EAGLE MOUNTAIN-SAGINAW INDEPENDENT SCHOOL DISTRICT

Annual Financial Management Report

(A report on the School FIRST Accountability Rating System)

For the 2019-2020 School Year

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Overview of School FIRST (Financial Integrity Rating System of Texas)

This is the 18th year of Schools FIRST, a financial accountability system for Texas school districts developed by the Texas Education Agency (TEA) in response to Senate Bill 875 of the 76th Texas Legislature in 1999. Every school district in Texas is required to prepare an annual financial management report to disclose the district's financial management performance rating provided by TEA based on its comparison with financial measurements, ratios, and other indicators established by the Commissioner of Education for the State's Financial Accountability System. The rating is based on financial data for the 2018-2019 school year.

The primary goal of Schools FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system. Its purpose is also to ensure that school districts will be held accountable for the quality of their financial management practices. The system is designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes. The system will also disclose the quality of local management and decision-making processes that impact the allocation of financial resources in Texas public schools.

The Texas Education Agency assigned one of four financial accountability ratings to Texas school districts, with the highest being "A" for "Superior Achievement," followed by "B" for "Above Standard Achievement," "C" for "Meets Standard Achievement" and "F" for "Substandard Achievement."

The Schools FIRST accountability rating system assigns one of the four financial accountability ratings to Texas school districts, with the highest being "Superior Achievement," followed by "Above Standard Achievement," "Meets Standard Achievement" and "Substandard Achievement." Districts with serious data quality problems may receive the additional rating of "Suspended-Date Quality." Those districts that receive a substandard or data quality rating must file a corrective action plan with TEA and could face sanctions by the Commissioner of Education.

In order to achieve a Superior Achievement rating the district must have a score of 90-100. Above-Standard Achievement would require a score of 80-89. Standard Achievement would require a score of 60-79 and Substandard is less than 60 or "No" to any one indicator 1, 2, 3, 4, or 5.

EMS Independent School District's Rating

Eagle Mountain-Saginaw ISD's 2019-2020 School FIRST rating: **Superior Achievement.**

Of the 15 indicators for the financial period ended August 31, 2019, the district has all "Yes" answers on questions 1 through 4; and received the score of 96 out of 100 points on questions 6 through 15. The report generated by TEA for the Eagle Mountain-Saginaw ISD based on 2018-2019 district data follows along with the overall result for all districts in the state. A copy of district's report for 2018-2019 is included for comparative purposes.

Financial Integrity Rating System of Texas

2019-2020 RATINGS BASED ON SCHOOL YEAR 2018-2019 DATA - DISTRICT STATUS DETAIL

Name: EAGLE MT-SAGINAW ISD(220918)	**Publication Level 1:** 8/6/2020 9:26:37 AM
Status: Passed	**Publication Level 2:** 8/6/2020 11:17:34 AM
Rating: A = Superior	**Last Updated:** 8/6/2020 11:17:34 AM
District Score: 96	**Passing Score:** 60

#	Indicator Description	Updated	Score
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?	3/30/2020 2:49:54 PM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	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.)	3/30/2020 2:49:54 PM	Yes
2.B	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.)	3/30/2020 2:49:54 PM	Yes
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.)	3/30/2020 2:49:55 PM	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 government agencies?	3/30/2020 2:49:55 PM	Yes
5	This indicator is not being scored.		
			1 Multiplier Sum
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.)	3/30/2020 2:49:55 PM	10
7	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)	3/30/2020 2:49:56 PM	6

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 increase of students in membership over 5 years was 7 percent or more, then the school district passes this indicator. See ranges below.	3/30/2020 2:49:56 PM	10
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?	3/30/2020 2:49:56 PM	10
10	Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)	3/30/2020 2:49:58 PM	10
11	Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)	3/30/2020 2:49:58 PM	10
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.)	3/30/2020 2:49:59 PM	10
13	Did the comparison of Public Education Information Management System (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?	3/30/2020 2:50:00 PM	10
14	Did the external independent auditor indicate 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.)	3/30/2020 2:50:01 PM	10
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?	3/30/2020 2:50:01 PM	10
			96 Weighted Sum
			1 Multiplier Sum
			96 Score

DETERMINATION OF RATING

A.	Did the district answer '**No**' to Indicators 1, 3, 4, or 2.A? If so, the school district's rating is **F for Substandard Achievement** regardless of points earned.	
B.	Determine the rating by the applicable number of points. (Indicators 6-15)	
	A = Superior	90-100
	B = Above Standard	80-89
	C = Meets Standard	60-79
	F = Substandard Achievement	<60

No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.

Financial Integrity Rating System of Texas

2018-2019 RATINGS BASED ON SCHOOL YEAR 2017-2018 DATA - DISTRICT STATUS DETAIL

Name: EAGLE MT-SAGINAW ISD(220918)	**Publication Level 1:** 8/7/2019 3:33:27 PM
Status: Passed	**Publication Level 2:** 8/8/2019 2:06:12 PM
Rating: C = Meets Standard	**Last Updated:** 8/8/2019 2:06:12 PM
District Score: 76	**Passing Score:** 60

#	Indicator Description	Updated	Score
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?	8/6/2019 12:30:57 AM	Yes
2	Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	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.)	8/6/2019 12:30:57 AM	Yes
2.B	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.)	8/6/2019 12:30:57 AM	Yes
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.)	8/6/2019 12:30:57 AM	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 government agencies?	8/6/2019 12:30:58 AM	Yes
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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.)	8/6/2019 12:30:58 AM	10
7	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)	8/6/2019 12:30:58 AM	6
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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?	8/6/2019 12:31:00 AM	10
10	Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)	8/6/2019 12:31:00 AM	0
11	Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)	8/6/2019 12:31:01	10

		AM	
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.)	8/6/2019 12:31:02 AM	10
13	Did the comparison of Public Education Information Management System (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?	8/6/2019 12:31:03 AM	10
14	Did the external independent auditor indicate 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.)	8/6/2019 12:31:03 AM	10
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?	8/6/2019 12:31:03 AM	10
			76 Weighted Sum
			1 Multiplier Sum
			76 Score

DETERMINATION OF RATING

A.	Did the district answer '**No**' to Indicators 1, 3, 4, or 2.A? If so, the school district's rating is **F for Substandard Achievement** regardless of points earned.	
B.	Determine the rating by the applicable number of points. (Indicators 6-15)	
	A = Superior	90-100
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Disclosures

1. Superintendent's Current Employment Contract
2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2019
3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2019
4. Gifts Received by the Executive Officer(s) and Board Members (and First-Degree Relatives, if any) in Fiscal Year 2019
5. Business Transactions Between School District and Board Member for Fiscal Year 2019

Disclosures

1. Superintendent's Current Employment Contract

SUPERINTENDENT'S EMPLOYMENT CONTRACT

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TARRANT §

THIS SUPERINTENDENT'S EMPLOYMENT CONTRACT ("Contract") is made and entered into effective the 21st day of November, 2019; by and between the Board of Trustees, ("Board") of the Eagle Mountain-Saginaw Independent School District ("District") and Jim F. Chadwell ("Superintendent").

I.

TERM OF EMPLOYMENT

The Board, by and on behalf of the District, does hereby employ the Superintendent under Section 11.201(b) and Section 21.201 *et seq.* of the Texas Education Code as Superintendent of the District, and the Superintendent does hereby accept employment as Superintendent of Schools for the District for a term commencing on November 21, 2019 and ending on August 31, 2023. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend or renegotiate the Contract to a term permitted by state law. This Contract creates no property interest of any kind beyond the period of time stated in the Contract.

II.

EMPLOYMENT

2.1. **Duties.** The Superintendent shall be the chief executive officer and educational leader 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 administer the School District in accordance with all lawful Board directives, state and federal law, and District policy, rules and regulations, as they exist or may hereafter be amended, such laws, policies, rules, and regulations being expressly made a part of this Contract.

Specifically, it shall be the duty of the Superintendent to recommend for employment or hire all new personnel for the District subject to and consistent with the Board's policies and state and federal law. It shall be the further duty of the Superintendent to direct, assign, reassign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. It shall further be the duty of the Superintendent to organize, reorganize and arrange the staff of the District subject to Board policies and state and federal law and to develop and establish administrative regulations, rules and procedures which the Superintendent deems necessary for the efficient and effective operation of the District and which are consistent with the Board policies and state and federal law. It shall be the further duty of the Superintendent to accept all resignations of employees of the District, consistent with the Board's policies, except

that the Superintendent's resignation must be accepted by the Board. The Superintendent shall perform his duties for the District to the best of his ability. 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. **Board Meetings**. The Superintendent shall attend all meetings of the Board, both public and closed, and shall participate in the deliberations of the Board on all matters with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, to the Superintendent's salary and benefits as set forth in the Contract and/or the Superintendent's evaluation, to the resolving of conflicts between individual Board members, or when the Board is acting in its capacity as a tribunal and the Superintendent has appeared as a party or presented on behalf of the District in the hearing. In the event of illness or Board-approved absence, the Superintendent's designee shall attend such meetings.

2.3. **Board Committee Meetings**. The Superintendent shall be an ex-officio member of all committees of the Board and shall attend all Board Committee Meetings and Board-authorized and approved citizen committee meetings. Further, the Superintendent shall provide recommendation(s) and/or information as to each of the items of business considered at each meeting as needed or requested by the Board.

2.4. **Criticisms, Complaints, and Suggestions**. 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.

2.5. **Professional Certification**. The Superintendent shall at all times during the term of this Contract, and any renewal or extension thereof, hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the Texas Education Agency.

2.6 **Reassignment**. The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.

2.7 **Indemnification**. To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District does hereby agree to defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Superintendent in the Superintendent's individual or official capacity as an employee and as Superintendent of the District, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees, arose or does arise in the future from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment 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; 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 2.7 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this Section 2.7 shall survive the termination of this Contract.

III.

COMPENSATION

3.1. **Salary**. The District shall provide the Superintendent with an annual salary in the sum of THREE HUNDRED SEVEN THOUSAND TWO HUNDRED SEVENTY DOLLARS AND 00/100 DOLLARS ($307,270.00). This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies, and on a pro-rated basis for any partial contract year (July 1 of each year to June 30 of the following year). This salary provision shall replace and supersede immediately any salary provision in previous contracts between the parties.

3.2. **Salary Adjustments**. 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 pursuant to Section 3.1 of this Contract. Such adjustments, if any, shall be in the form of a written addendum to this Contract or a new contract, and such adjustment shall be exclusive of any insurance policy or other benefits, unless specifically provided in the addendum or new contract. If such adjustments are made during a contract year, the new salary shall not become effective until the beginning of the next full contract year unless made effective at a different time by action of the Board.

3.3. **Other Benefits**

3.3.1. **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 the reasons of district-related travel to destinations outside of Tarrant County, Denton County, Wise County and Dallas County; such costs may include, but are not limited to, gasoline, mileage, hotels and accommodations, meals, rental car and other expenses incurred in the performance of the business of the District. Superintendent shall provide documentation for such expenses in accordance with District policy.

3.3.2. **Vacations, Holidays, Sick Leave**. The Superintendent shall be privileged to take, at the Superintendent's choice, the same number of days of vacation authorized by policies adopted by the Board for administrative employees 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 times or times as will least interfere with the performance of the Superintendent's duties as set forth in the Contract.

The Superintendent shall observe the same legal holidays as provided by Board policies for administrative employees on twelve-month contracts. The term "legal holiday(s)" includes days for which the District's central administration office is closed. The Superintendent is hereby granted the same number of illness benefits and leave as authorized by Board policies for administrative employees on twelve-month contracts.

3.3.3. **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 and participation in appropriate professional meetings at the local, regional, state and national levels. The Board shall also encourage the participation of the Superintendent in pertinent education seminars and courses by public or private institutions or by educational associations, as well as the participation in the informational meetings with those individuals whose particular skills, expertise or backgrounds would serve to improve the capacity of the Superintendent to perform the Superintendent's professional responsibilities for the District. In its encouragement of the Superintendent to grow professionally, the District 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, which the Superintendent and Board mutually agree are necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable costs and expenses for such attendance or membership.

3.3.4. **Civic Activities**. The Board encourages the Superintendent to become a member of and participate in community and civic affairs, including the chamber of commerce, civic clubs, governmental committees, and educational organizations. 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 his duties as Superintendent. The Superintendent will communicate with the Board regarding such activities. The Board shall notify the Superintendent if the activity presents a conflict or interferes with the performance of his duties as Superintendent. The District shall reimburse the Superintendent for the cost of membership in all local civic organizations in which the

Superintendent participates and related travel outside of the District, subject to advance Board approval.

3.3.5. **Outside Employment and Consulting Activity**. The Superintendent may serve as a consultant or undertake speaking engagements, writing, teaching or other professional duties and obligations outside the District (referred to collectively herein as "Consulting Services") that do not conflict or interfere with the Superintendent's professional responsibilities to the District. Any Consulting Services of the Superintendent requires Board approval in advance of accepting such Consulting Services. To the extent allowed by law, the Superintendent may accept a reimbursement of expenses for such Consulting Services at no expense to the District. Prior to the Superintendent leaving the District for consulting purposes, the Superintendent shall notify the Board President regarding the dates and length of time the Superintendent will be out of the District for each consultation. Consulting Services provided by the Superintendent under the terms and conditions of this paragraph must be consistent with state and federal law.

3.3.6. **Employee Benefit Plans**. The Superintendent shall be entitled to participate in 401(a) and 457 Employee Benefit Plans established by the District under the same terms and conditions set out in the plan document for such plans applicable to all employees of the District. The Superintendent may participate in a salary reduction agreement with the District as provided by Section 403(b) of the Internal Revenue Code and guidelines established by the Texas Teacher Retirement System.

3.3.7. **Teacher Retirement System.**

The District shall supplement the Superintendent's annual salary by an amount equal to one-hundred percent (100%) of the Superintendent's portion of the monthly member contribution to the Texas Teacher Retirement System ("TRS") beginning on November 21, 2019 and continuing for the term of this Contract, with any extensions made by the Board for performance of Superintendent duties. This supplement shall include both the retirement and TRS-Care parts of the TRS member contribution, as applicable. This additional salary supplement shall be paid to the Superintendent in regular monthly payroll installments and shall be reported as "creditable compensation" by the District for purposes of TRS, to the extent permitted by TRS.

3.3.8. **Life Insurance**. The District shall reimburse the Superintendent up to ONE HUNDRED EIGHTY-FIVE AND No/100 DOLLARS ($185.00) per month for a life insurance policy to be purchased and administered by the Superintendent. Ownership of any policy purchased is vested in the Superintendent and the Superintendent shall have the sole right to select the beneficiary(ies) under the policy.

3.3.9. **Health Insurance**. The District shall pay the same premiums for hospitalization and major medical insurance coverage for the Superintendent pursuant to the group health care plan provided by the District for its administrative employees.

3.3.10. **Supplemental Retirement Plan**. For each payroll period during the term of this Contract or any Renewal Term and provided that the Superintendent executes a salary deferral agreement in accordance with the requirements of Section 403(b) and/or 457(b) of the Internal

Revenue Code (the "**Code**") in the amount of the salary deferral contribution, the District shall contribute TWENTY-FIVE THOUSAND and no/100 Dollars ($25,000.00) annually to the Salary of the Superintendent, paid in equal monthly installments, as a salary deferral contribution to a plan established by the District under Section 403(b) of the Code (the "**Superintendent's Annuity**"), which may include investments as allowed under Section 403(b)(7) of the Code, at the Superintendent's option. This contribution shall be treated as a salary deferral contribution under the Code and shall be reported as "creditable compensation" by the District for purposes of the Teacher Retirement System of Texas.

3.4 **Nepotism.** Superintendent and District agree that Superintendent shall not employ persons related to Superintendent within the degree of relationship set forth in Chapter 573.002 of the Texas Government Code, as further defined by Chapter 573.

IV.

PHYSICAL CONDITION AND DISABILITY

4.1 **Annual Physical Examination**. The Superintendent shall undergo an annual physical examination performed by a licensed physician of the Superintendent's choice. The Board authorizes the Superintendent to undergo the Standard Cooper Clinic Physical Fitness Exam provided by the Cooper Clinic on an annual basis. The physician shall submit a confidential statement to the Board 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. The District shall pay all costs of the annual physical examination.

4.2 **Disability**.

a. **Disability Procedure**. Should the Superintendent be unable to perform any or all of the essential functions of the material duties of his position by reason of illness, accident, etc., following complete exhaustion of all accrued vacation and sick leave, the Superintendent shall be placed on unpaid leave from the District upon a determination of Long Term or Permanent Disability as hereinafter provided; provided, however, that the Board, in its discretion, may continue to pay the Superintendent the amount for a period the Board deems appropriate.

b. **Long Term or Permanent Disability**. Long Term or Permanent Disability means a disability which renders the Superintendent incapable of performing any or all of the essential functions of the Superintendent's material duties or obligations of employment for a period which exceeds one hundred and eighty (180) business days or such an incapacity that is irreparable.

c. **Determination of Long Term or Permanent Disability**. The determination of

Long Term or Permanent Disability will be made by the Board based on a physical examination performed by a licensed physician selected by the Superintendent. The Board may obtain a second opinion from another licensed physician. The costs of the physical examinations provided for herein shall be paid by the District.

d. **Action of the Board.** In the event that the disability of the Superintendent is a Long Term or Permanent Disability, as defined in subparagraph (b) of the paragraph, the Board, may, in its discretion, and upon a re-determination of disability under subparagraph (c), terminate this Contract by providing the Superintendent with written notice of such termination.

e. **Disability Insurance.** The District shall pay the premiums for Disability Insurance for a plan offered by the District that provides coverage for the Superintendent after 180 days of "Long Term or Permanent Disability" as defined in Section 4.2(b) of this contract.

V.

ANNUAL PERFORMANCE GOALS

5.1. **Annual Goals**. The Superintendent shall submit to the Board a preliminary list of goals for the District in January of each year, or at another time agreed to by the Board and Superintendent, for the Board's consideration and adoption. The Superintendent and the Board shall then meet, and the Board shall approve or revise the list of goals. The Superintendent shall submit to the Board for its approval a plan to implement the goals. The Superintendent and the Board shall meet biannually to assess the goals and may adjust or revise the goals either by action of the Board or upon recommendation of the Superintendent and approval of the Board.

5.2. **Performance Criteria**. The goals developed by the Superintendent and approved by the Board shall at all times be reduced to writing and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated. The Board agrees to work with and support the Superintendent in implementing these goals.

VI.

REVIEW OF PERFORMANCE

6.1. **Time and Basis of Evaluation**. The Board shall evaluate and assess in writing the performance of the Superintendent during the month of November each year during the term of this Contract, or at another time agreed to by the Board and Superintendent. The evaluation and assessment shall be reasonably related to the duties of the Superintendent and the goals and objectives approved by the Board for the year of evaluation.

6.2. **Confidentiality**. The evaluation of the Superintendent shall at all times be

conducted in executive session unless a public hearing is requested by the Superintendent, and the evaluation and information concerning the evaluation, of whatever nature, shall be considered confidential information, as provided 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.

6.3. **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 his receipt of the evaluation. That response shall become a permanent attachment to the evaluation in the Superintendent's personnel file. Within thirty (30) 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. It is also agreed that the Superintendent and Board will hold at least a semi-annual evaluation conference in June of each year, or at another time agreed to by the Board and Superintendent, with a format agreeable to both sides. 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.

VII.

RENEWAL/NONRENEWAL OF EMPLOYMENT CONTRACT

7.1. **Extension**. Following the annual evaluation of the Superintendent, the Board may consider extension of the Superintendent's contract.

7.2. **Non-renewal**. Non-renewal shall be in accordance with Board policy and applicable state and federal law, and the Superintendent shall be afforded all applicable rights as set forth in Board policies and state and federal law.

7.3. **Non-renewal Procedure**. In the event the Board proposes to not renew this Contract, the Superintendent shall be afforded all applicable rights as set forth in the Board's policies and state and federal law. Notwithstanding anything to the contrary in Section 21.212(a) of the Texas Education Code, the Superintendent shall be entitled to written notice, containing reasonable notice of the reason for the proposed nonrenewal, not later than 90 days before the last day of the contract term.

VIII.

TERMINATION OF EMPLOYMENT CONTRACT

8.1. **Mutual Agreement**. This Contract shall be terminated by the mutual agreement of the Superintendent and the Board in writing, upon such terms and conditions as may be mutually agreed upon.

8.2. **Retirement, Death**. This Contract shall be terminated upon the retirement or death of the Superintendent.

8.3. **Resignation**. The Superintendent may relinquish the position and duties of the Superintendent and leave the employment of the District at the end of any school year without penalty, provided the Superintendent submits a resignation in writing to the Board ninety (90) days prior to the first day of instruction of the following school year.

8.4. **Dismissal for Good Cause**. The Board may dismiss the Superintendent at any time for good cause. Good cause shall include, but shall not be limited to, those reasons set forth in Board policy BJCF (LOCAL) and the following:

(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; or,
(q) Any other reason constituting "good cause" under Texas law.

8.5. **Termination Procedure**. In the event that the Board terminates this Contract, the Superintendent shall be afforded all the rights as set forth in the Board's policies and state and federal law.

IX.

MISCELLANEOUS

9.1. **Controlling Law**. The Contract shall be governed by the laws of the State of Texas and shall be performable in Tarrant County, Texas. Venue for any legal action arising under this Agreement shall be in a state court of competent jurisdiction in Tarrant County, Texas, unless state or federal laws require a different venue.

9.2. **Complete Agreement**. This Contract embodies the entire agreement between the parties hereto and cannot be varied except by written agreement of the undersigned parties.

9.3 **Conflicts**. In the event of any conflict between the terms, conditions, and provisions of this Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.

9.4. **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 hereto 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 on this 16th day of December, 2019.

EAGLE MOUNTAIN-SAGINAW
INDEPENDENT SCHOOL DISTRICT

By: _____

Steven G. Newcom, President, Board of Trustees
Address: 1200 Old Decatur Road
Fort Worth, TX 76179

SUPERINTENDENT

_____

Jim F. Chadwell
Address: 1200 Old Decatur Road
Fort Worth, TX 76179

Disclosures *(continued)*

2. Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2019

For the Twelve-Month Period Ended August 31, 2019

Description of Reimbursements	Jim F. Chadwell Superintendent	Marilyn Tolbert Trustee - Place 1	Paige Ring Trustee - Place 2	Tim Daughtrey Trustee - Place 3	William Boaz Trustee - Place 4	Steven G. Newcom Trustee - Place 5	Liz Hatley Trustee - Place 6	Donna Webb Trustee - Place 7
Meals	$35.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Lodging	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
*Transportation	$926.62	$292.88	$0.00	$0.00	$0.00	$0.00	$88.00	$0.00
Other	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total	**$961.62**	**$292.88**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$88.00**	**$0.00**

Description of Reimbursements	Kristin Courtney	Dick Elkins
Meals	$0.00	$0.00
Lodging	$0.00	$0.00
*Transportation	$0.00	$220.18
Other	$0.00	$0.00
Total	**$0.00**	**$220.18**

*As stipulated in the contract, reimbursements are for district related travel costs outside of Tarrant County, Denton County, Wise County, and Dallas County.

3. Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2019

For the Twelve-Month Period Ended August 31, 2019

Name(s) of Entity(ies)	
None Reported	$0.00
Total	**$0.00**

Note: Money's earned at Region XI are remitted to the Education Foundation.

Disclosures *(continued)*

4. Gifts Received by the Executive Officer(s) and Board Members (and First-Degree Relatives, if any) in Fiscal Year 2019

For the Twelve-Month Period Ended August 31, 2019

	Jim F. Chadwell Superintendent	Marilyn Tolbert Trustee - Place 1	Paige Ring Trustee - Place 2	Tim Daughtrey Trustee - Place 3	William Boaz Trustee - Place 4	Steven G. Newcom Trustee - Place 5	Liz Hatley Trustee - Place 6	Donna Webb Trustee - Place 7
None Reported	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

	Kristin Courtney	Dick Elkins
None Reported	$0.00	$0.00
Total	**$0.00**	**$0.00**

5. Business Transactions Between School District and Board Member for Fiscal Year 2019

For the Twelve-Month Period Ended August 31, 2019

Name	Business	Total
Tim Daughtrey, Trustee - Place 1	Champion Track & Turf Repair	$47,500.00
Dick Elkins, Trustee - Place 4	Elkins Hardware	$18,412.20