

**EMPLOYMENT CONTRACT  
BETWEEN  
INDEPENDENT SCHOOL DISTRICT NO. 834  
AND  
SUPERINTENDENT OF SCHOOLS**

The School Board of Independent School District No. 834, Stillwater, Minnesota (“School District”) enters into this Contract with Michael Funk (“Superintendent”), a legally qualified and licensed Superintendent, who agrees to perform the duties of Superintendent of Schools during the term of this Contract (July 1, 2025 through June 30, 2028).

The School District and the Superintendent agree as follows:

**I. Applicable Statute**

This Contract is entered into between the School District and the Superintendent in conformance with Minnesota Statutes, § 123B.143, Subdivision 1.

**II. Licensure**

The Superintendent shall furnish throughout the life of this Contract a valid and appropriate license to act as Superintendent in the State of Minnesota as provided by applicable state laws, rules and regulations.

**III. Duration, Expiration and Termination**

**A. Duration.**

The term of this Contract is for three (3) years commencing July 1, 2025 and ending June 30, 2028. It shall remain in full force and effect unless modified by mutual consent of the School Board and the Superintendent, or unless terminated as provided herein.

**B. Expiration.**

This Contract shall expire on June 30, 2028 and the Superintendent’s employment shall cease, unless a subsequent Contract is entered into in accordance with the provisions of this Contract and Minnesota Statutes § 123B.143, Subdivision 1, and neither party shall have any further claims against the other.

**C. Termination During the Term**

The Superintendent’s employment may be terminated during the term of this Contract for cause, as defined in Minn. Stat. § 122A.40, Subd. 9 and Subd. 13; however, except for purposes of describing grounds for termination during the term of this Contract, the provisions of Minn. Stat. § 122A.40 shall not be applicable. If the School Board proposes to terminate the Superintendent during the term of this Contract for grounds

described in Minn. Stat. §122A.40, Subd. 9 and/or Subd. 13, it shall notify the Superintendent in writing of the proposed grounds for termination. The Superintendent shall be entitled to a hearing before an arbitrator provided the Superintendent makes such a request in writing to the School Board Chair within fifteen (15) days after receipt of the written notice of the proposed termination. In such event, the parties shall jointly petition the Bureau of Mediation Services (BMS) for a list of five (5) arbitrators. The arbitrator shall be selected by the parties through the normal striking process as provided by BMS Rules. The arbitrator shall conduct a hearing under arbitration procedure rules and issue a written decision. The decision of the arbitrator shall be final and binding on the parties, subject to normal judicial review of arbitration decisions as provided by law. The Superintendent may be suspended with pay pending final determination by the arbitrator. If the Superintendent fails to request a hearing as provided herein, he shall be deemed to have acquiesced to the School Board's proposed action, and the proposed action shall become final on such date as determined by the School Board, and the Superintendent shall have no further claim or recourse.

D. **Subsequent Contract**

1. **Contingency.** If this Contract is a subsequent Contract entered into prior to the completion of an existing Contract, this subsequent Contract is contingent upon the Superintendent completing the terms of the existing Contract.
2. **Notice by Superintendent.** If the Superintendent does not intend to negotiate a subsequent Contract, he must notify the School Board in writing by November 1, 2027.
3. **Notice by the School Board.** If the School Board does not intend to offer the Superintendent a subsequent Contract, it shall so notify the Superintendent in writing no later than February 1, 2028.
4. **Modification of Timelines.** The timelines provided in this section (III D, 1&2) may be modified by written agreement between the School Board and the Superintendent; however, the timelines may not be extended beyond June 30, 2028.
5. **Negotiations Regarding Subsequent Contract.** The notification requirements set forth in this section (III D) do not prohibit the School Board from entering into negotiations regarding a possible subsequent contract with the Superintendent during the 365 days prior to the expiration of this Contract at the discretion of the School Board and in accordance with Minnesota Statute §123B.143, Subd. 1. Any subsequent contract entered into during the 365 days prior to the expiration of this Contract shall be contingent upon the Superintendent completing the terms of this Contract. Proposed termination of employment during the term of this Contract (III C) shall render any subsequent contract entered into by the parties null and void.

E. **Mutual Consent**

This Contract may be terminated at any time by the mutual consent of the School Board and the Superintendent.

IV. **Duties**

The Superintendent shall have charge of the administration of the schools under the direction of the School Board. The Superintendent shall be the chief executive officer of the School District; shall direct and assign teachers and other employees of the schools under the Superintendent's supervision; shall organize, reorganize and arrange the administrative and supervisory staff, including instruction and business affairs, as best serves the School District subject to the approval of the School Board; shall select all personnel subject to the approval of the School Board; shall, from time to time, suggest policies, regulations, rules and duties incident to the office of the Superintendent and other such duties as may be prescribed by the School Board. The Superintendent shall abide by all policies, regulations, rules and procedures established by the School Board and state law. The Superintendent shall serve as an ex-officio member of the School Board and may, as requested by the School Board, provide administrative recommendations on each item of business considered by the School Board.

V. **Duty Year and Leaves**

A. **Basic Work Year**

The Superintendent's duty year shall be for the entire 12-month Contract year (July 1-June 30), and the Superintendent shall perform services on those legal holidays on which the School District is authorized to conduct school if the School Board so determines. The Superintendent shall be on duty during any emergency, natural or unnatural, unless otherwise excused in accordance with School Board administrative policy.

B. **Vacation Leave**

1. **Accrual and Carryover**

The Superintendent shall accrue thirty (30) days of paid vacation leave each Contract year (July 1 through June 30). The vacation leave shall be credited on July 1 of each Contract year. The Superintendent may carry-over unused accrued vacation leave to the following Contract year (July 1), not to exceed 15 days, for a maximum accumulated total vacation leave of forty-five (45) days. All other unused accrued vacation leave shall be forfeited at the end of each Contract year. The Superintendent shall notify the School Board Chair in advance of scheduled vacation and shall record vacation in accordance with School District policies, procedures and practices.

2. **Payment for Unused Vacation Leave**

The Superintendent shall be paid for any unused accumulated vacation leave up to a maximum of thirty-five (35) days upon separation of employment from the School District, unless he is discharged or proposed for discharge pursuant to Section III C of this Contract. Any payment for accumulated vacation leave shall be calculated based on the Superintendent's daily rate of pay on the last day of his employment. In the event the Superintendent dies while employed under this Contract, payment for unused vacation leave otherwise due and payable pursuant to this paragraph shall be payable to the Superintendent's heirs, beneficiaries, or estate.

C. **Daily Rate of Pay**

Whenever it is necessary to calculate a daily rate of pay for purposes of this Contract, such rates shall be arrived at by dividing the Superintendent's annual base salary as provided in Section VIII by the divisor of 230. The calculation shall not include any other payments and/or benefits pursuant to this Contract.

D. **Holidays**

The Superintendent shall be entitled to eleven (11) School District established holidays and two floating holidays per Contract Year. The Superintendent shall record the use of floating holidays in accordance with School District policies, procedures and practices.

E. **Sick Leave**

The Superintendent shall accrue fifteen (15) days of paid sick leave each year of this Contract. Such leave will be credited on July 1 of each Contract year. The Superintendent shall record use of sick leave in accordance with School District policies, procedures and practices. The Superintendent shall not be entitled to payment for any accumulated unused sick leave upon separation of his employment with the School District, whether by resignation, expiration of the Contract, retirement or termination.

F. **Medical/Disability Leave**

The Superintendent may be eligible for unpaid leave of absence pursuant to federal and state law, including the Family and Medical Leave Act (FMLA), the Minnesota Parenting Leave Act (MPLA), and the Americans with Disabilities Act (ADA). Requests for such leaves must be made and considered in compliance with applicable law.

G. **Bereavement Leave**

The Superintendent shall be granted up to five days of paid leave per occurrence for death in the immediate family. For purposes of this section, immediate family shall be defined as spouse, children, stepchildren, parents, spouse's parents, stepparents, brothers, sisters, brothers-in-law, sisters-in-law, aunts, uncles, grandparents, and grandchildren.

## VI. Insurance

### A. Health/Hospitalization and Dental Insurance

The School District shall offer the Superintendent single and family health/hospitalization medical insurance, vision and dental insurance, as provided under the School District's group plans. If the superintendent opts out of the district's health/hospitalization plan, he will provide a signed Waiver of Health Coverage Form to the District. If the Superintendent qualifies for and is enrolled in a School District group plan(s), the School District shall make contributions to the monthly premiums for the insurance coverages selected by the Superintendent in an amount equal to the full cost of the premium.

### B. Life Insurance

The School District shall provide a group term life insurance plan providing coverage to the Superintendent in an amount representing \$600,000. The premiums for such insurance shall be paid by the School District.

### C. Short Term Income Protection

The District shall provide the Superintendent with short term disability income protection in an amount equal to 90% of his base daily rate of pay for each working day of disability. Short-term income protection shall be available, upon receipt of medical certification, when sick leave benefits have been exhausted, but not before the tenth day of a disability. Such income protection shall cease when the combination of sick leave and short-term disability total 120 days.

### D. Long Term Disability Insurance

The District shall provide the Superintendent with long-term disability insurance. Benefits for this plan shall be pursuant to the applicable plan/policy. The Superintendent shall have the option of paying the entire premium for long term disability insurance coverage on a payroll deduction basis.

### E. Liability Insurance

The School District shall provide, at School District expense, liability insurance covering the Superintendent, along with the School District, in an amount not less than that which is required by law.

### F. Claims Against the School District

The eligibility of the Superintendent, the Superintendent's dependents or beneficiaries, for insurance benefits shall be governed by the terms of the insurance policies purchased by the School District. The School District's only obligation is to purchase the insurance

policies described herein, and no claims shall be made against the School District as a result of denial by an insurer of insurance benefits if the School District has purchased the policies and paid the premiums as required under this Contract.

## VII. Other Benefits

### A. Tax Sheltered Plans

#### 1. 403(b) Contributions

The School District will make contributions to the Superintendent's 403(b) deferred compensation plan in the form of a dollar-for-dollar match to the Superintendent's elective deferrals, up to a maximum of \$8,000 in each Contract year. Participation in any 403(b) plan shall be pursuant to School District policy and subject to plan restrictions, the Internal Revenue Code, and other applicable federal and state law and regulations, and the Superintendent has sole responsibility for compliance.

#### 2. Tax Sheltered Annuity Contribution

The School District will provide additional salary, in the amount of \$8,700, which the Superintendent may utilize through payroll deduction for an additional tax sheltered contribution. Such contributions shall be in addition to the Superintendent's base annual salary.

#### 4. Liability Limitations

Participation in the tax sheltered plans described in this Contract shall be pursuant to School District policy and subject to plan restrictions, the Internal Revenue Code, regulations and other applicable federal and state law and the Superintendent has full responsibility for compliance.

The School District's only obligation is to make deferrals and contributions as specified in this Contract. The School District has made no representations whatsoever regarding the limits and/or restrictions on contributions and deferrals, and the Superintendent is solely responsible for any taxes, social security payments, costs, penalties, interest, or any other amount assessed by federal or state authorities arising from contributions or deferrals to tax sheltered plans and he holds the School District harmless for any such claims.

**B. Other Professional and Business-Related Expenses**

1. The School District shall pay valid expenses, fees and dues associated with the Superintendent's attendance or participation in conferences, meetings, activities or events sponsored by professional associations or other organizations when the Superintendent's attendance or participation serves the best interest of the School District, as approved by the School Board. The School Board agrees to pay the BOSA membership fee each year. The Superintendent shall provide all necessary and appropriate documentation of such expenses to the School District to be processed and approved as provided by law and/or School District policies and procedures.

2. The School District shall provide the Superintendent an annual stipend for reasonable and necessary expenses incurred in conducting School District business, including, but not limited to the use of the superintendent's personal vehicle and technology. The stipend will be in the amount of \$4,800 spread evenly over 24 paychecks.

**G. Pony Activity Center Family Membership**

The School District shall provide free membership in the Pony Activity Center for the superintendent and his family during the term of this agreement.

**VIII. Salary**

The Superintendent shall be paid an annual base salary for each Contract year (July 1, through June 30) as follows:

2025-2026:	\$247,650
2026-2027:	\$255,150
2027-2028:	\$262,650

The Superintendent's annual salary may be modified, but shall not be reduced during the term of this Contract, unless the Superintendent voluntarily agrees to a freeze or reduction during the term of the Contract or as required pursuant to state law.

The salary pursuant to this Contract shall be paid in equal installments during the Contract year on regular paydays and shall cease upon termination of employment.

**IX. Other Compensation**

**A. Retention Stipend**

Beginning in 2025-2026 the Superintendent will receive a retention stipend of additional salary in an amount equivalent to 19 days of pay calculated at the daily rate of pay in Article V, Section C. In subsequent years, the number of paid days will increase by one additional day to a max of 21 days. The retention stipend shall be divided equally and

spread over 24 paychecks. If the Superintendent does not finish the contract year, the stipend will be prorated based on days worked.

**B. Advanced Doctorate Degree**

During each year covered by this Contract, the Superintendent will receive \$5,000 to be evenly divided over 24 paychecks for holding a doctorate degree from an accredited college or university, provided that the doctorate degree relates to the Superintendent's position within the District. The Board will be the final arbiter of whether the doctorate degree relates to the Superintendent's position.

**IX. Other Provisions**

**A. Outside Activities**

The Superintendent shall devote full-time and due diligence to the affairs and activities of the School District. If he intends to engage in outside activities that do not interfere in the performance of his duties, such as consulting, lectures or speaking engagements, he must receive advance permission from the School Board Chair. The Superintendent shall notify the School Board of any payment he has been offered or paid for outside activities for which he was absent from his duties for the School District, and such payment is subject to remittance to the School District.

**B. Indemnification and Provision of Counsel**

In the event an action is brought or a claim is made against the Superintendent arising out of or in connection with the Superintendent's employment, and he is acting within the scope of employment or official duties, the School District shall defend and indemnify the Superintendent to the extent permitted by law. Indemnification, as provided in this paragraph, shall not apply in the case of malfeasance in office or willful or wanton neglect of duty, and the obligation of the School District herein shall be subject to the limitations as provided in Minnesota Statutes, Chapter 466.

**C. Severability**

If any provision of this Contract is deemed unenforceable or held to be invalid by operation of law, the remainder of the Contract shall not be affected thereby and shall remain in full force and effect.

This Contract shall be effective only upon signatures of the Superintendent and the officers of the School Board after authorization for such signatures is given by School Board action.

**SUPERINTENDENT DR. MICHAEL FUNK**

IN WITNESS WHEREOF, I have subscribed my signature this 10<sup>th</sup> day of September, 2024.


  
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Dr. Michael Funk, Superintendent

**INDEPENDENT SCHOOL DISTRICT NO. 834, STILLWATER AREA PUBLIC SCHOOLS**

IN WITNESS WHEREOF, I have subscribed my signature this 10<sup>th</sup> day of September, 2024.

IND. SCHOOL DISTRICT 834

  
\_\_\_\_\_  
Alison Sherman, School Board Chair

  
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Beverly Petrie, School Board Clerk

