

## EMPLOYMENT CONTRACT

Pursuant to Resolutions adopted on October 7, 1995 and October 25, 1995 in accordance with State Education Law Section 2590-h, the Board of Education of the City School District of the City of New York (hereinafter referred to as the "Board") hereby agrees to employ RUDOLPH F. CREW (hereinafter referred to as the "Chancellor") as Chancellor of the City School District of the City of New York, subject to satisfactory completion of a background investigation by the Department of Investigation, for the period commencing October 15, 1995 and terminating June 30, 1998 in accordance with the following terms and conditions:

### 1. DUTIES

The Chancellor shall faithfully perform the duties of the Chancellor of the City School District of the City of New York during the term of this Contract. He shall administer the school system of the City of New York in a manner consistent with city, state and federal law and regulations and the policies, practices and procedures of the Board. The Chancellor shall regularly advise the members of the Board of Education of the accomplishments, failures and needs of the schools of the school system, shall apprise the Board on the condition of the system's finances, and shall furnish the Board with timely information concerning the condition of the schools of the system in sufficient detail to enable the Board of Education and its members to carry out their statutory responsibilities to the school system.

The Chancellor and the Board acknowledge that the Chancellor is the chief executive and administrative officer of the city school system. His powers, authority, and responsibilities are those set forth in statute and in law, which includes administrative responsibility over all staff in the New York City school system except for those persons reporting directly to the Board of Education or as limited by New York State Law. The Chancellor acknowledges that the Board is responsible for policy formulation and has the authority that is set forth in statute and in law as well as the authority and duty to review the performance of the Chancellor.

### 2. EVALUATION

a. The Chancellor shall have the opportunity to recommend to the Board for adoption annual goals and objectives for the school system. Recommended goals and objectives shall be submitted to the Board on or before February 1, 1996 for the 1996-97 school year and each February annually thereafter.

b. The Board shall evaluate the Chancellor's performance at least annually, which evaluation shall include evaluation of the Chancellor's total performance. Not later than thirty (30) days prior to the commencement of each school year, the

Chancellor shall submit a written self-assessment on meeting the established goals and objectives except that for the evaluation to be conducted prior to the 1996-97 school year, the Board and Chancellor shall mutually agree by February 1, 1996 on those areas to be evaluated. The Chancellor shall be provided an opportunity to discuss annual evaluations with the Board.

c. Notwithstanding the foregoing provisions, not less than six months prior to the expiration date of this employment agreement or any extension of this agreement, the Chancellor shall submit to the Board a written self-assessment of his performance in meeting the established goals and objectives and of his total performance. The Chancellor shall be provided an opportunity to discuss his self-assessment with the Board.

d. The foregoing shall not be construed to limit any of the powers of the Board set forth in statute and in law in regard to the subject matter of paragraph 11 of this Contract, nor critical communication to the Chancellor, nor the authority of the Board to engage in periodic evaluation of the Chancellor's ongoing performance of duties.

### 3. SALARY

The Chancellor shall receive an annual salary of One Hundred Ninety-Five Thousand Dollars (\$195,000) which may not be decreased, but may be increased during the term of this Contract. The Chancellor's salary shall be reviewed on an annual basis prior to the commencement of the fiscal year and may be adjusted by the Board based upon review of the Chancellor's performance, increases in the compensation and fringe benefits granted to managerial staff, the state of the economy and the state of the school budget. The Chancellor shall be given an opportunity to discuss such salary and fringe benefit increases with the Board prior to any determination. If the Board determines to increase the Chancellor's compensation during the term of this Contract or any Renewal Contract or any automatic extension of this Contract in accordance with paragraph 12, such increase shall be deemed automatically incorporated into this Contract in accordance with any such resolution adopted by the Board providing for such increased compensation, without the requirement of a written amendment to this Contract. As used in this paragraph and other paragraphs of this Contract, the term "Renewal Contract" or any "automatic extension" of this Contract in accordance with paragraph 12 shall mean a contract containing the same terms and conditions as this Contract except for an expiration date after June 30, 1998.

Although the Chancellor's annual salary and other benefits provided for herein shall commence the day he formally assumes the position of Chancellor, that is, on October 15, 1995, it is

understood that the Chancellor shall be reimbursed prior to such date, that is, for the period October 11 through October 14, 1995, for necessary and reasonable expenditures made by him in connection with his official duties, including, but not limited to, travel, lodging, meals, telephone and related business expenses and be compensated at the per diem rate of 1/220th of his annual salary for each day of service rendered.

#### 4. OTHER BENEFITS

a. As a condition of his employment, the Chancellor shall be required, as were the past Chancellors and as will future Chancellors, to live in a residence owned by the City and

maintained by the Board and located in the City of New York at 80 State Street, Brooklyn, except that the Chancellor shall pay a maintenance fee of \$1,510.00 per annum. The Board shall assume financial responsibility for any personal tax liability which might be assessed or imposed upon the Chancellor on account of his compliance with this requirement. The Board shall provide such residence to the Chancellor with the understanding that in his use of the residence, the Chancellor will carry out the administrative, ceremonial and social responsibilities incumbent on a Chancellor of the City School District of the City of New York. The Board will provide the residence with kitchen, living and dining facilities and furnishings reasonably suitable to performing these responsibilities and shall pay the reasonable cost of utilities.

b. The Chancellor shall be provided a Board maintained automobile and a driver for use in the performance of his official duties.

#### 5. ANNUAL LEAVE ALLOWANCE

The Chancellor shall be entitled to receive thirty (30) working days paid vacation for each year of service as Chancellor under this Contract. This allowance shall accrue at the rate of two and one half (2 1/2) days per month. Vacations of more than one week's duration are subject to sufficient prior notice and discussion with the President of the Board. Vacations shall not interfere with the performance of the Chancellor's duties. The Chancellor shall receive a cash payment for unused vacation days at the expiration of this Contract (computed at the daily rate of 1/220th of his then annual salary).

#### 6. SICK LEAVE ALLOWANCE

The Chancellor shall be allowed sick leave whenever the Chancellor's absence from work is due to personal illness which prevents him from attending work and performing his normal duties on such days, subject to the following provisions:

a. The Chancellor shall earn and accumulate sick leave at the rate of twelve (12) days per year, earned and accrued at the rate of one (1) day per month.

b. The Chancellor shall furnish such documentation as is required for verification of sick leave.

c. The Chancellor shall accumulate earned and unused sick leave and shall be entitled to receive a cash payment of one day's pay for each three days of accrued sick leave at the expiration of this Contract (computed at the daily rate of 1/220th of his then annual salary).

7. HEALTH AND WELFARE BENEFITS

a. The Board agrees to arrange for and make available to the Chancellor for himself, his spouse and their dependent children a choice of health and hospital coverage from plans designated by the Board for its employees and pay the premium cost thereof except as provided in subparagraph c. below.

b. The Board agrees to provide supplemental welfare benefits to the Chancellor for himself, his spouse and their dependent children. It is understood that the Chancellor shall receive coverage under the Management Benefits Fund or other appropriate fund.

c. Consistent with his benefits with the Tacoma Public Schools the Chancellor shall contribute \$125 per month for such benefits.

8. ADDITIONAL BENEFITS

a. Retirement

The Board shall make its required contributions to the New York City Teachers' Retirement System during the term of this Contract. In recognition of the Chancellor's resignation of his position with the Tacoma School District as well as his assumption of the duties of Chancellor on such an expedited basis, and in accordance with Board practice of compensating prior Chancellors for the value of pension benefits lost, the Board agrees to pay the Chancellor the sum of \$52,887, which was computed in accordance with such practice based on the Tacoma Retirement System Plan, brought to present value. Such sum shall be returned to the Board if the Chancellor voluntarily terminates employment with the Board within eighteen (18) months from the date of employment.

b. Annuity

The Board shall contribute annually Nine Thousand Five Hundred Dollars (\$9,500) to a Section 403(b) annuity on behalf of the Chancellor.

c. Life Insurance

In order to continue life insurance benefits provided to the Chancellor under his former contract with the Tacoma Public Schools, the Board agrees to purchase life insurance coverage for the Chancellor with a premium not to exceed \$5,500 per year for the years served by the Chancellor under this Contract and any Renewal Contract or automatic extension of the Contract in accordance with paragraph 12, and to provide additional compensation equal in amount to any personal income tax liability incurred by the Chancellor in connection with the purchase of such insurance. For this purpose, the Chancellor's rate of tax shall be assessed at 40% and shall be adjusted upward in the event tax rates are increased.

d. Disability Benefits

Disability benefits shall be those provided by the Management Benefits Fund, that is, 50% of salary payable after six months of disability, up to a maximum of \$60,000 annually up to age 65. In addition, to provide disability benefits equivalent to those enjoyed by previous Chancellors, the Board agrees to provide disability benefits equivalent to the above rates after a two-month waiting period until benefits under the Management Benefits Fund commence.

9. OFFICIAL BUSINESS EXPENSES; OUTSIDE ACTIVITIES

a. Attendance at Meetings, Conferences, etc.

The Chancellor may attend and participate in such meetings, programs, conventions, and other activities on behalf of the school system as may in his judgment be necessary and appropriate to his responsibilities. The Chancellor's attendance at such meetings, programs, conventions, and other activities which are of duration longer than one day shall be on sufficient prior notice to and subject to approval by the President of the Board, which approval shall not be unreasonably withheld.

b. Reimbursement of Business Expenses

The Board agrees that the Chancellor will be reimbursed for all ordinary and necessary expenditures made by him in connection with his official duties, including, but not limited to, travel, lodging, meals away from home, telephone and related business expenses. Such reimbursement shall be subject to the limitations, restrictions and regulations governing reimbursement of Board of Education employees to the extent that such expenditures are not covered by the sponsoring entity.

c. Membership Dues, Entertainment Expenses

In addition to the reimbursement of expenses described in subparagraph b. hereof, the Chancellor shall receive from private funds obtained and controlled by the Board and/or from public funds, if either is made available, an annual (fiscal year) expense allowance of up to \$10,000 to be used to cover the costs of appropriate dues, memberships, meals, meetings, entertainment at home and other similar expenses related to the conduct of official school business, including reasonable supplemental costs for expenses incurred under subparagraph 9b. above, which may exceed the maximum allowable reimbursements under rules and regulations governing reimbursement of Board of Education employees. The Board may establish reasonable limitations on such reimbursements. The Chancellor shall furnish documentation necessary to justify reimbursement.

d. Credit Cards

For expenses incurred after the execution of this Contract, the Chancellor shall be provided an American Express Corporate Credit Card and a telephone credit card for appropriate official expenditures in accordance with subparagraphs 9a. and 9c. above. The Chancellor shall furnish documentation necessary to justify payment. The Board shall provide prompt payment to each card issuer for approved expenditures. The Board reserves the right to withdraw the credit card(s) if used in a manner not consistent with the provisions of this paragraph.

e. Audit

The incurring and payment of all expenses are subject to pre-audit and post-audit and approval by the Auditor General of the Board of Education, as well as post-audit by the Comptroller of the City of New York.

f. Outside Activities

In addition to the matters described in subparagraph a. hereof, it is understood that the position of Chancellor is a full-time position requiring the Chancellor's full-time attention and efforts and that any outside activities shall be limited consistent with his duties and responsibilities as Chancellor.

The Chancellor may undertake speaking engagements, guest appearances, lecture, teaching and writing positions. The Chancellor may act as a director of a bank or corporation which does not do any business with the Board or the City of New York, provided the President of the Board has approved the Chancellor's holding of such a position. The Chancellor may participate in such activities and may accept honoraria, fees or other compensation for such work. His participation in the activities described in this subparagraph (i) shall not

conflict with his duties, functions and responsibilities as Chancellor or represent a conflict of interest; (ii) shall be on non-working time or vacation leave time; and (iii) if other than occasional activities as more specifically provided for herein, shall be on sufficient prior notice to and subject to approval of the President of the Board, which approval shall not be unreasonably withheld.

#### 10. MEDICAL EXAMINATION PROVISIONS

The Chancellor shall be required to submit to and the Board shall annually pay for the full cost of a comprehensive physical examination at a medical center to be selected by the Chancellor. The Chancellor represents that he is in good health and can perform the duties as Chancellor and has provided to the Board a copy of his last annual medical report. All medical reports of the examining physician(s), including his last annual medical report referred to above, detailing the physical condition of the Chancellor shall be filed with the Medical Division of the Board of Education and shall be treated as confidential information by the Medical Division except to the extent that it is appropriate for the Medical Division to discuss such report with the Board. Nothing in this paragraph shall be deemed to limit the Board's authority under law to require the Chancellor to undergo a medical examination by the Board's Medical Division based upon a reasonable belief that the Chancellor is unable to perform his duties because of a disability.

#### 11. TERMINATION/SUSPENSION OF SERVICES

a. This Contract shall automatically terminate upon the death or physical or mental inability of the Chancellor to perform the duties of Chancellor for a period of six (6) months during any one year period.

b. The Board may terminate the services of the Chancellor for cause at any time during the term of this Contract, any Renewal Contract or any automatic extension thereof. Upon any such termination, all salary payments and other benefits provided for in this Contract shall be discontinued except for those accrued termination benefits as set forth in paragraph 5, subparagraph 6c., paragraph 7 and subparagraph 8c. (accrued annual and sick leave earned and accrued during the term of this Contract or any Renewal Contract or automatic extension of this Contract in accordance with paragraph 12; accrued payment for health and welfare and life insurance benefits) and except for any unpaid reimbursements to which the Chancellor is entitled under paragraph 9 or for the Board's assumed responsibility for the tax liability under subparagraph 4a. Prior to termination of the Chancellor's service, the Board shall provide the Chancellor with the opportunity for a hearing

before a hearing officer paid for by the Board and selected by the Board from a list supplied by the American Arbitration Association, the Office of Administrative Trials and Hearings, Dispute Resolution, Inc. or other similar independent entity. The Chancellor shall have written notice of the hearing, shall be furnished a copy of the charge(s), and shall be allowed at least eight (8) days notice of the hearing date. The Chancellor may be represented by counsel at his own expense, may summon witnesses on his behalf, may confront witnesses against him, may present oral and written evidence on his own behalf and shall be provided a copy of the stenographic record of such hearing. The hearing officer appointed by the Board shall issue findings of fact only, which shall not be binding on the Board; he/she shall make no recommendation as to the disposition of the charge(s). The Board shall make the final determination as to the findings of fact and the disposition of the charges. The Board's final determination may be appealed within (30) days. If the Board or a subsequent reviewing authority determines that the charges were without merit or brought in bad faith, the Chancellor shall be reimbursed any legal expenses incurred in defense against such charges.

c. The Board may suspend the Chancellor with pay pending a final determination or suspend the Chancellor without pay up to a maximum of sixty (60) days. If the Board suspends the Chancellor without pay and a final determination has not been rendered within sixty (60) days, the salary shall be reinstated provided that the Chancellor has not contributed to any delay in the proceedings. During the period of any suspension without pay imposed by the Board, the Chancellor shall be entitled to draw accumulated vacation allowances or sick leave, if sick, standing to his credit. During the period of any suspension (with or without pay) pending a final determination, the provisions of paragraph 1, subparagraph 4b., paragraphs 5 and 6, subparagraphs 8b., and 8c., subparagraphs 9a., 9b., 9c., 9d. and 9f. of this Contract shall be suspended pending a final determination, it being understood that the Chancellor may submit and be reimbursed for any permissible expenditures or tax protection amounts assessed prior to the date of suspension and continue to participate in outside activities already approved by the President. If the suspension is with pay, the Board reserves the right to assign the Chancellor to perform

d. In the event of a termination of this Contract by the Board prior to June 30, 1998, for any reason other than that specified in subparagraphs 11.a. or 11.b. hereof (an "Early Termination"), or without following the procedures set forth in 11.b. above, the Chancellor shall be entitled to continue to receive during the period beginning on the date of such Early Termination (the "Early Termination Date") and ending on the Contract Termination Date all salary and benefits under this



contract as if such Early Termination had not occurred. In lieu of the receipt of any such salary and benefits for the period subsequent to the early Termination Date, the Chancellor by written notice to the Board (or any successor thereto) may at his sole option elect to receive a lump sum payment (the "Early Termination Payment") equal to the sum of (1) the aggregate annual salary (at the rate in effect on the Early Termination Date) that the Chancellor would have received between the Early Termination Date and the Contract Expiration Date as if the Early Termination had not occurred, and (2) the aggregate cash value of the benefits under paragraphs 5., 6., 7., and 8. that the Chancellor would have enjoyed between the Early Termination Date and the Contract Expiration Date as if the Early Termination had not occurred; provided, however, that whatever the Early Termination Date in no event shall the Early Termination Payment be less than an amount equal to six month's salary. For purposes of, but not in limitation of, this subparagraph d, an Early Termination shall be deemed to have occurred in the circumstance where the act of any governmental body makes it impossible for the Chancellor to perform his duties under this Contract, including, but not limited to, the repeal or the modification or termination of the Chancellor's or the Board's authority as it currently exists under law.

If the contract is extended beyond June 30, 1998, the Board may terminate the contract without following the procedures set forth in subparagraph 11.b. herein, but in such event the Board shall pay a lump sum equivalent to the Chancellor's salary for the lesser of one year or the period remaining on the then contract at the annual rate then in effect and the aggregate sum of any benefits which would be due, provided, however, that such lump sum shall in no event be less than six month's salary.

e. In the event that charges are pending at the time of the expiration of the Contract or any Renewal Contract or automatic extension thereof, the Chancellor shall have the right to have the charges heard in accordance with the hearing provisions set forth in this paragraph. The Chancellor shall be entitled to receive the benefits provided for in this Contract which were otherwise held back (e.g., salary), if the Board concludes that the charges would not have warranted the removal of the Chancellor for the specific reasons set forth in the statement of charges.

## 12. EXTENSION OF EMPLOYMENT

The Board shall give the Chancellor written notice by January 31, 1998 if the Board wishes not to extend the Chancellor's services beyond the period covered by this Contract. Failure by the Board to notify the Chancellor shall be deemed an extension of one (1) year, that is, until June 30, 1999, but in

no event may this contract be extended beyond June 30, 1999 without formal action by the Board. The Board and the Chancellor agree that such notice of non-renewal may be given following action taken at a public Committee of the Whole Meeting.

The Chancellor shall give the Board written notice by December 31, 1997, if he does not wish to have his contract extended beyond June 30, 1998.

13. MODIFICATIONS

This Contract may not be orally changed or modified; any and all changes must be in writing and executed by the parties thereto.

14. CONTRACT IN ITS ENTIRETY

The parties agree that this Contract contains the entire understandings between the parties and that there are no representations, conditions, understandings, promises, or considerations of any nature whatsoever, except as herein expressed. Excepted from the foregoing is correspondence, dated November 4, 1995, relating to the provisions set forth in the resolutions of the Board adopted on October 7 and October 25, 1995 regarding transition and relocation expenses, lodging expenses, and use of residence.

15. NEW YORK LAW

This Contract will be construed in accordance with the laws of the State of New York.

16. WAIVER

Any waiver of any provision in this Contract shall not be deemed to be a waiver of any other or of a subsequent breach, and shall not be construed to be a modification of the terms of the Contract.

17. SEVERABILITY

In the event any portion of this Contract shall be declared illegal and unenforceable, the balance of this Contract shall remain viable and binding upon the parties.

The above terms and conditions are hereby accepted and agreed to by the parties.

BOARD OF EDUCATION  
OF THE CITY OF NEW YORK

DATE: 11.10.95

BY: Carol A. Gresser  
PRESIDENT

DATE: 11.10.95

BY: William F. Dow  
CHANCELLOR

