FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

Galena Park Independent School District
Annual Financial Management Report
Fiscal Year 2017-2018

Rating is A=Superior

Distributed at Regular Board Meeting

November 4, 2019

Galena Park Independent School District

Financial Management Report

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Galena Park Independent School District

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Sonya George, CPA
Deputy Superintendent for Operational Support
Chief Financial Officer
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November 4, 2019

Dr. Angi Williams, Superintendent
Board of Trustees
Citizens of Galena Park Independent School District

In accordance with Texas Administrative Code Chapter 19, Subchapter AA 109.1001, the 2018-2019 Annual Financial Management Report is being presented, which is based on fiscal year 2017-2018 data. Galena Park Independent School District received a rating of "A=Superior" under the Texas School FIRST financial accountability rating system. The A=Superior rating is the state's highest, demonstrating the quality of Galena Park ISD's financial management and reporting system. The School FIRST financial rating ensures that Texas school districts are accountable not only for student learning, but also for achieving results in a cost effective and efficient manner. The information provided by the School FIRST system will guide the Board in their continued efforts to maximize each taxpayer dollar.

This is the 17th year of School FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of School 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.

Included in this report are the additional disclosure requirements, which include a copy of the Superintendent's contract, details of reimbursements received by the Superintendent and members of the Board of Trustees, additional statements relating to any outside compensation of the Superintendent, gifts to District officials or Board members and business transactions between the District and members of the Board of Trustees.

Sincerely,

Sonya George, CPA

Financial Integrity Rating System of Texas

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

Name: GALENA PARK ISD(**101910**)	**Publication Level 1:** 8/7/2019 3:33:27 PM
Status: Passed	**Publication Level 2:** 8/8/2019 2:06:12 PM
Rating: A = Superior	**Last Updated:** 8/8/2019 2:06:12 PM
District Score: 96	**Passing Score:** 60

#	Indicator Description	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?	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.)	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.)	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.)	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?	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.)	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.)	10
8	Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.) (See ranges below.)	8
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?	10
10	Was the debt service coverage ratio sufficient to meet the required debt service?	10
11	Was the school district's administrative cost ratio equal to or less than the threshold ratio?	8
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.)	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?	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.)	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?	10
		96 Weighted Sum

		1 Multiplier Sum
		96 Score
DETERMINATION OF RATING		
A.	Did the district answer '**No**' to Indicators 1, 3, 4, 5, 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.		

HOW 2018-2019 RATINGS ARE ASSESSED

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?

A simple indicator. Was your Annual Financial Report filed by the deadline?

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.)?

A "modified" version of the auditor's opinion in your annual audit report means that you need to correct some of your reporting or financial controls. A district's goal, therefore, is to receive an "unmodified opinion" on its Annual Financial Report. 2.A. is a simple "Yes" or "No" indicator (see instructions under "2." for evaluating performance under "2.A" and "2.B." to arrive at the score for "2.").

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.)

A clean audit of your Annual Financial Report would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your District not being able to properly account for its use of public funds, and should be immediately addressed. 2.B. is a simple "Yes" or "No" indicator (see instructions under "2." for evaluating performance under "2.A" and "2.B" to arrive at the score for "2.").

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

This indicator seeks to make certain that your district has timely paid all bills/obligations, including financing arrangements to pay for school construction, school buses, photocopiers, etc.

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?

This indicator seeks to make sure the district fulfilled its obligation to the TRS, TWC and IRS to transfer payroll withholdings and to fulfill any additional payroll-related obligations required to be paid by the district.

5. This indicator from prior years was deleted in the current year.

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)?

This indicator measures how long in days after the end of the fiscal the school district could have disbursed funds for its operating expenditures without receiving any new revenues. Did you meet or exceed the target amount in School FIRST?

7. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

This indicator measures whether the school district had sufficient short-term assets at the end of the fiscal year to pay off its short-term liabilities. Did you meet or exceed the target amount in School FIRST?

8. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.)

This question is like asking someone if their mortgage exceeds the market value of their home. Were you below the cap for this ratio in School FIRST? Fortunately this indicator recognizes that high-growth districts incur additional operating costs to open new instructional campuses.

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?

This indicator simply asks, "Did you spend more than you earned?" (the school district will automatically pass this indicator, if the school district had at least 60 days cash on hand.)

10. Was the debt service coverage ratio sufficient to meet the required debt service?

This indicator asks about the school district's ability to make debt principal and interest payments that will become due during the year. Did you meet or exceed the target amount in School FIRST?

11. Was the school district's administrative cost ratio equal to or less than the threshold ratio?

This indicator measures the percentage of their budget that Texas school districts spent on administration. Did you exceed the cap in School FIRST for districts of your size?

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.)

If the school district had a decline in students over 3 school years, this indicator asks if the school district decreased the number of the staff on the payroll in proportion to the decline in students. (The school district automatically passes this indicator if there was no decline in students.)

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?

This indicator measures the quality of data reported to PEIMS and in your Annual Financial Report to make certain that the data reported in each case "matches up." If the difference in numbers reported in any fund type is 3 percent or more, your district "fails" this measure.

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.)

A clean audit of your Annual Financial Report would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your District not being able to properly account for its use of public funds, and should be immediately addressed.

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?

This indicator asks if the district had to ask for an easy payment plan to return monies to TEA after spending the overpayment from the Foundation School Program state aid.

School FIRST Annual Financial Management Report
Galena Park Independent School District
2019 Rating for School Year 2017-2018
Disclosures

Reporting requirements for the financial management report to be distributed at the School FIRST public hearing are defined under Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability, Rule 109.1001 Financial Accountability Ratings.

Galena Park ISD's required disclosures are reported in the subsequent sections.

Superintendent's Current Employment Contract
The superintendent's current employment contract is included in the appendix section of this document.

A copy of the superintendent's current employment contract at the time of the School FIRST hearing is to be provided. In lieu of publication in the annual School FIRST financial management report, the school district may choose to publish the superintendent's employment contract on the school district's Internet site. If published on the Internet, the contract is to remain accessible for twelve months.

Reimbursements Received by the Superintendent and Board Members
For the Twelve-Month Period
Ended August 31, 2018

Description of Reimbursement	Superintendent Dr. Angi Williams	President Wanda Heath Johnson	Vice President Wilfred Broussard, Jr.	Secretary Ramon Garza	Trustee Jeff Miller	Trustee Dawn Thompson Fisher	Trustee Minnie Rivera	Trustee Joe Stephens	Trustee Adrian Stephens	
Lodging	$4,000.94	$1,272.12	$372.74	$647.52	$328.37	$402.64	$1,125.12	$309.96	$0.00	**$8,459.41**
Meals	$442.36	$426.04	$116.39	$198.39	$127.39	$116.39	$376.06	$108.31	$19.08	**$1,930.41**
Other	$10,757.07	$1,382.84	$107.84	$1,097.84	$287.84	$557.84	$1,352.84	$1,022.84	$136.25	**$16,703.20**
Transportation	$922.49	$1,606.79	$184.20	$692.40	$269.64	$267.50	$391.61	$26.54	$448.40	**$4,809.57**
Total	**$16,122.86**	**$4,687.79**	**$781.17**	**$2,636.15**	**$1,013.24**	**$1,344.37**	**$3,245.63**	**$1,467.65**	**$603.73**	**$31,902.59**

All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. Items to be reported per category include:

- Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals)
- Lodging - Hotel charges
- Transportation - Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls)
- Motor fuel – Gasoline
- Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services
For the Twelve-Month Period
Ended August 31, 2018

Name(s) of Entity(ies)	Amount Received
Total	**$0.00**

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any) (gifts that had an economic value of $250 or more in the aggregate in the fiscal year)
For the Twelve-Month Period
Ended August 31, 2018

	Superintendent Dr. Angi Williams	President Wanda Heath Johnson	Vice President Wilfred Broussard, Jr.	Secretary Ramon Garza	Trustee Jeff Miller	Trustee Dawn Thompson Fisher	Trustee Minnie Rivera	Trustee Joe Stephens	Trustee Adrian Stephens
Total	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials.

Business Transactions Between School District and Board Members
For the Twelve-Month Period
Ended August 31, 2018

	President Wanda Heath Johnson	Vice President Wilfred Broussard, Jr.	Secretary Ramon Garza	Trustee Jeff Miller	Trustee Dawn Thompson Fisher	Trustee Minnie Rivera	Trustee Joe Stephens	Trustee Adrian Stephens	
Slocomb Insurance	$0.00	$0.00	$0.00	$24,437.00	$0.00	$0.00	$0.00	$0.00	$24,437.00
Broussard's Real Estate Investment Group, LLC	$0.00	$5,730.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$5,730.00
Total	**$0.00**	**$5,730.00**	**$0.00**	**$24,437.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$30,167.00**

Slocomb Insurance Agency transaction includes payment for the District's Boiler and Machinery insurance policies for $22,887 and bonding for Tax Office personnel for $1,550. Additionally, two real estate transactions were brokered by Broussard's Real Estate Investment Group, LLC.

Note - The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.

Appendix

ADDENDUM TO CONTRACT OF EMPLOYMENT

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS
COUNTY OF HARRIS §

This Contract Addendum ("Addendum") is entered into between Dr. Angi Williams ("Superintendent") and the Galena Park Independent School District ("District").

W I T N E S S E T H:

WHEREAS, on January 23, 2019 at a meeting of the Galena Park Independent School District Board of Trustees the Board approved changes to the Superintendent's Employment Contract (hereinafter "Superintendent's Contract") approved at a Board meeting on February 10, 2014 and amended in subsequent years.

NOW THEREFORE, the Superintendent and the District agree as follows:

1. Section 1.1 of the Superintendent's Contract is amended to extend the term of the contract to June 30, 2022 and is amended to read as follows:

   The Board, by and on behalf of the District, employed the Superintendent, and the Superintendent accepted employment as General Superintendent for the District, for a term that commenced on December 7, 2011 and ending on June 30, 2014. At a Board meeting on June 25, 2012, the term was extended to June 30, 2015, at a Board meeting held on February 11, 2013 the term was extended to June 30, 2016, at a Board meeting held on February 10, 2014, the term was extended to June 30, 2017, at a Board meeting held on February 9, 2015 the term was extended to June 30, 2018 and at a Board meeting held on February 8, 2016, the term was extended to June 30, 2019, at a Board meeting held on January 24, 2017, the term was extended to June 30, 2020, at a Board meeting held on February 12, 2018, the term was extended to June 30, 2021, and at a Board meeting held on January 23, 2019, the term was extended to June 30, 2022. This Contract shall automatically be extended annually for an additional one-year period beginning on July 1st and ending on June 30th of the following year, unless either party shall notify the other party in writing prior to June 1st of each year that it does not desire the contract to be extended. The term of this Contract may also be extended by mutual written agreement.

2. Section 3.1 is amended to revise the first sentence of the additional provision added by an addendum previously approved at a Board meeting held on February 12, 2018, which will read as follows:

   The District shall supplement the Superintendent's annual salary by an amount equal to 50% of the Superintendent's portion of the monthly member contribution to the Texas Teacher Retirement System ("TRS").

3. Other than the changes set out in this Addendum, all other terms of the Superintendent's Contract and previously approved addenda remain unchanged in all respects.

EXECUTED in duplicate on the first date shown below.

DR. ANGI WILLIAMS

By: _____ Date: 2/4/19

Dr. Angi Williams
Superintendent

BOARD OF TRUSTEES
GALENA PARK INDEPENDENT SCHOOL DISTRICT

By: Wanda Heath Johnson Date: 2/4/19

Wanda Heath Johnson
President, Board of Trustees
As Authorized by Board Action

EMPLOYMENT CONTRACT

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This Contract ("Contract") is made between the Board of Trustees ("Board") of the Galena Park Independent School District ("District") and Dr. Angi Williams ("Superintendent").

Pursuant to the authority of Section 11.201 of the Texas Education Code and the general laws of the State of Texas, the Board and the Superintendent agree as follows:

I. TERM

1.1 The Board, by and on behalf of the District, employed the Superintendent, and the Superintendent accepted employment as General Superintendent for the District, for a term that commenced on December 7, 2011 and ending on June 30, 2014. At a Board meeting on June 25, 2012, the term was extended to June 30, 2015, at a Board meeting held on February 11, 2013 the term was extended to June 30, 2016, and at a Board meeting held on February 10, 2014, the term was extended to June 30, 2017. This Contract shall automatically be extended annually for an additional one-year period beginning on July 1st and ending on June 30th of the following year, unless either party shall notify the other party in writing prior to June 1st of each year that it does not desire the contract to be extended. The term of this Contract may also be extended by mutual written agreement.

II. EMPLOYMENT

2.1 **Duties**. The Superintendent is the chief executive officer of the District and shall faithfully perform the duties of Superintendent for the District as prescribed in the job description and as may be assigned by the Board, and shall comply with all Board directives, state and federal law, District policy, rules, and regulations, as they exist or may hereinafter be adopted or amended. Except as provided in this Contract, the Superintendent agrees to

devote her full time and energy to the performance of these duties in a faithful, diligent, and efficient manner.

2.2 **Professional Development and Activities**. The Superintendent may attend and participate in appropriate professional meetings at the local, state, and national levels, with the reasonable expenses for such attendance to be borne by the District upon written Board approval. The Superintendent may hold offices or accept responsibilities in these professional organizations provided that such responsibilities do not interfere with the performance of duties as Superintendent.

2.3 **Consultation Activities**. The Superintendent is not permitted to undertake writing, teaching, consulting, speaking, or any other types of outside employment for remuneration unless prior Board approval is obtained. Any consultation activities or outside employment approved by the Board must be accomplished on the Superintendent's vacation days, holidays, or other non-duty time.

2.4 **Board Meetings**. The Superintendent or the Superintendent's designee shall attend all meetings of the Board, both public and closed, with the exception of the closed meetings devoted to the consideration of any action or lack of action on the Superintendent's contract, the Superintendent's salary or benefits, or the Superintendent's performance or evaluation. The Superintendent or designee may also be excluded from any Board meeting when the subject is related to conflicts or interpersonal relationships between individual Board members, when the Board is acting in its capacity as a tribunal, or at other times determined by the Board.

2.5 **Professional Certification and Records.** The Superintendent shall maintain at all times during the term of this Contract valid and appropriate certification to act as

Superintendent of Schools in the State of Texas as prescribed by the laws of the State of Texas and the rules and regulations of the Texas Education Agency and/or the State Board for Educator Certification, and shall provide evidence of such certification to the Board upon request at any time. The Superintendent shall also provide evidence of education attainment, degrees earned, previous professional experience, and other records required for the personnel files of the District. Failure to maintain valid and appropriate certification shall render this Contract void, and any material misrepresentation in any records provided to the District shall be grounds for termination.

III. COMPENSATION AND BENEFITS

3.1 **Annual Base Salary**. The Superintendent shall be paid an annual base salary of Two Hundred Forty-Two Thousand and Five Hundred Five Dollars and 44/100 ($242,505.44) effective February 12, 2013 and extending through the duration of this Contract unless the Board, at its discretion, increases the Superintendent's annual salary as provided by Paragraph 3.2. Nothing in this paragraph prevents the Board from reducing the salary of the Superintendent in accordance with Section 21.4032 of the Texas Education Code or from implementing a furlough program applicable to the Superintendent in accordance with state law or from amending the terms of this contract in accordance with Section 21.212(f) of the Texas Education Code.

3.2 **Salary Adjustments**. The Board may, in its sole discretion, increase the annual base salary of the Superintendent, provided that such annual increase shall not be more than the average percentage increase received by the District's classroom teachers, unless the Board chooses to increase the Superintendent's salary by a greater amount.

3.3 **Business Expenses**. The District shall pay or reimburse the Superintendent for reimbursable 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 out of District business travel. Such costs may include, but are not limited to, airline tickets, hotels and accommodations, meals, rental car, and other expenses incurred in the performance of District business. The District shall also reimburse the Superintendent for the reasonable costs of meals and incidental expenses associated with the Superintendent's work with staff members, Board members, community members and other persons related to the performance of her duties as Superintendent. Subject to Board approval, the District shall also reimburse the Superintendent for professional and civic association dues related to her job duties. The Superintendent shall comply with all procedures and documentation requirements in accordance with Board policies and District procedures. The Superintendent will be issued a credit card to pay for school-related expenses. The credit card may be used only for school-related expenses, not personal expenses.

3.4 **Laptop Computer**. The District shall provide the Superintendent with a laptop computer for both professional and personal use, at the sole expense of the District.

3.5 **Health Insurance**. No health insurance or benefits will be paid by the District.

3.6 **Indemnification**. To the extent permitted by law and District policy, the District shall indemnify, defend, and hold harmless the Superintendent regarding any claims, demands, duties or other legal proceedings against her or damages incurred by the Superintendent, for any act or failure to act involving her exercise of judgment and discretion within the normal course and scope of her duties as Superintendent. This provision does not apply if the Superintendent is found to have materially breached her contract, to have acted

with gross negligence or with intent to have violated a person's clearly established legal rights, to have acted outside the course and scope of her employment, to have engaged in criminal conduct, or to have engaged in official misconduct. This provision also does not apply to criminal investigations or proceedings. At its sole discretion, the District may fulfill the obligation under this paragraph by purchasing insurance coverage for the benefit of the Superintendent or by including the Superintendent as a covered party under any contract providing errors and omissions insurance coverage purchased for the protection of the Board and the professional employees of the District. The Board may retain attorneys to represent the Superintendent in any proceeding for which she could seek indemnification under this paragraph, to the extent that damages are recoverable or a defense is provided under any such contract of insurance. No individual member of the Board or employee of the District shall be personally liable for indemnifying or defending the Superintendent under this provision. The District's obligation to indemnify, defend, and hold harmless the Superintendent will survive the termination of this Contract for qualifying acts or failure to act occurring during the term of this Contract or any extension thereof.

The Board shall not be required to pay any costs of any legal proceedings in the event the Board and the Superintendent are adverse to each other in any such proceedings.

The Superintendent shall fully cooperate with the District in the defense of any and all demands, claims, suits, actions and legal proceedings brought against the District. The Superintendent's obligation under this paragraph shall continue after the termination of this Contract.

3.7 **Leave**. The Superintendent shall have the same leave benefits as authorized by Board policy for administrative employees.

3.8 **Vacation and Holidays**. The Superintendent may take, at the Superintendent's choice and subject to the Board's approval, ten (10) days of vacation per year of this Contract. The vacation days taken by the Superintendent shall be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Contract and Board Policy. In addition, the Superintendent shall observe the same District holidays as those observed by other administrators who work on a twelve (12) month basis. On or before June 30th of each year during the term of this Contract, the District shall pay in lump sum to the Superintendent any accrued but unused vacation days, up to a maximum of ten (10) days annually at her then current daily rate of pay based on two hundred and twenty nine (229) days of service per year during the term of this Contract, effective the 2013-2014 school year. Prior accrued but unused vacation days from December 7, 2011 through June 30, 2013 will be paid on or before June 30, 2014. Upon termination of employment under this Contract, the Superintendent shall be entitled to payment of any unused accumulated vacation days at her then current daily rate of pay based on two hundred and twenty nine (229) days of service per year during the term of this Contract.

3.9 **Annual Physical Examination**. The Superintendent shall undergo an annual physical examination performed by a licensed physician mutually acceptable to the Board and the Superintendent. The physician shall submit a confidential statement to the Board, verifying the Superintendent's fitness to perform the Superintendent's duties, and copies of all such statements shall be confidential to the extent permitted by law. The District shall pay the reasonable costs of the annual physical examination.

3.10 **Contract Days and Work Calendar**. The Superintendent shall work and be compensated on the basis of two hundred twenty-nine (229) contract days per year. In the

event that the Superintendent works more than 229 days in a contract year, she shall not be entitled to additional compensation or compensatory work credit in future years. The Superintendent shall submit her proposed work calendar to the Board at the beginning of each contract year, and will detail all proposed vacation, out-of-District travel, and professional development days for the coming year. The Superintendent will notify the Board of any changes to the calendar.

3.11 **Payments into an Annuity.** The District shall make payments of Ten Thousand Dollars ($10,000) per year, for each year covered by this Contract for which the Superintendent is employed as Superintendent of the District, to either a qualified tax-sheltered annuity or custodial account (the "403(b) Annuity") under Section 403(b) of the Internal Revenue Code of 1986, as amended (the "Code"). The 403(b) Annuity is to be mutually acceptable to the Superintendent and the Board. For each year during the term of this Contract for which the Superintendent is employed as Superintendent of the District, the District shall make a contribution to the 403(b) Annuity of an amount equal to the lesser of (i) the amount specified herein, or (ii) the yearly maximum amount the District may contribute to a qualified tax-sheltered annuity under Section 403(b) of the Code for and on behalf of the Superintendent, without causing any portion of such contribution to be included in the Superintendent's taxable income for the year in which the contribution is made. Payments into the 403(b) Annuity shall be made on or before September 1 of each contract year. Any contributions to the 403(b) Annuity shall be paid directly by the District and shall be nonelective, and the Superintendent shall not have any right to receive such contributions in cash. Any District required contribution under this Section in excess of (ii) shall be paid to the Superintendent as a part of her regular taxable compensation. The District's

contributions to the 403(b) plan created under this Section, and all earnings thereon, shall become vested with the Superintendent on June 30, 2014. Prior to June 30, 2014 the Superintendent shall have no vested right in her account value in the 403(b) Annuity. The Superintendent shall have the sole right to choose the investments in such 403(b) plan, but such investments must comply with the Code and any applicable state laws.

3.12 **Beneficiary**. In the event of Superintendent's death or catastrophic illness prior to June 30, 2014 the annuity will be paid to the Superintendent's named beneficiary.

IV. ANNUAL PERFORMANCE EVALUATION

4.1 **Review of Performance**. The Board shall evaluate and assess the performance of the Superintendent through a formative appraisal in June of each year. At its discretion, the Board may choose to conduct additional evaluations. The parties may change appraisal dates by mutual agreement. The meetings at which the Board evaluates the Superintendent will be held in closed session, unless the Board and Superintendent agree that they should be held in open session. The evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description.

4.2 **Evaluation Format and Procedure**. The evaluation format and procedure shall be in accordance with the Board's policies, and state and federal law.

4.3 **Performance Incentive**. During the term of this Contract or any extension thereof, the Board may at any time after the completion of the Superintendent's evaluation award the Superintendent a performance incentive for exceptional performance as determined by the Superintendent's evaluation. The performance incentive may not exceed Ten Thousand and 00/100 Dollars ($10,000.00). Payment will be paid in a lump sum. The Board is not required to award a performance incentive in any year regardless of the

Superintendent's performance. The award of the performance incentive is solely at the discretion of the Board. This section becomes effective immediately upon approval of the Board.

V. TERMINATION OF EMPLOYMENT CONTRACT

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

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

5.3 **Dismissal for Good Cause**. The Board may dismiss the Superintendent during the term of this Contract for good cause as that term is defined by the Board.

5.4 **Disability**. In the event the Superintendent shall become unable to perform her duties as Superintendent, the Board, at its option, may terminate this Contract and the employment of the Superintendent. Verification of the disability of the Superintendent shall be required whenever a majority of the entire Board requests it. Verification shall be by a physician agreed upon by the Board and Superintendent. Should the Superintendent be terminated due to disability, the Superintendent shall be entitled to one (1) year of her annual base salary set out in Subsection 3.1. The District shall have no further liability to the Superintendent for any compensation, benefits, or other financial remuneration. By entering into this Contract, the Superintendent is hereby waiving any right to temporary disability leave provided by state law and local policy and hereby agrees to waive any right to the procedural safeguards referenced in paragraphs 5.3 and 5.5 of this Contract.

5.5 **Termination Procedure**. In the event that the Board proposes to terminate this Contract for good cause, the Superintendent shall be afforded the rights as set forth in the Board's policies and applicable state and federal law.

5.6 **Nonrenewal of Contract**. Except as provided in Subsection 5.4 of this Contract, nonrenewal of this Contract shall be in accordance with Board policy and applicable law.

5.7 **Unilateral Termination by Board**. The Board reserves the right to terminate this Contract without cause upon the provision of thirty (30) days' written notice to the Superintendent. As consideration for this right of unilateral termination, the District will pay the Superintendent the sum of one year's salary calculated as her annual salary at the time of the termination, minus applicable withholdings/deductions. A check for this amount will be tendered to the Superintendent within thirty (30) days of notice of unilateral termination. Upon the tender of this check, the Superintendent will be released from her duties as Superintendent. Furthermore, the Superintendent will not be entitled to a hearing or any other due process relating to her employment as Superintendent or departure from this position. In addition, upon tender of this payment, the Superintendent releases and discharges the District, its trustees, agents, attorneys, and employees from any liability relating to her employment at the District and/or her departure from employment, and agrees not to file any legal proceeding against them, including without limitations, lawsuits in state or federal court, actions before the Texas Education Agency, or before any state or federal administrative agencies, relating to her employment at the District or her departure from her employment with the District.

VI. MISCELLANEOUS

6.1 **Nepotism**. With the exception of any individuals already employed by the District as of December 7, 2011, the District will not employ any individual related to the

Superintendent within the third degree of consanguinity (relation by blood) or the second degree of affinity (relation by marriage) during the term of this Contract, unless specifically permitted by law and prior Board approval is provided. If the Superintendent contemplates such a hire, she will consult with the Board before any recommendation to hire is made.

6.2 **Residency**. The Superintendent agrees that she will reside within the boundaries of the District while employed as the Superintendent.

6.3 **Controlling Law.** This Contract shall be governed by Texas law, and it shall be performable in Harris County, Texas, unless otherwise provided by law.

6.4 **Complete Agreement**. This Contract embodies the entire agreement between the parties, and supersedes all previous employment agreements. Except as expressly provided herein, it cannot be varied or amended except by written agreement of the parties.

6.5 **Savings Clause**. In the event any one or more of the provisions contained in this Contract shall, for any reason, be held invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect the other provisions, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

GALENA PARK INDEPENDENT SCHOOL DISTRICT

ATTEST:

By: _____
Wilfred J. Broussard, Jr.,
Vice President
Board of Trustees

Date: 2-10-2014

By: _____
Jeff Miller,
President
Board of Trustees

Date: 2/10/14

By: _____
Dr. Angi Williams

Date: 2/11/14