

MEMO

FROM: Adam Andrzejewski, CEO/Founder of OpenTheBooks.com
DATE: October 8, 2018
RE: Summary of Superintendent's Employment Contract – Gregory Jackson

DISTRICT: Ford Heights School District #169
HIRE DATE: 06/01/2006
INITIAL SALARY: \$130,000
CURRENT AGE: (estimated 55 years old – can not find any evidence of Dr. Jackson's age)

Current Contract: June 7, 2016 date signed and amended four times. The 4th amendment was signed on June 9, 2018 and extended the employment contract until June 30, 2023.

Contract Title: Superintendents Employment Agreement

Term: currently through 2023 (5 years)

Contract is automatically extended for one year (until superintendent retires) unless the board gives notice by April 1st of each year.

Note: Contract received by OpenTheBooks.com via Illinois Freedom of Information Act (FOIA) on Tuesday, September 4, 2018.

SALARY SCHEDULE: (contract section: 4 – Salary)

Initial salary increases by 6 percent per year for five years

18/19 \$258,379.01

19/20 \$266,130.38

20/21 \$274,114.29

21/22 \$282,337.72

22/23 \$290,807.85

TOTAL COST: \$1,371,767

WORK YEAR DEFINITION: 260 days (contract section: 15–Vacation & Sick Leave)

Therefore, current “per diem” rate: \$993.77 (\$258,379 / 260 days)

In 2023, the “per diem” rate will increase: \$1,118.49 (\$290,807/ 260 days)

EMPLOYER PAYS EMPLOYEE PORTION OF TRS (9%) / TRS Health (1.24%) / Federal Medicare (1.45% to \$120,000 then 2.35%): (contract section: 27 & 28 – TRS Contribution)

Based on the above salary schedule, we calculated:

TOTAL COST (EST): \$167,304

CAR EXPENSES: \$4,200 per year (contract section: 18 – Transportation)

TOTAL COST: \$21,000

INSURANCE BENEFITS: (Contract section: 16)

Major medical insurance, dental and vision insurance, long-term disability insurance. Estimated cost is \$1,815 per month (disability insurance is an extra cost and no estimate of cost given). Six-

years, not five-years, are guaranteed by this contract (unless the superintendent retires from the district and then the board pays until his age 70):

TOTAL COST: \$130,680

POST RETIREMENT HEALTH, MAJOR MEDICAL, VISION, & DENTAL:

(contract section 16) Board pays the full policy until age 70, if the superintendent retires from the district. If not, board pays a full extra year.

TOTAL ESTIMATED COST: \$326,700

(estimated 15 years until age 70 at the current rate of \$1,815 per month)

DISABILITY INSURANCE BENEFIT: (contract section: 12 – Disability)

Contract calls for the district to purchase a plan covering 2/3rds of salary income. The industry standard premium is 1-3% of annual salary. Therefore, using the mid-point figure of 2%, the annual premiums over this five-year contract would total:

TOTAL ESTIMATED COST: \$27,435

UNIVERSAL LIFE INSURANCE POLICY: (contract section: 17)

The district pays \$2,175 per year in extra salary for superintendents \$150,000 face value life insurance policy. The district also pays the full cost of a \$450,000 term life insurance policy.

TOTAL ESTIMATED COST: \$13,750

INSURANCE BENEFIT REIMBURSEMENT: (contract section: 16)

\$5,000 per year with receipts added to taxable income for out-of-pocket expenses.

TOTAL COST: \$25,000

EMPLOYER PAID RETIREMENT ANNUITY: (contract section: 5 – Deferred Compensation)

\$29,000 additional salary annually

TOTAL COST: \$145,000

ADDITIONAL SALARY: \$1,500 per year (contract section: 6)

TOTAL COST: \$7,500

PAID TIME OFF (PTO): (contract section: 15 – Vacation & Sick Leave)

72 days PTO each year, accumulation uncapped. Calculated as follows: Vacation (45 days), sick (12 days), holiday (12 state holidays), and personal days off (3 days).

BENEFIT: \$71,496 (72 X \$993)

ACCUMULATED PTO LIABILITY: (contract section: 15 – Vacation & Sick Leave)

60-days of accumulated sick time was granted when contract was signed.

501.5 days total accumulation (per FOIA disclosure) The break-out is 460 accrued sick days and 41.5 accrued vacation days. This was disclosed by FOIA, but doesn't make sense when reviewing contract.

TOTAL ESTIMATED COST: 501.5 days X \$993 = \$497,990

MEDICAL EXAM BENEFIT: (contract section: 20 – Medical Examination)

\$1,500 per year

TOTAL COST: \$7,500

PERSONAL TECHNOLOGY: (contract section: 19—Personal Technology)

Computer, laptop, cell phone, iPad, printer & modem, expressly purchased by the district so the superintendent can work from home.

ESTIMATED COST: \$4,000

TOTAL COST OVER THE LIFE OF CONTRACT:

\$2,817,122

DISCLOSURE:

Our auditors at OpenTheBooks.com calculations are based on district production of superintendent's contracts, online posting of union agreements, and disclosures from the Illinois Teachers' Retirement System (TRS). We estimate that our calculations are accurate within a margin of +-5%. Furthermore, our estimate does not account for the employer portion of TRS payments, the cost of "membership dues," the cost of "business expense reimbursements," the employee contract value of "other work" opportunities allowed, the present value of the "professional liability benefit," or for the probability of a full taxpayer buyout of all remaining contract value within 30-days of a triggering event, i.e. district consolidation.