

SUPERINTENDENT'S CONTRACT

By this Superintendent's Contract ("the Contract"), Tucson Unified School District No. 1 of Pima County, Arizona ("the District"), by its Governing Board ("the Governing Board"), and Dr. John Pedicone ("the Superintendent"), agree as follows:

1. **Employment:** The District, through its Governing Board, agrees to employ the Superintendent and the Superintendent agrees to be employed by the District for a period of two (2) years, beginning July 1, 2012, and ending June 30, 2014.

2. **Duties:** The Superintendent shall perform the duties of Superintendent of Schools in and for the public schools in the District as prescribed by the laws of the State of Arizona and the rules and regulations of the Governing Board, subject to the Governing Board's personnel policies and the Governing Board's exclusive authority to hire and fire employees and to determine employee compensation. The Superintendent is authorized to organize, reorganize and arrange the central administrative and supervisory staff, including instruction and business affairs, in the manner which, in his judgment, best serves the District. The responsibility for assignment and transfer of personnel shall be vested in the Superintendent.

3. **Annual Base Salary and Performance-Based Compensation:**

A. **Annual Base Salary:**

In consideration for the performance of the above-described duties, the Governing Board agrees to pay to the Superintendent an annual base salary ("Annual Base Salary") of Two Hundred Eleven Thousand Dollars (\$211,000) each year during the term of this Contract. For the second Contract year, beginning July 1, 2013, the Superintendent's Annual Base Salary shall be increased by the average percentage increase received by certificated District employees, if any. In no event shall the Superintendent's Annual Base Salary be decreased during the term of this Contract. On or after May 1, 2013, the Superintendent and the Governing Board may agree to modify or extend this Contract for an additional term pursuant to A.R.S. §15-503(B).

B. **Performance-Based Compensation:**

In accordance with A.R.S. §15-341(A)(40), the Superintendent and the Governing Board agree that, in addition to the Annual Base Salary and other compensation and fringe benefits described in this Contract, the Superintendent shall be eligible to receive up to Twenty-two Thousand Dollars (\$22,000) per year during the term of this Contract as "Performance-Based Compensation." Payment of Performance-Based Compensation shall be according to the terms of the Performance-Based Pay Plan that has been approved by the Governing Board for the term of this Contract, attached hereto as Exhibit A and incorporated herein by this reference.

4. **Superintendent/Governing Board Relations:** The Governing Board shall devote at least a portion of one meeting, either in November or December of each Contract year, to a discussion with the Superintendent about the working relationship between the Superintendent and the Governing Board. This discussion will occur in a personnel executive session. The Superintendent's job performance will be evaluated annually by the Governing Board based on goals established by the Governing Board following consultation with the Superintendent.

5. Termination for Cause: Throughout the term of this Contract, the Superintendent shall be subject to termination for sufficient cause as provided by law. As an alternative to termination for cause, the Governing Board may terminate this Contract, with or without cause, by paying to the Superintendent an amount equal to the sum of (i) the remaining Annual Base Salary, (ii) the value of any then-accrued but unused leave days, and (iii) the value of remaining compensation and benefits through the end of the term of this Contract, less any Performance-Based Compensation not yet earned.

6. Leave for Professional Engagements: In addition to the paid leave provided in Paragraph 9(A) of this Contract, the Superintendent shall be entitled to up to five (5) paid leave days per year that he may use to undertake speaking engagements, or writing, lecturing or other professional activities that do not conflict with his duties as Superintendent. Any unused leave for professional engagements provided pursuant to this Paragraph shall not carry over from year to year nor will the Superintendent be entitled to compensation therefor. Any compensation received for outside activities shall be retained by the Superintendent and shall not reduce the compensation of the Superintendent under this Contract. The Superintendent shall be responsible for making any financial disclosure reports required by law to assure compliance with any applicable legal restrictions relating to receipt of honoraria.

7. Professional Activities: The Superintendent is encouraged and expected to attend appropriate professional meetings at the local, state and national levels, with reasonable and actual expenses related to such meetings that occur outside of Pima County being paid by the District in accordance with District policies and procedures. To the extent permitted by A.R.S. §15-511(D), the District shall pay the Superintendent's dues in (i) the Arizona Association of School Administrators (ASA), (ii) the American Association of School Administrators (AASA), (iii) the Urban Superintendents of America, and (iv) not more than three additional professional organizations of the Superintendent's choice provided that the Superintendent's membership in such other organizations is beneficial to the District.

8. Automobile, Civic Responsibility, and Technology Allowances:

A. Automobile Allowance: The parties agree that, due to the nature of the Superintendent's duties, the Superintendent will engage in significant travel within the District and within Pima County for business purposes and is required to be on call 24 hours a day; therefore, a vehicle is required for the Superintendent to perform his duties. The District shall pay to the Superintendent, in addition to the Annual Base Salary and other compensation set out in this Contract, the sum of Nine Hundred Fifty Dollars (\$950) per month as an Automobile Allowance. In consideration of the additional compensation set forth in this paragraph, the Superintendent agrees not to use a District automobile for business use within Pima County and further agrees not to submit any requests for reimbursement of business travel expenses for travel within Pima County. For business travel outside Pima County, the Superintendent may submit and receive legally authorized mileage and other travel expense reimbursement.

B. Civic Responsibility Allowance: The Governing Board recognizes that there are civic obligations and responsibilities inherent in the performance of the duties of Superintendent and that, in connection with these obligations and responsibilities, the Superintendent will incur significant unreimbursed expenses. Because the Governing Board expects and requires the Superintendent to engage in such activities to establish business, professional and social contacts in the community to help build and continue community support for the District, the District shall pay to the Superintendent, in addition to the Annual Base Salary and other compensation set out in this Contract, the sum of One Thousand Two Hundred Fifty Dollars (\$1,250) per month as a Civic Responsibility Allowance. In

consideration of receipt of Civic Responsibility Allowance monies, the Superintendent agrees not to submit any reimbursement requests for business and/or civic responsibility expenses incurred within Pima County.

C. Technology Allowance: In order to perform his contractual duties, the Superintendent is required to (i) have a cell phone and be available for business calls and (ii) have other technology as is necessary for the Superintendent to engage in business communications at his residence. In recognition of this requirement, the District shall pay to the Superintendent the additional sum of Two Hundred Fifty Dollars (\$250) per month as a Technology Allowance.

9. Benefits: Except and to the extent modified or supplemented in subparagraphs 9(A) through 9(D) below, or as modified or supplemented elsewhere in this Contract, the Superintendent shall be provided the same fringe benefits as are provided to other District administrators.

A. In lieu of the paid leave benefits provided to other District administrators, the Superintendent shall receive forty (40) days of paid leave each fiscal year of this Contract. Paid leave may be used for personal or family illness, personal leave, or vacation at the option of the Superintendent. Up to fifteen (15) days of unused leave may be carried over into a subsequent year, but in no event shall the Superintendent accumulate more than fifty-five (55) days of leave time. On or before June 10 of each year of this Contract, the Superintendent may request in writing to be compensated at his then daily rate of pay ("Daily Rate of Pay") for up to forty (40) days of accumulated but unused paid leave. If the Superintendent makes such a request, payment for such accrued and unused leave days shall be completed on or before June 30. The Superintendent's Daily Rate of Pay shall be calculated by dividing the Superintendent's then-current Annual Base Salary, set forth in Paragraph 3(A) above, by 260.

B. In addition to the group health insurance and term life insurance benefits provided to all administrators, the District shall pay for an additional Two Hundred Thousand Dollars (\$200,000) of life insurance coverage for Superintendent, and shall pay the premiums for short-term disability insurance for the Superintendent. The short-term disability policy shall provide coverage commencing not more than thirty (30) days after the inception of the disability, and shall cover a minimum of 66 2/3% of the Superintendent's then-current Annual Base Salary during the period of disability. In no event shall the District's financial obligation established by this paragraph to provide insurance coverage in excess of that provided to other District administrators exceed a total of \$3,600 in any given year. If the cost of the life and disability insurance exceeds a total of \$3,600, the Superintendent shall have the option of reducing the coverage or paying the difference in premium(s) himself. If the cost of life and disability insurance is less than \$3,600, the District shall pay the difference to the Superintendent as additional compensation on or before June 30 of each Contract year.

C. Pursuant to A.R.S. §15-121(B)(2) and (D)(1), the District hereby agrees to purchase in the Superintendent's name, for his benefit, a tax-sheltered annuity ("TSA") in the amount of Twenty-seven Thousand Five Hundred Dollars (\$27,500) during each fiscal year of this Contract. The TSA shall conform to the Internal Revenue Code Section 457 and all applicable federal regulations and State laws. The District shall also contribute an additional Twenty-seven Thousand Five Hundred Dollars (\$27,500) to a TSA that conforms to the Internal Revenue Code Section 403(b) during each fiscal year of this Contract. The TSA shall conform to all applicable federal regulations and State laws.

D. Upon separation of service under this contract, the Governing Board will pay an additional Ten Thousand Dollars (\$10,000) to the Superintendent for each completed year of service under this Contract.

10. Retroactive to July 1, 2012: The provisions of this Contract, including any provisions concerning compensation and fringe benefits, shall be deemed retroactive to July 1, 2012.

11. Indemnification: To the maximum extent provided by law, the District shall defend, hold harmless and indemnify the Superintendent from any and all demands, claims, suits, actions, and legal proceedings brought against the Superintendent in his official capacity as agent and employee of the Board, or in his individual capacity, provided that the claim arose while the Superintendent was acting within the scope of his employment and excluding any criminal investigation and/or prosecution. In no event shall the Governing Board's obligation hereunder exceed the authority conferred upon it by State law, nor shall its obligation extend to any situation in which the Governing Board and the Superintendent have adverse legal interests. The terms of this paragraph shall survive the termination of this Contract.

12. Applicable Law: This Contract shall be governed by, and construed and enforced in accordance with, the laws of the State of Arizona.

Dated: August 28, 2012

Approved at a meeting of the
Governing Board, Tucson Unified
School District No. 1, on
August 28, 2012.

Miguel Cuevas
President, Governing Board

John J. Pedicone, Jr., Ph.D.
Superintendent

EXHIBIT A

PERFORMANCE-BASED COMPENSATION PLAN

A. Performance-Based Compensation: For fiscal years 2012-2013 and 2013-2014, the Superintendent shall be eligible to receive up to an additional Twenty-two Thousand Dollars (\$22,000) per year in Performance-Based Compensation, above and beyond the compensation and fringe benefits referenced in the Superintendent's Contract, dependent upon assessment by the Governing Board as set forth below.

B. Determination of Criteria for Award of Performance-Based Compensation: The Superintendent and the Governing Board agree that the goals by which the Superintendent's Performance-Based Compensation shall be measured shall be those goals identified by the Governing Board at Board meetings scheduled between July 1 and October 1 of each fiscal year. The approved goals shall each be given a relative weight, expressed as a percentage, so that the total weight of all approved goals equals 100%. If the Board fails to adopt specific weights for some or all of the goals, those goals shall be deemed to have equal weight, with the total percentage weight for all goals equaling 100%. The Superintendent and Governing Board shall each make good faith efforts to agree on the goals and the percentage weight to be assigned each goal. If, despite the earnest efforts of each, the Superintendent and Governing Board cannot agree whether or not the Board should adopt one or more of the particular goals being discussed, or cannot agree on the weight to be assigned to one or more specific goals, the Governing Board, by majority vote, shall determine the goal(s) and/or weight(s) assigned to such goal(s). In any event, on or before October 1, 2012, for the 2012-2013 fiscal year, and on or before October 1, 2013, for the 2013-2014 fiscal year, the Governing Board shall, in an open meeting, adopt performance goals for the Superintendent and assign relative weights to each goal. The goals adopted by the Governing Board shall be used to determine the Superintendent's Performance-Based Compensation. The 2012-2013 goals shall continue in effect for the 2013-2014 fiscal year unless modified by the Governing Board in an open meeting held no later than October 1, 2013.

C. Assessment of Goal Achievement and Awarding of Performance-Based Compensation: The Governing Board shall determine, by majority vote, whether the Superintendent has achieved each of the goals adopted by the Governing Board. For each goal that a majority of the Governing Board determines the Superintendent has met, the Superintendent shall be awarded a percentage of the \$22,000 Performance-Based Compensation equal to the percentage weight of that particular goal. If the Governing Board determines that the Superintendent has partially achieved a particular goal, the Governing Board, by majority vote, shall determine a percentage to reflect such partial achievement. For that goal, the Superintendent's Performance-Based Compensation shall be determined by multiplying the percentage achievement of the particular goal by the percentage weight of that goal and then multiplying that product by the \$22,000 in Performance-Based Compensation. Except as provided in the following sentence, the Governing Board's assessment of the Superintendent's job performance based on the adopted goals shall occur between May 15 and June 15 of each fiscal year, and payment of the Performance-Based Compensation to the Superintendent shall occur within twenty (20) days following the Governing Board's assessment. Notwithstanding the above, if data to assess any goal or goals is not available by the date set forth above (for example student test data), then the Governing Board shall assess the Superintendent's performance related to such goal or goals within thirty (30) days after the data is available and payment related to such goal or goals, if any, shall be made within fifteen (15) days after the Governing Board assesses the Superintendent's performance related to such goal or

goals. The parties acknowledge that, in the final year of the Superintendent's Contract, this obligation may extend beyond the termination date of this Contract.