



**Pasadena Independent School District
Annual Financial Accountability
Management Report**

For the Year Ending August 31, 2021



**DeeAnn Powell, Superintendent of Schools
Ben Pape, Chief Financial Officer**

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Pasadena Independent School District Annual Financial Accountability Management Report

Introduction

Created by the 77th Texas Legislature in 2001, the School Financial Integrity Rating System of Texas (FIRST) is designed to encourage public schools to better manage their financial resources in order to provide the maximum allocation possible for direct instructional purposes.

FIRST ratings provide parents and community members an annual glimpse at the financial health and stability of every school district and charter. The 2021-2022 ratings are based on annual financial reports provided to TEA by districts and charters from the 2021 fiscal year. The financial accountability system requires TEA to review the audited financial reports from all districts and charters.

This year, the FIRST ratings are based on twenty financial indicators, such as administrative cost expenditures; the accuracy of a district's financial information submitted to TEA; and any financial vulnerabilities or material weaknesses in internal controls as determined by an external auditor. Based on the submitted information, Districts are assigned a rating of A = Superior, B = Above Standard, C = Meets Standards, and F = Substandard Achievement. Pasadena Independent School District has earned the rating of ***Superior Achievement*** for the 2021-2022 ratings. For the 2021-2022 rating, Pasadena ISD earned a score of 94 and passed all of the critical indicators. The worksheet itself and a discussion of its significant points follow.

All school districts and charters are required to report information and financial accountability ratings to parents and taxpayers. In addition, school districts and charters must hold a public discussion or hearing regarding its financial report.

RATING YEAR

2021-2022

DISTRICT NUMBER

district #

Select An Option

Help

Home



Financial Integrity Rating System of Texas

2021-2022 RATINGS BASED ON SCHOOL YEAR 2020-2021 DATA - DISTRICT STATUS DETAIL

Name: PASADENA ISD(101917)	Publication Level 1: 8/2/2022 2:05:39 PM
Status: Passed	Publication Level 2: 8/4/2022 12:15:48 PM
Rating: A = Superior Achievement	Last Updated: 8/4/2022 12:15:48 PM
District Score: 94	Passing Score: 70

#	Indicator Description	Updated	Score
1	<u>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?</u>	7/12/2022 8:36:18 AM	Yes
2	<u>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.)</u>	5/16/2022 11:18:32 AM	Yes
3	<u>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.)</u>	5/16/2022 11:18:33 AM	Yes
4	<u>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? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	5/16/2022 11:18:33 AM	Yes Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	5/17/2022 9:46:20 AM	Ceiling Passed

7	<u>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 in the Determination of Points section.</u>	5/16/2022 11:18:34 AM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	5/16/2022 11:18:36 AM	6
9	<u>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? See ranges below in the Determination of Points section.</u>	5/16/2022 11:18:37 AM	10
10	This indicator is not being scored.		10
11	<u>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 automatically passes this indicator. See ranges below in the Determination of Points section.</u>	5/16/2022 11:18:39 AM	10
12	<u>Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.</u>	5/16/2022 11:18:40 AM	8
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/9/2022 10:58:03 AM	10
14	<u>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.</u>	5/16/2022 11:18:41 AM	10
15	This indicator is not being scored.		5
16	<u>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? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	5/16/2022 11:18:42 AM	Ceiling Passed
17	<u>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.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	5/16/2022 11:18:43 AM	Ceiling Passed
18	<u>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.)</u>	5/16/2022 11:18:44 AM	10
19	<u>Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?</u>	5/16/2022 11:18:44 AM	5
20	<u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	5/16/2022 11:18:45 AM	Ceiling Passed
			94 Weighted Sum
			1

	Multiplier Sum
	(100 Ceiling)
	94 Score

DETERMINATION OF RATING

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? 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.	
	A = Superior Achievement	90-100
	B = Above Standard Achievement	80-89
	C = Meets Standard Achievement	70-79
	F = Substandard Achievement	<70
<p>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.</p> <p>The school district receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.</p>		

CEILING INDICATORS

<p>Did the school district meet the criteria for any of the following ceiling indicators 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.</p>		
Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No.</i>	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No.</i>	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No.</i>	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No.</i>	89	B = Above Standard Achievement

Overview of the Worksheet

Critical Indicators

Indicators #1 through #5 are the critical indicators. Any “No” response in this category is a signal indicator of fiscal distress.

- Indicator #1: The Annual Financial Report was submitted timely.
- Indicator #2: The District received a clean audit report.
- Indicator #3: The District was not in default on any debt.
- Indicator #4: The District made timely payments to Governmental Agencies.
- Indicator #5: Not scored this year.

Other Indicators of Fiscal Responsibility

Indicators #6 through #20 pertain to administrative cost expenditures, the accuracy of the District’s financial information submitted to TEA, and any financial vulnerabilities or material weaknesses in internal controls as determined by the external auditor.

- Indicator #6: The average change in fund balance over 3 years less than 25% decrease or exceeds 75 days of operational expenditures.
- Indicator #7: The District had adequate cash and current investments sufficient to cover operating expenditures.
- Indicator #8: The ratio of current assets to current liabilities was adequate to cover short-term debt.
- Indicator #9: The revenue in the general fund equaled or exceeded expenditures. The District had cash on hand greater than 60 days of operations.
- Indicator #10: Not scored this year.
- Indicator #11: The ratio of total assets to long-term liabilities was adequate to support long-term solvency.
- Indicator #12: The District had adequate debt revenue to cover required debt service payments.
- Indicator #13: The District’s administrative cost ratio was less than the threshold ratio.
- Indicator #14: The District had a decrease in enrollment, but did not experience a 15% decline in the students to staff ratio over the past 3 years.
- Indicator #15: Not scored this year.

Indicator #16: The actual expenditures submitted to TEA in PEIMS for \$536,322,840 had a variance of .03% or \$583 due to rounding of pennies.

Indicator #17: The audit report was free of any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds.

Indicator #18: The audit report was free of any instances of material noncompliance for grants, contracts, and laws related to local, state or federal funds.

Indicator #19: The district posted the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district.

Indicator #20: The School Board Members discussed the district's property values at a board meeting prior to adoption of the budget.

Summary

The Pasadena ISD School Board, administration and the community have worked hard to maintain the financial position and condition of the District over the past number of years. This report demonstrates this to all parents and taxpayers.

Other Data Concerning the District's Operations

The purpose of this section of the report is to discuss other aspects of our business operations not covered by the worksheet, but suggested by law as items of significance meriting discussion. We should view the worksheet as a good basic tool with which to assess our primary business practices. However, we should not stop there! We should always be working towards improvement in all aspects of our operation to maximize funds available to campuses for educational purposes and to our ancillary departments that support our campuses.

Briefly, we review a number of business practices not covered by the Financial Accountability Worksheet directly.

Financial Strength

The state of Texas recommends we discuss financial strength in this report. This is a difficult topic to address because there are many measures of financial strength, some are better than others, and it's hard to tell which one is the best measure. For Pasadena ISD, we believe the most significant financial indicator of strength is our ability to meet our cash flow needs from September to December each year without borrowing money. This is due partially to the increased cash flow from TEA to low wealth districts such as Pasadena Independent School District but more to the fact that our Board of Trustees has a commitment to maintaining a minimal fund balance equal to 12½ percent of the prior year's operating expenses. Our Aa2 underlying bond rating by Moody's further evidences our financial strength. Moody's believes that our increases in assessed valuation, coupled with significant financial flexibility are characteristics consistent with the Aa2 rating. The District's long-term trend of conservative budgeting and prudent financial practices continue to rate highly in maintaining our excellent credit rating.

Operating Cost Management

Only a small portion of our total General Fund expenditures are flexible or variable in nature. Salaries and benefits comprise the biggest expenditure each year, over 88.5%. Utility payments fluctuate greatly from year to year, but still make up our second largest single expenditure at 2% closely followed by property insurance at 1%. Once you remove those large expenditures from the equation, you are left with a small portion of our budget that retains some semblance of control for us. Supplies, materials, travel and training and a few contracted services comprise this remaining balance. We consider these costs to be our controllable operating costs. One measure the state of Texas uses to measure operating cost efficiency is the administrative cost ratio. Texas has a formula that is mandated by law, and of course, it is arguable in nature. Simply, it takes administrative costs and divides them by instructional costs to arrive at a percentage. This indicator deals with the sensitive issue of administrative costs and we feel it prudent to demonstrate how our ratio has consistently remained low over the past several years.

Administrative Cost Comparison			
	<u>Year</u>	<u>State Limit</u>	<u>District Actual</u>
	2004-05	11.05%	6.90%
	2005-06	11.05%	6.59%
	2006-07	11.05%	6.92%
	2007-08	11.05%	5.79%
	2008-09	11.05%	4.73%
	2009-10	11.05%	5.10%
	2010-11	11.05%	5.47%
	2011-12	11.05%	5.58%
	2012-13	11.05%	5.44%
	2013-14	11.05%	5.45%
	2014-15	11.05%	5.63%
	2015-16	11.05%	5.50%
	2016-17	11.05%	5.27%
	2017-18	11.05%	5.41%
	2018-19	11.05%	5.45%
	2019-20	11.05%	5.80%
	2020-21	11.05%	6.09%

In a time of rising salaries and increased costs, Pasadena ISD has maintained low administrative costs as a percentage of instructional costs. We have done so via a conscious and concerted effort to bring administrative costs down while funneling every possible dollar to the campuses to serve the needs of the students first. This chart, more than any other indicator, clearly demonstrates that we are putting our money where our students are, and getting by as best we can elsewhere.

Personnel Management

The District's longstanding personnel goal is to attract and retain qualified staff, and to offer a competitive salary and benefit package each year. We have offered a highly competitive total compensation package to our teaching staff and a comparable increase to all support personnel. It hasn't always been easy to do so, but each year we have managed to find the funding to fit this total benefit package into our budget. Attracting and retaining a quality teaching staff has been a priority with Pasadena ISD in the past decade second only to our students' welfare and education.

Tax Collections

Although tax collections is no longer a ratings indicator, we feel it is important to disclose our tax collection history.

<u>For Year Ended</u>	<u>Total Tax Collections</u>
2000	98.3%
2001	97.6%
2002	97.8%
2003	99.2%
2004	99.7%
2005	99.7%
2006	99.3%
2007	99.5%
2008	99.7%
2009	99.8%
2010	99.64%
2011	98.67%
2012	98.73%
2013	99.75%
2014	99.74%
2015	99.69%
2016	99.67%
2017	99.66%
2018	99.72%
2019	99.63%
2020	98.3%
2021	97.3%

Cash Management

First, we have a state and local board policy that requires us to invest funds with six objectives in mind. In order of importance, they are: suitability, safety, liquidity, marketability, diversity and yield.

Suitability, safety and liquidity are almost redundant. If a security is suitable and safe, it's probably pretty liquid. If it's liquid and suitable, it's safe. State and local policy specify what types of securities we can purchase, and virtually all of them fall within these restrictions. We don't purchase ones that do not fall within our interpretation of these policy restrictions. Certificates of Deposit are legal investments, but they cannot be readily converted to cash without a penalty, so we are careful to purchase them when we plan to hold them to maturity.

All investment strategies are based on an understanding of suitability of an investment to the financial requirements of the District and consider preservation and safety of principal, liquidity, marketability of an investment if the need arises to liquidate before maturity, diversification of the investment portfolio, and yield.

There are a few investments that are legal for us to purchase, but they aren't very marketable. Consequently, we don't buy them. Bonds of the state of Israel are a good example. We strive to maintain diversity in our portfolio, balancing cash in money market pools and directly owned securities such as Treasury Bills and other government agency issues.

Lastly, we perform a monthly, quarterly, and annual review of investment activity and performance, submitting these quarterly reports to the Board of Trustees for review, as required by law.

Budgetary Planning & Financial Allocations

The District's budget process begins usually in December each year. During the first month of planning, preliminary revenue estimates are developed and shortly thereafter followed by budget allocations for each campus. Next, the department budgets are prepared and a budget preparation guide is updated for the new year and distributed to all budget managers. Most school districts have some rational basis for allocating funds to campuses and operating departments. In Pasadena ISD, we allocate funds to campuses based on a number of criteria. They include number of students, types of students, and type of campus. Support departments get funds based on previous year's budgets adjusted (up or down) for future years' needs. Special project requests for amounts supplemental to allocations are considered individually each year. In March, we begin budget consolidation and attempt to calculate state and local tax revenues. At this time, the budget starts to take on some form. April is usually spent reviewing the budget with the Superintendent's cabinet. May is the month we are first able to give the Board and the public a preliminary view of how the next year's budget looks. In odd-numbered years, the legislature is in session, and that complicates and delays our budgeting process. The optimal time for making a public salary decision is May. However, due to the legislature or the Harris County Appraisal District, salary decisions are usually not made until June or July. June

and July are busy months budget-wise with special Board workshops. Decisions are made on special project requests, revenue data is fine-tuned and a final budget is submitted to the Board of Trustees for approval in August.

Our budget process is a proactive and highly participatory one, and campuses and departments are given a great deal of discretion as to how to budget their funds. After the budget is adopted, each campus or department is given equal latitude regarding amending their budget when their plans or needs change. This decentralized style of budget management is required by the state of Texas to a certain degree. We call it site-based decision making. It's our version of campus empowerment. Most importantly, it is a system that works best in the long run for all of us by allocating resources where they are needed, even when those needs change.

Awards and Recognitions

For the past several years the Business Office has been recognized by the Association of School Business Officials International (ASBO) and the Government Finance Officers Association (GFOA) for excellence in the preparation and the Comprehensive Annual Financial Report (CAFR).

ASBO's Certificate of Excellence Award was received for the Comprehensive Annual Financial Report (CAFR) for the year ending August 31, 2021, the districts eighth consecutive year receiving this award.

Additionally, the district received GFOA's Certificate of Achievement for Excellence in Financial Reporting for the fifth consecutive year for the Comprehensive Annual Financial Report (CAFR) ending August 31, 2021.

We received the Purchasing Award of Excellence for the sixth consecutive year.

These awards reflect the commitment of the governing body and staff to meeting the highest principals of governmental budgeting and financial transparency. These documents are excellent tools that can be used for financial planning and communication devices for internal and external stakeholders. These reports enhance our financial accountability and transparency as well as strengthen the district's presentation for bond issuance and bond ratings.

**PASADENA INDEPENDENT SCHOOL DISTRICT
SUPERINTENDENT'S CONSOLIDATED CONTRACT**

THE STATE OF TEXAS
COUNTY OF HARRIS

§
§
§

KNOW ALL MEN BY THESE PRESENTS:

It is hereby agreed by and between the Board of Trustees of the Pasadena Independent School District (hereinafter the "Board") and Dr. DeeAnn Powell (hereinafter the "Superintendent") that the Board, in accordance with Texas Education Code, §11.201, and pursuant to Board action at a duly called Board meeting held on the 31st day of May, 2022 has and does hereby enter into this Contract to employ Dr. DeeAnn Powell as Superintendent of Schools of the Pasadena Independent School District (hereinafter the "District"), under the following terms:

1. This Contract shall supersede all prior contracts or agreements relating to the employment of Dr. DeeAnn Powell by the District.
2. The Board, by and on behalf of the District, employs the Superintendent on a twelve (12)-month basis, and the Superintendent accepts continued employment as Superintendent of Schools from today through June 30, 2026. Each contract year shall begin July 1st and end June 30th of each respective year. The District may, by action of the Board, and with consent and approval of the Superintendent, extend the term of this Contract as permitted by state law.
3. The Superintendent shall faithfully perform the duties of Superintendent of Schools for the District, as prescribed by Board policy and as may be assigned by the Board and shall comply with all lawful Board policies and directives, state and federal law, and District rules and regulations as they exist or may hereafter be adopted or amended. It shall be

the 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 be the further duty of the Superintendent to organize, reorganize, and arrange the staff of the District, and to develop and establish administrative regulations, rules, and procedures that the Superintendent deems necessary for the efficient and effective operation of the District, consistent with the Board's lawful policies and directives, and state and federal law. The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's written consent.

4. (a) Effective June 1, 2022, the Superintendent shall be paid a salary of three hundred and fifty thousand and ninety-seven dollars and No./100 (\$350,097.00) per year, payable in equal installments in accordance with Board policy governing payment to other professional staff members in the District. The Board shall have the right to further adjust the annual salary of the Superintendent at any time during the term of this Contract, provided that no such adjustment shall reduce the salary herein set forth. Any such further adjustment in the Superintendent's salary made during the term of this Contract shall be in the form of an amendment and shall become part of the Contract. The annual salary shall be predicated on 240 workdays each year. From the effective date of this Contract until July 1, 2022, all previously established salary and benefits for the Superintendent shall remain the same.

(b) Effective June 1, 2022, the District shall supplement the Superintendent's annual salary by an amount equal to 100 percent (100%) of the Superintendent's portion of the monthly member contribution to the Texas Teacher Retirement System ("TRS") beginning on July 1, 2022, and continuing for the term of this Contract, and with any extensions of this Contract 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.

(c) Effective July 1, 2022, and for each contract year during the term of this Contract, the District shall add to the Salary of the Superintendent the amount of Twenty Thousand Dollars (\$20,000.00). One-twelfth of this amount shall be paid as a monthly salary deferral contribution, at the election of the Superintendent, to a plan established by the District under Section 403(b) and/or Section 457(b) of the Code. In the event the Superintendent executes a salary deferral agreement in accordance with the requirements of Sections 403(b) and/or 457(b) of the Internal Revenue Code (the "Code") in at least the amount of the Additional Salary, the Additional Salary shall be paid as a salary deferral contribution (“Salary Deferral Contribution”). Under and pursuant to applicable Internal Revenue Service rules the Superintendent shall have the option to elect to receive the Additional Salary in cash rather than as a Salary Deferral Contribution. All such Salary Deferral Contributions contemplated herein shall be paid to a plan, established by the District under Section 403(b) and/or Section 457(b) of the Code, and that is available to all TRS members employed by the District. Such plans shall include investments as allowed under Sections 403(b), 403(b)(7) and/or 457(b) of the Code, respectively, and the investments for the Superintendent’s accounts shall be solely at her discretion. The Superintendent shall always be 100% vested in her account under the 403(b) and/or 457(b) plan. The Salary Deferral Contributions contemplated herein shall be treated as salary deferrals under the Code and shall be reported as "creditable compensation" by the District for purposes of the Teacher Retirement System of Texas. No payments under this Section shall be made after the Superintendent’s employment terminates.

5. (a) The District shall pay or reimburse the Superintendent for reasonable and necessary travel and other business expenses incurred by the Superintendent in the continuing performance of the Superintendent's duties under this Contract, except expenses pertaining to in-District travel, which shall be the Superintendent's responsibility. The Superintendent shall comply with all policies, procedures, and documentation requirements established by the Board, the District's independent auditors, and state and federal laws regarding such business expenses.

(b) The District shall also pay for hospitalization, major medical and life insurance coverage for the Superintendent under the same program or policy as provided to other administrative employees of the District.

(c) Effective June 1, 2022, the District shall pay the Superintendent an amount of \$1,500.00 per month during the Superintendent's employment with the District to pay for a vehicle, insurance, repair, maintenance, fuel and other expenses of operating a vehicle. The Superintendent shall maintain liability insurance for her car of not less than the amount of \$250,000 (bodily injury liability – each person); \$500,000 (bodily injury liability – each accident); \$100,000 (property damage liability – each accident). This vehicle may be used for personal and business purposes. This monthly payment shall be made in equal periodic payments at the same time as payment of the Superintendent's base salary. The Superintendent may be reimbursed for travel in her vehicle outside of the District at the District's approved reimbursement rate for travel on District business outside of the District.

(d) The District shall pay the Superintendent an amount of \$200.00 per month during the Superintendent's employment with the District for an information technology/communications allowance to provide her with a cellular telephone, computer,

internet communication, or any other technical equipment for the Superintendent's use at her home for District business and personal use. This payment shall be made in equal periodic payments at the same time as payments of the Superintendent's base salary.

(e) The Superintendent shall observe the same legal holidays and receive the same local sick leave and state personal leave benefits as authorized by Board policy for administrative employees who serve 240 duty days each year. In addition, the Superintendent shall receive a vacation allowance of fifteen (15) workdays per year, which shall be accrued and used in accordance with Board policy applicable to the use of vacation days by administrative employees who serve 240 duty days each year.

6. The Superintendent shall meet all requirements and possess all certificates and credentials required by law for service as Superintendent of Schools of the District. The Superintendent hereby agrees to devote her time, skill, labor and attention exclusively to said employment during the term of this Contract. The Superintendent may, with prior written notice to the Board, undertake consulting work, speaking engagements, writing, lecturing, or other professional duties and obligations that do not conflict or interfere with the Superintendent's professional services to the District or that result in any financial cost to the District. Such outside endeavors are distinguishable from participation in professional meetings and/or seminars as referenced in paragraph 9 of this Contract.

7. The Board and the Superintendent shall maintain a working relationship that is in the best interests of the District. To that end, all criticisms, complaints, or suggestions received by the Board, or any individual Board member(s) shall, prior to any action being taken as to same, be referred to the Superintendent for appropriate resolution, study or recommendation. The Superintendent shall be permitted to attend all meetings of the Board,

both open and closed, and participate in all deliberations of the Board, except those closed meetings dealing with action (or lack of action) on the Superintendent's Contract, the Superintendent's evaluation, conflicts between individual Board members, or as due process may require.

8. The Board shall provide the Superintendent with periodic opportunities to discuss the Superintendent-Board relationship. The Board shall evaluate the Superintendent annually in writing. Unless the Board and the Superintendent expressly agree otherwise in writing, the Superintendent's evaluation shall at all times be conducted in closed or executive session and shall be considered confidential to the extent permitted 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.

9. The Superintendent may attend and participate in appropriate professional meetings and/or seminars at the local, state and national level, with prior written notice to the Board, with reasonable and necessary travel and registration expenses for attendance at such meetings and/or seminars paid or reimbursed by the District. The District shall pay the annual dues of the Superintendent for membership in relevant professional organizations. The District shall also pay the reasonable and customary dues for the Superintendent's membership in local civic and community organizations of the Superintendent's choice, as approved by the Board.

10. The Superintendent shall have a comprehensive medical examination performed each year by a licensed physician, at District expense (to the extent not covered by medical insurance), and shall annually obtain and file with the Board, as a confidential matter, a statement from such physician certifying that she is physically able to perform her

duties.

11. The District shall, at its expense, provide to the Superintendent such personal protection or security as the Board may deem necessary. In the event the life or safety of the Superintendent or the Superintendent's family is threatened or otherwise appears in danger due to the performance of the Superintendent's professional duties, the District shall pay the reasonable and necessary costs incident to the protection of the Superintendent and the Superintendent's family, provided, however, that such protection will initially be sought :from the police/sheriff s department of the appropriate governmental authority having jurisdiction in the District.

12. This Contract may be terminated at any time with mutual consent of the Board and the Superintendent, or for good cause under applicable law and Board policy. Renewal or non-renewal of this Contract shall be in accordance with Board policy and applicable state law.

13. To the extent it may be permitted to do so 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 the Superintendent from any and all demands, claims, suits, actions, judgments, expenses, and attorneys' fees incurred in legal proceeding currently pending or subsequent hereto brought against the Superintendent in her individual capacity or her official capacity as an employee and the Superintendent of the District, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses or attorneys' fees, arose or does arise in the future from an act or omission of the Superintendent and as an employee of the District, acting within the course and scope of the Superintendent's employment with the District; excluding, however, any such demands,

claims, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that the Superintendent committed official misconduct, or criminal conduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith, or with conscious indifference or reckless disregard, nor does it apply to criminal investigations or proceedings, nor to any investigation or proceeding in which the District and the Superintendent are adverse to each other; 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 the Superintendent. The selection of the Superintendent's legal counsel shall be with the mutual agreement of the Superintendent and the District if such legal counsel is not also the District's legal counsel. A legal defense may be provided through insurance coverage, in which case the Superintendent's right to agree to legal counsel provided for her will depend on the terms of the applicable insurance contract. To the extent this Section of this Contract exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code Chapter 102, it shall be construed and modified accordingly. 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. Both the District's obligation and the Superintendent's obligation under this Section shall continue after the termination of this Contract.

14. This Contract combines all prior agreements and resolutions concerning employment of the Superintendent into one document. This Contract may only be amended by written instrument, executed by both parties.

15. 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

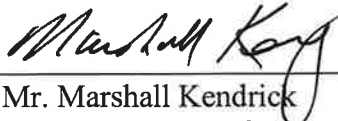
law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.

16. 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.

17. This Agreement is governed by the laws of the State of Texas, and it shall be performable in Harris County, Texas, unless otherwise provided by law. Venue for any dispute concerning the interpretation or enforcement of this Agreement shall be in Harris County, Texas, unless venue is required elsewhere by Texas law.

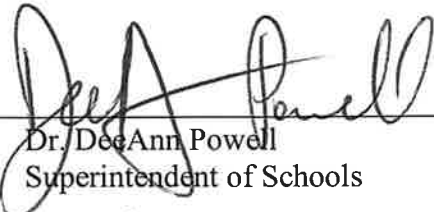
18. This Contract was approved by the Pasadena ISD Board of Trustees at its duly called and posted meeting on May 31, 2022, and is fully effective June 1, 2022, upon final execution of the signatures listed below. For purposes of this Contract, facsimile or email-PDF or electronic signatures are treated as original signatures.

BOARD OF TRUSTEES
PASADENA INDEPENDENT SCHOOL DISTRICT

By: 
Mr. Marshall Kendrick
President, Board of Trustees

Date: May 31, 2022

SUPERINTENDENT

By: 
Dr. DeeAnn Powell
Superintendent of Schools

Date: 5/31/22