EMPLOYMENT AGREEMENT

JULY 1, 2025 - JUNE 30, 2028

DONALD PESCHEL

SUPERINTENDENT

AND

INDEPENDENT SCHOOL DISTRICT #0743

SAUK CENTRE, MINNESOTA

SUPERINTENDENT CONTRACT

ARTICLE I
PURPOSE

This Contract is entered into between Independent School District No.0743, Sauk Centre, Minnesota, hereinafter referred to as the School District, and Donald J Peschel, hereinafter referred to as the Superintendent, a legally qualified and licensed superintendent who agrees to perform the duties of the Superintendent of the School District.

ARTICLE II
APPLICABLE STATUTE

This Contract is entered into between the School District and the Superintendent in conformance with M.S. 123B.143.

ARTICLE III
LICENSE

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

ARTICLE IV
DURATION, EXPIRATION, TERMINATION DURING THE TERM, MUTUAL CONSENT, AND CONTINGENCY

Section 1. Duration: This Contract is for a term of three (3) years commencing on July 1, 2025, and ending on 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 in this Contract.

Section 2. Expiration: This Contract shall expire at the end of the term specified in Section 1. above. At the conclusion of its term, neither party shall have any further claim against the other, and the School District's employment of the Superintendent shall cease, unless a subsequent Contract is entered into in accordance with M.S. 123B.143, Subd. 1. Six (6) to nine (9) months prior to the expiration of this Contact, at the Superintendent's written request, the School board shall conduct a performance evaluation of the Superintendent pursuant to M.S. 13D.05, Subd. 3.

Section 3. Termination During the Term: The Superintendent's employment may be terminated during the term of this Contract only for cause as defined in M.S. 122A.40, Subd. 9. and Subd. 13., but, except for purposes of describing grounds for discharge, the provisions of M.S. 122A.40 shall not be applicable. If the School Board proposes to terminate the Superintendent during the term of this Contract for cause as described in M.S. 122A.40, Subd. 9. 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) calendar days after receipt of the written notice of the proposed termination. In such event, the parties shall jointly petition the Minnesota Bureau of Mediation Services (BMS) for a list of five (5) arbitrators. The arbitrator shall be selected by the parties through the 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 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 in this section within the fifteen (15)-day calendar period, he/she 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.

Section 4. Mutual Consent: This Contract may be terminated at any time by mutual consent of the School Board and the Superintendent.

Section 5. 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.

ARTICLE V
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 School District employees 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 procedures deemed necessary for the School District; and, in general, perform all duties incident to the office of the Superintendent and such other duties as may be prescribed by the School Board from time to time. The Superintendent shall abide by the policies, regulations, rules, and procedures established by the School Board and the State of Minnesota. The Superintendent shall have the right to attend all School Board meetings and all School Board and citizen committee meetings, serve as an ex-officio member of the School Board and all School Board committees, and provide administrative recommendations on each item of business considered by each of these groups.

ARTICLE VI
DUTY YEAR AND LEAVES OF ABSENCE

Section 1. Basic Work Year: The Superintendent's duty year shall be for the entire twelve (12)-month Contract year, and the Superintendent shall perform duties on those legal holidays on which the School Board 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.

Section 2. Vacation: The Superintendent shall earn twenty five (25) working days of paid vacation each Contract year. No more than one-half (1/2) of the vacation days provided annually can be carried forward to the next year, and at no time shall the maximum accrued days exceed 37 days. Upon voluntary termination of employment, by retirement or resignation, the Superintendent shall be entitled to payment for any unused vacation days earned and accrued pursuant to the provisions of this section; however, if the Superintendent is involuntarily terminated, he/she shall not be entitled to unused earned and accrued vacation days. If the Superintendent dies before all or a portion of the earned vacation days have been used, the amount shall be paid to a named beneficiary or to the Superintendent's estate.

Section 3. Attendance Incentive: The School District shall pay the Superintendent for up to five (5) days of unused vacation days per year when requested by the Superintendent. The payment will be based on the Superintendent's daily rate of base annual salary divided by 260 and will be paid in June of the year requested.

Section 4. Holidays: The Superintendent shall be entitled to 10 paid holidays as follows:

Independence Day
Labor Day
Thanksgiving Day
Thanksgiving Friday
Christmas Eve Day
Christmas Day
New Year's Eve Day
New Year's Day
Good Friday
Memorial Day
Juneteenth

Section 5. Sick Leave: The Superintendent shall earn paid sick leave at the rate of 2 day(s) each working month, and earned sick leave may accumulate to a maximum of 120 days. Upon voluntary termination of employment, the Superintendent shall be entitled to payment for any unused sick leave days earned and accrued pursuant to the provisions of this section; however, if the Superintendent is involuntarily terminated, he/she shall not be entitled to unused earned and accrued sick leave days.

Section 6. Workers' Compensation: Pursuant to M.S. Chapter 176, the Superintendent injured on the job in the service of the School District and collecting workers' compensation insurance may draw sick leave and receive full salary from the School District, the salary to be reduced by an amount equal to the insurance payments, and only that fraction of the days not covered by insurance will be deducted from accrued sick leave.

Section 7. Bereavement Leave: The Superintendent shall be granted bereavement leave for a death within the Superintendent's immediate family. The time utilized shall be in an amount to be determined after conferring with the School Board Chair. Days utilized will not be deducted from the Superintendent's sick leave. "Immediate family" is defined as the Superintendent's spouse, child, parent, brother, sister, or other relative who was living in the same household as the Superintendent.

Section 8. Emergency Leave: The Superintendent may be granted paid emergency leave at the discretion of the School Board.

Section 9. Jury Service: The Superintendent who serves on jury duty shall be granted the day or days necessary as stipulated by the court to discharge this responsibility without any salary deduction or loss of basic leave allowance. The compensation received for jury duty service shall be remitted to the School District.

Section 10. Military Leave: Military leave shall be granted pursuant to applicable law.

Section 11. Disability: If the Superintendent is unable to perform his/her regular duties because of personal illness or disability and has exhausted all accumulated sick leave, the School Board shall provide additional paid sick leave at a salary equal to 50 percent of the Superintendent's regular salary until the expiration of the waiting period for long-term disability insurance.

Section 12. Medical Leave: Pursuant to M.S. 122A.40, Subd. 12., the Superintendent shall have a right to a leave of absence for health reasons.

Section 13. Insurance Application: A Superintendent on unpaid leave is eligible to continue to participate in group insurance programs if permitted under the insurance policy provisions. The

Superintendent shall pay the entire premium for such insurance commencing with the beginning of the leave and shall pay to the School District the monthly premium in advance. In the event the Superintendent is on paid leave from the School District under Section 4. above or supplemented by sick leave pursuant to Section 5. above, the School District will continue insurance contributions as provided in this Contract until sick leave is exhausted. Thereafter, the Superintendent must pay the entire premium for any insurance retained.

ARTICLE VII
INSURANCE

Section 1. Health and Hospitalization: The School District shall provide the Superintendent and the Superintendent's dependents with health and hospitalization insurance coverage under the School District's group health and hospitalization insurance plans and shall contribute an amount equal to the cost of family coverage of the insurance plan the Superintendent chooses. If the Superintendent elects a high deductible HSA eligible plan the district will fully fund the HSA up to the individual IRS maximum for that calendar year until the employee retires.

In the event this insurance contribution will cause or does cause penalties, fees, or fines to be assessed against the School District, the parties agree to reopen negotiations that result in a revised Contract between the parties that eliminates or reduces penalties, fees, or fines to be assessed against the School District. The amount of any reduction in the School District's contribution toward the Superintendent's healthcare benefits as a result of addressing the "highly compensated employee" component of the ACA will be placed into another School District provided benefit(s) (i.e., a retirement HRA, salary, etc.) as agreed upon between the parties.

Section 2. Life Insurance: The School District shall contribute up to $600.00 per year towards the cost of life insurance for the Superintendent.

Section 3. Long-Term Disability Insurance: The School District shall provide, at its own expense, long-term disability insurance for the Superintendent under the School District's group long-term disability insurance plan.

Section 4. Eligibility: The eligibility of the Superintendent and the Superintendent's dependent(s) and beneficiary(ies) for insurance benefits shall be governed by the terms of the insurance policies purchased by the School District pursuant to this article.

Section 5. Claims Against the School District: The School District's only obligation is to purchase the insurance policies described in this article, and no claim shall be made against the School District as a result of denial of insurance benefits by an insurer if the School District has purchased the policies and paid the premiums described in this article.

ARTICLE VIII
OTHER BENEFITS

Section 1. Tax-Sheltered Annuities: The Superintendent is eligible to participate in a tax-sheltered annuity plan through payroll deduction established pursuant to Section 403(b) of the Internal Revenue Code of 1986, M.S. 123B.02, Subd. 15., School District policy, and as otherwise provided by law.

Subd. 1. The district shall match eligible annual administrator contributions in the amount of up to $4,000.00 per year. The superintendent shall be considered fully vested upon commencement of their fourth year of service to the District.

Subd. 2. The maximum career matching contribution by the District shall not exceed $40,000 for superintendent otherwise qualifying under this section.

Subd. 3. Prior to July 1 of any year, the superintendent shall declare his/her intent to participate in a 403b matching program contribution plan by submitting a signed Intent to Participate form to the Payroll Department. Responsibility for filing said form is solely the responsibility of the superintendent. An Intent to Participate form shall be binding until a written and signed withdrawal of participation is provided to the Payroll Department. In order for the Intent to Participate form to be valid, it is the superintendents responsibility to have all vendor accounts established and all vendor forms appropriately completed and signed. Failure on the part of the superintendent to do so will void any School District match for said year.

Subd. 4. The superintendent may, through payroll deduction, as indicated on the Intent to Participate form, contribute any dollar amount in excess of the District contribution, provided that they are responsible for and comply with all applicable rules and statutes.

Subd. 5. The District and the superintendent will direct their contributions to the same vendor, to a maximum of two. The District's contribution will match the superintendent's contribution dollar-for-dollar, up to the yearly District maximum.

Subd. 6. Contributions as defined on the annual Intent to Participate form shall be made monthly, for twelve months, July through June.

Subd. 7. The Superintendent shall choose a vendor from the School District's established list in order to participate.

Subd. 8. Management of both the portfolio of individual investments and the District contributions shall be solely the responsibility of the superintendent in whose name these investments have been made. The District assumes no current or future liability for contributions made to these plans or for investment earnings (losses) which may accrue to these portfolios as a result of investment decisions which are made by the superintendent.

The superintendent is not to construe any plan or the District contributions to any plan or the opportunity of the superintendent to match such contributions as legal, tax, or investment advice by the District. The superintendent should consult his/her own attorney, accountant, and investment advisor as to legal, tax, and investment issues relating to contributions in any plan. The District has neither reviewed nor approved any investment programs which the superintendent may obtain by way of contributions under any plan.

Each superintendent agrees to indemnify and hold harmless the District from any adverse investment experience arising from or connected with contributions to any plan.

Subd. 9. There shall be no District contribution for any superintendent on a leave of absence.

Section 2. Vehicle: The superintendent may use their personal vehicle in the performance of school business and mileage will be paid at the rate set by the School Board in District Policy. All said usage shall be limited to trips with a radius under 150 miles and under no circumstance will any student, that is not their

child, be transported while on school business.

Section 3. Conferences and Meetings: The School District shall pay all legally valid expenses and fees for the Superintendent's attendance at professional conferences and meetings with other educational agencies when such attendance is required, directed, or permitted by the School Board. The Superintendent shall periodically report to the School Board relative to all meetings and conferences attended. The Superintendent shall file itemized expense statements to be processed and approved as provided by School Board policy and law.

ARTICLE IX
SALARY

The Superintendent shall be paid an annual salary of $158,821for the 2025-2026 contract year, $163,585 for the 2026-2027 contract year and the salary for the 2027-2028 contract year will be negotiated by May 1st 2027. During the term of this contract, the annual salary may be modified but shall not be reduced. The annual salary shall be paid in 24 equal installments during the contract year.

Upon the superintendent's retirement an amount of insurance to be paid by the district will be negotiated by May 1st, 2027. This benefit will be effective until the superintendent is eligible for Medicare and not exceed the coverage that had been provided to the superintendent during the employed term.

ARTICLE X
OTHER PROVISIONS

Section 1. Outside Activities: While the Superintendent shall devote full time and due diligence to the affairs and the activities of the School District, he/she may also serve as a consultant to other school districts or educational agencies, lecture, engage in writing and speaking activities, and engage in other activities if, as solely determined by the School Board, such activities do not impede the Superintendent's ability to perform the duties of the superintendency. However, the Superintendent may not engage in other employment, consultant service, or other activity for which a salary, fee, or honorarium is paid without the prior approval of the School Board.

Section 2. Indemnification and Provision of Counsel: In the event that an action is brought or a claim is made against the Superintendent arising out of or in connection with his/her employment and the Superintendent is acting within the scope of employment or official duties, the School District shall defend and indemnify the Superintendent to the extent provided by law. Indemnification, as provided in this section, shall not apply in the case of malfeasance in office or willful or wanton neglect of duty, and the obligation of the School District in this regard shall be subject to the limitations as provided in M.S. Chapter 466.

Section 3. Dues: The Superintendent is encouraged to belong to and participate in appropriate professional, educational, economic development, community, and civic organizations when such membership will serve the best interests of the School District. Accordingly, the School District will pay the membership dues for such organizations as are required, directed, or permitted by the School Board. The Superintendent shall present appropriate statements for approval as provided by law.

Section 4. Medical Examination: The Superintendent shall have a comprehensive medical examination not less than once every 3 years. A summary document from the physician certifying the fitness of the Superintendent to perform the duties of the position shall be provided to the School Board Chair. The cost of said examination not covered by the School District's insurance program shall be paid by the School District.

Section 5. Public Relations: The Office of the Superintendent shall have a budget line item in the amount of $1,500.00 annually that shall be used for public relations purposes. Appropriate accounting shall be provided the District by the Superintendent. Superintendent shall provide a yearly report to the Board of Education of annual usage.

ARTICLE XI
SEVERABILITY

The provisions of this Contract shall be severable, and if any such provision or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of this Contract or the application of any provision thereof.

IN WITNESS WHEREOF, I have subscribed my signature this 16th day of June, 2025

Superintendent

IN WITNESS WHEREOF, we have subscribed our signatures this 16th day of June, 2025.

School Board Chair

School Board Clerk