent, with the assistance of his administrative team, shall (1) evaluate student performance, including, but not limited to, student performance on standardized tests, successful completion of the curriculum, and attendance and drop-out rates; (2) review the curriculum and instructional services; (3) review school finances; and (4) report to the school board on his findings as to (a) student performance and (b) his recommendations, if any, for curriculum or instructional changes as a result of his evaluation of student performance.

As part of the Superintendent's annual performance evaluation, the parties shall meet to review the Superintendent's progress towards attainment of the student performance and academic improvement goals established by the Board and any other performance goals and objectives that may be established by the Board in consultation with the Superintendent.

This contract may be extended at the end of any contract year by mutual agreement of the Board and Superintendent only if the performance goals set forth herein and within Appendix A are successfully attained by the Superintendent based upon the Board's review and assessment of the Superintendent's performance.

F. TERMINATION

This employment contract may be terminated by:

- (a) Mutual agreement;
- (b) Permanent disability;
- (c) Discharge for cause;
- (d) Retirement; or
- (e) Resignation, provided, however, the Superintendent shall provide the Board at least sixty (60) days advance written notice of the resignation.

1. Permanent Disability

The Board may terminate this contract for reasons of permanent disability or incapacity at any time after the Superintendent has exhausted his accumulated sick and personal leave and vacation benefits and either has been absent from his employment for an additional continuous period of three (3) months or presents to the Board a physician's statement certifying that he is permanently disabled or incapacitated. All obligations of the Board shall cease upon written notice of termination for permanent disability or incapacity, provided that the Superintendent shall be entitled to a hearing before the Board if he so requests. Such examination

shall be performed by a physician licensed to practice medicine in all its branches, who is selected and paid by the Board. The physician shall prepare a detailed report, in accordance with applicable law, of the state of the Superintendent's physical and/or mental health and submit it to the Board of Education.

2. Discharge for Cause

Discharge for just cause shall be for any conduct, act, or failure to act by the Superintendent which is substantially detrimental to the best interests of the School District after first providing the Superintendent an opportunity to remedy any deficiency. Reasons for discharge for cause shall be given in writing to the Superintendent, who shall be entitled to notice and an opportunity to a fair hearing before the Board to discuss such causes. If the Superintendent chooses to be accompanied by legal counsel, he shall be responsible for any costs involved. The Board hearing shall be conducted in closed session.

G. EVALUATION

The Board shall review the Superintendent's performance on an annual basis, completed prior to the second Board meeting during the month of March. The performance evaluation shall include, but not be limited to, the Superintendent's progress toward the attainment of the student performance and academic achievement goals set forth in Appendix A of the Agreement, administration of personnel, rapport with the Board and the community, and such other evaluation criteria or performance goals that may be established by the Board. The appraisal of the Superintendent's performance shall be provided in writing by the Board to the Superintendent. The Superintendent shall be responsible for notifying the Board of the responsibility to evaluate him no later than the February Board meeting each year.

H. NON-RENEWAL/EXTENSION

In the event the Board or the Superintendent decides not to renew this contract at the end of its term, notice of such intention and an opportunity for a closed session hearing shall be given by April 1 of the last year of this contract in accordance with Section 10-21.4 of the School Code of Illinois; provided, however, if the Superintendent notifies the Board in writing by no later than December 15 of the last year of this contract of the Board's obligations under Section 10-21.4, then the date in the last year of this contract by which the Board shall give the Superintendent notice of such intention shall be February 15. Otherwise, the Superintendent shall notify the Board of its obligations by March 1, and the Board shall give notice of intention not to renew this contract by April 1, of the last year of this contract. If the Superintendent timely gives notice of the Board's obligations and the Board then fails to give the Superintendent timely notice in accordance with this paragraph, this contract shall be automatically extended for one additional year as provided in Section 10-21.4.

On or before January 1 of the contract year in which the Agreement expires, the Board and Superintendent may renew the employment upon such terms and conditions as they may mutually agree. In such event, the Board shall enter into a new contract of employment.

Prior to the end of any year of the Agreement, the Board and Superintendent may mutually agree to extend the employment of the Superintendent for a period not to exceed the maximum permitted by law provided all the performance and improvement goals

contained herein and within Appendix A have been met.

I. MODIFICATIONS AND AMENDMENTS

Other than provided herein, no modification or amendment of this Agreement shall be valid or binding on the parties unless it is in writing and executed by the Board and the Superintendent.

J. NOTICE

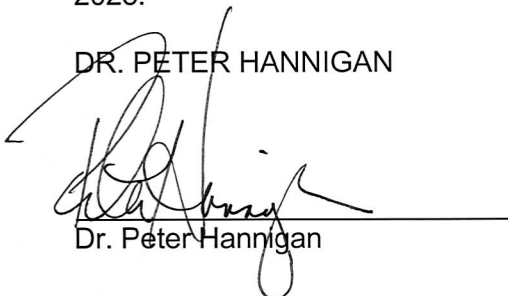
Any notice required to be given under this Agreement shall be deemed sufficient if it is in writing and sent by registered mail to the last known residence of the Superintendent or the President of the Board.

K. MISCELLANEOUS

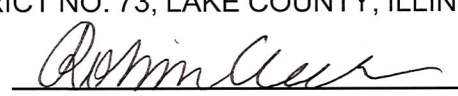
1. This Agreement has been executed in the State of Illinois, and shall be governed in accordance with the laws of the State of Illinois in every respect.
2. Paragraph headings and numbers have been inserted for convenience of reference only. In the event of any conflict between any such headings or numbers and the text of this Agreement, the text shall control.
3. This Agreement may be executed in one or more counterparts each of which shall be considered an original, and all of which taken together shall be considered one and the same instrument.
4. This Agreement contains all the terms agreed upon by the parties with respect to the subject matter of this Agreement and supersedes all prior employment contracts, agreements, arrangements, and communications between the parties, whether oral or written, concerning such subject matter.
5. If a court having jurisdiction issues a final decision declaring any provision of this Agreement to be unlawful or unenforceable, all other provisions of the Agreement shall remain in force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement this 10 day of April, 2025.

DR. PETER HANNIGAN


Dr. Peter Hannigan

BOARD OF EDUCATION OF HAWTHORN
COMMUNITY CONSOLIDATED SCHOOL
DISTRICT NO. 73, LAKE COUNTY, ILLINOIS

By: 

President

ATTEST: 

Secretary

APPENDIX A
Superintendent's Performance-Based Goals and Indicators

- A. The Superintendent shall seek to promote academic improvements in the District.
- B. The Superintendent acknowledges that pursuant to Section 10-23.8 of *The School Code*, this multi-year contract is subject to performance-based criteria. As part of the annual evaluation, the parties shall meet to review the progress towards the following goals and criteria.
1. The Superintendent shall strive to achieve academic improvement in the District by working towards the following goals:
 - to develop performance outcome statements for each course and for each department
 - to improve student performance on state and national standardized test
 - to develop a program for remediation of students performing below expected levels
 - to develop a plan for intervention of at risk students
 2. The Superintendent shall strive to achieve improvement in student performance in the District by working toward the following goals:
 - to research, develop, and implement curriculum plans aligned to standards of the Illinois State Board of Education
- C. The Superintendent acknowledges that, pursuant to Section 10-23.8 of *The School Code*, this multi-year contract is performance-based and may not be extended or rolled-over prior to its scheduled expiration unless the Board determines that all of the performance-based goals and criteria have been met.
- D. The Superintendent acknowledges that pursuant to Section 10-23.8 of *The School Code*, this multi-year contract is subject to performance-based goals and objectives. As part of the annual evaluation, the parties shall meet to review the Superintendent's progress towards satisfying the following goals. The Superintendent shall strive to improve student performance and promote academic improvement in the District by the following methods, including but not limited to:
1. Evaluate the assessment results of standardized tests given by the District and the State, analyze and compare such data with prior years' data, meet with principals to discuss the results, identify areas of weakness to be emphasized in the curriculum, and annually present recommendations to the Board for improvement of such results.
 2. Identify students not meeting state learning standards and develop a plan to improve their performance.
 4. Provide leadership to insure that policy, rules, and regulations are impartially administered and enforced.
 5. Implement action plans to address goals identified by the Board.

The Board and Superintendent will review and assess the Superintendent's overall performance based upon the student performance and academic improvement goals set forth above and any other objectives established by the Board in the Superintendent's performance evaluation instrument. This contract may be extended at the end of any contract year by mutual agreement of the Board and Superintendent if all of the student performance and academic improvement goals set forth above are met by the Superintendent based upon the performance review and assessment.

The Board and the Superintendent agree to review and update these performance and academic improvement goals annually.