



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

For the Year Ending August 31, 2018



**DeeAnn Powell, Superintendent of Schools  
Carla Merka, 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 2018-2019 ratings are based on annual financial reports provided to TEA by districts and charters from the 2018 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 fourteen 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 2018-2019 ratings. For the 2018-2019 rating, Pasadena ISD earned a score of 98 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.



**Financial Integrity Rating System of Texas**

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

<b>Name: PASADENA ISD(101917)</b>	<b>Publication Level 1:</b> 8/7/2019 3:33:27 PM
<b>Status: Passed</b>	<b>Publication Level 2:</b> 8/8/2019 2:06:12 PM
<b>Rating:</b> A = Superior	<b>Last Updated:</b> 8/8/2019 2:06:12 PM
<b>District Score:</b> 98	<b>Passing Score:</b> 60

#	Indicator Description	Updated	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?	8/05/2019 11:30:40 PM	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.)	8/05/2019 11:30:40 PM	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.)	8/5/2019 11:30:41 PM	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	8/5/2019 11:30:41 PM	Yes

	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.)		
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?	8/5/2019 11:30:41 PM	Yes
5	This indicator is not being scored.		
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.)	8/5/2019 11:30:42 PM	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.)	8/5/2019 11:30:42 PM	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 10 percent or more, then the school district passes this indicator.) (See ranges below.)	8/5/2019 11:30:42 PM	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?	8/5/2019 11:30:43 PM	10
10	Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)	8/5/2019 11:30:44 PM	10
11	Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)	8/5/2019 11:30:44 PM	10
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.)	8/5/2019 11:30:46 PM	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?	8/5/2019 11:30:46 PM	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.)	8/5/2019 11:30:47 PM	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?	8/5/2019 11:30:47 PM	10
			98 Weighted Sum
			1 Multiplier Sum
			98 Score



**DETERMINATION OF RATING**

<b>A.</b>	Did the district answer ' <b>No</b> ' to Indicators 1, 3, 4, 5, or 2.A? If so, the school district's rating is <b>F for Substandard Achievement</b> regardless of points earned.	
<b>B.</b>	Determine the rating by the applicable number of points. (Indicators 6-15)	
	<b>A = Superior</b>	90- 100
	<b>B = Above Standard</b>	80- 89
	<b>C = Meets Standard</b>	60- 79
	<b>F = Substandard Achievement</b>	<60
	<b>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.</b>	

## **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 #2A: The District received a clean audit report.

Indicator #2B: The District had no findings of weak internal controls.

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 #15 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 District had adequate cash and current investments sufficient to cover operating expenditures.

Indicator #7: The ratio of current assets to current liabilities was adequate to cover short-term debt.

Indicator #8: The ratio of total assets to long-term liabilities was adequate to support long-term solvency.

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: The District had adequate debt revenue to cover required debt service payments.

Indicator #11: The amount spend on administrative cost was \$12,155,227 below the state standard. This will be discussed in more detail later in the report.

Indicator #12: The District had enrollment growth and did not experience a 15% decline in the students to staff ratio over the past 3 years.

Indicator #13: The actual expenditures submitted to TEA in PEIMS for \$495,882,590 had a variance of .0003% or \$427 due to rounding of pennies.

Indicator #14: 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 #15: The District did not receive an adjusted repayment schedule for more than one fiscal year due to an overpayment from TEA as a result of a financial hardship.

### **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 87%. Utility payments fluctuate greatly from year to year, but still make up our second largest single expenditure at 3% closely followed by property insurance at 2%. 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. A district's size determines their administrative cost limitation. Based on Pasadena ISD's size, our administrative cost limit has been set at 5.41%. 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.

<b>Administrative Cost Comparison</b>			
<b><u>Year</u></b>	<b><u>State Limit</u></b>	<b><u>District Actual</u></b>	<b><u>Amount Under Limit</u></b>
2002-03	11.05%	6.71%	\$6,940,006
2003-04	11.05%	6.83%	\$7,073,331
2004-05	11.05%	6.90%	\$7,610,638
2005-06	11.05%	6.59%	\$8,407,523
2006-07	11.05%	6.92%	\$7,860,819
2007-08	11.05%	5.79%	\$11,392,714
2008-09	11.05%	4.73%	\$14,715,474
2009-10	11.05%	5.10%	\$11,581,621
2010-11	11.05%	5.47%	\$10,679,473
2011-12	11.05%	5.58%	\$12,870,132
2012-13	11.05%	5.44%	\$13,880,521
2013-14	11.05%	5.45%	\$15,345,040
2014-15	11.05%	5.63%	\$15,638,873
2015-16	11.05%	5.50%	\$17,078,737
2016-17	11.05%	5.27%	\$11,097,492
2017-18	11.05%	5.41%	\$12,155,227

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>
1993	101.1%
1994	98.1%
1995	98.2%
1996	100.5%
1997	100.5%
1998	99.5%
1999	99.7%
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	98.72%
2013	99.53%
2014	99.00%
2015	101.52%
2016	101.51%
2017	97.54%
2018	99.7%

## **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.

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 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 issuance of our Annual Budget 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, 2018, the districts sixth consecutive year receiving this award.

Additionally, the district received GFOA's Certificate of Achievement for Excellence in Financial Reporting for the fourth consecutive year for the Comprehensive Annual Financial Report (CAFR) ending August 31, 2018.

Again for 2019, the District has been recognized by the Texas Comptroller for its new "Transparency Stars" program.

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.

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. The Superintendent shall be paid a salary of \$215,000.00 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 annual 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 work days each year.

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.



**PASADENA INDEPENDENT SCHOOL DISTRICT**

**SUPERINTENDENT'S CONTRACT**

THE STATE OF TEXAS           §

§

COUNTY OF HARRIS           §

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 as recorded in the official minutes of the meeting of the Board held on the 8<sup>th</sup> day of December, 2015, 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 Superintendent shall be employed for twelve months per year for a term commencing on February 1, 2016, and ending on January 31, 2019. The Board may, at its sole discretion, extend the term of this Contract annually, for an additional year, with the consent of the Superintendent.

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

(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) The District shall pay the Superintendent an amount of \$1,000.00 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) work days 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.

EXECUTED this the 8 day of December, 2015.

Maurice Gujano  
President, Board of Trustees

12/8/15  
Date

DeeAnn Powell  
Superintendent

12-8-15  
Date

**FIRST AMENDMENT TO  
SUPERINTENDENT'S CONTRACT OF EMPLOYMENT**

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

WHEREAS, the Board of Trustees ("Board") of the Pasadena Independent School District, met on November 29, 2016;

WHEREAS, at the meeting on November 29, 2016, the District, pursuant to her Contract of Employment ("Contract"), offered Dr. DeeAnn Powell an amendment to her Contract;

WHEREAS, Dr. DeeAnn Powell accepted the amendment to the Contract;

NOW, THEREFORE, pursuant to the authority of § 11.201 of the Texas Education Code, the general laws of the state of Texas and Paragraph 14 of the Contract, the Board and Dr. Powell agree as follows:

**I.**

Paragraph 2 of the Superintendent's Contract of Employment originally executed on December 8, 2015 is amended as follows:

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, 2020. Each contract year shall begin July 1st and end June 30<sup>th</sup> 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.

Paragraph 4 of the Superintendent's Contract of Employment executed on December 8, 2015 is amended as follows:



4. Effective December 1, 2016, the Superintendent shall be paid a salary of \$250,000.00 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 work days each year.

**Consideration.** In exchange for the above consideration, by her signature below, Dr. DeeAnn Powell hereby agrees to waive her right to resign from her employment with Pasadena ISD without Board agreement at the end of the 2016-2017 contract year.

This First Amendment is effective November 29, 2016 upon final execution of the signatures listed below.

EXECUTED this 29<sup>th</sup> day of November 2016.

BOARD OF TRUSTEES  
PASADENA INDEPENDENT SCHOOL  
DISTRICT

By: Nelda R. Sullivan  
Ms. Nelda Sullivan  
President, Board of Trustees

By: DeeAnn Powell  
Dr. DeeAnn Powell  
Superintendent of Schools

**SECOND AMENDMENT TO  
SUPERINTENDENT'S CONTRACT OF EMPLOYMENT**

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

WHEREAS, the Board of Trustees ("Board") of the Pasadena Independent School District, met on March 27, 2018;

WHEREAS, at the meeting on March 27, 2018, the District, pursuant to her Contract of Employment ("Contract"), offered Dr. DeeAnn Powell an amendment to her Contract;

WHEREAS, Dr. DeeAnn Powell accepted the amendment to the Contract;

NOW, THEREFORE, pursuant to the authority of § 11.201 of the Texas Education Code, the general laws of the state of Texas and Paragraph 14 of the Contract, the Board and Dr. Powell agree as follows:

**I.**

Paragraph 2 of the Superintendent's Contract of Employment originally executed on December 8, 2015 is amended as follows:

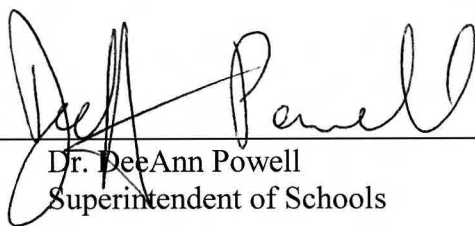
2. The Board, by and on behalf of the District, employs the Superintendent on a twelve (12)-month basis, and the Superintendent accepts continued employment as Superintendent of Schools from today through June 30, 2021. Each contract year shall begin July 1st and end June 30<sup>th</sup> of each respective 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.

This Second Amendment is effective March 27, 2018 upon final execution of the signatures listed below.

EXECUTED this 27 day of March 2018.

BOARD OF TRUSTEES  
PASADENA INDEPENDENT SCHOOL  
DISTRICT

By:   
Ms. Vickie Morgan  
President, Board of Trustees

By:   
Dr. DeeAnn Powell  
Superintendent of Schools

**THIRD AMENDMENT TO  
SUPERINTENDENT'S CONTRACT OF EMPLOYMENT**

THE STATE OF TEXAS

§

§ KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS

§

WHEREAS, the Board of Trustees ("Board") of the Pasadena Independent School District, met on June 26, 2018;

WHEREAS, at the meeting on June 26, 2018, the District, pursuant to her Contract of Employment ("Contract"), offered Dr. DeeAnn Powell an amendment to her Contract;

WHEREAS, Dr. DeeAnn Powell accepted the amendment to the Contract;

NOW, THEREFORE, pursuant to the authority of § 11.201 of the Texas Education Code, the general laws of the state of Texas and Paragraph 14 of the Contract, the Board and Dr. Powell agree as follows:

**I.**

Paragraph 4 of the Superintendent's Contract of Employment executed on December 8, 2015 is amended as follows:

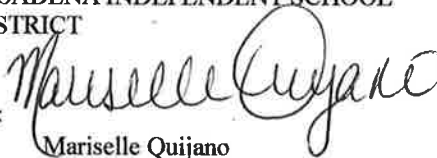
4. Effective July 1, 2018, the Superintendent shall be paid a salary of two hundred and seventy-five thousand dollars and No./100 (\$275,000.00) per year, payable in equal installments in accordance with Board policy governing payment to other professional staff members in the District. The Board shall 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 work days each year.

This Third Amendment is effective June 26, 2018 upon final execution of the signatures listed below.

EXECUTED this 26<sup>th</sup> day of June 2018.

BOARD OF TRUSTEES  
PASADENA INDEPENDENT SCHOOL  
DISTRICT

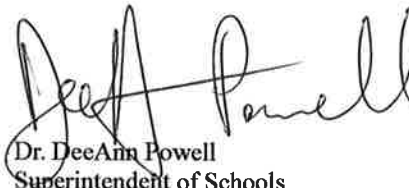
By:



Mariselle Quijano

President, Board of Trustees

By:



Dr. DeeAnn Powell  
Superintendent of Schools

**FOURTH AMENDMENT TO  
SUPERINTENDENT'S CONTRACT OF EMPLOYMENT**

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

WHEREAS, the Board of Trustees ("Board") of the Pasadena Independent School District, met on February 26, 2019;

WHEREAS, at the meeting on February 26, 2019, the District, pursuant to her Contract of Employment ("Contract"), offered Dr. DeeAnn Powell an amendment to her Contract;

WHEREAS, Dr. DeeAnn Powell accepted the amendment to the Contract;

NOW, THEREFORE, pursuant to the authority of § 11.201 of the Texas Education Code, the general laws of the state of Texas and Paragraph 14 of the Contract, the Board and Dr. Powell agree as follows:

**I.**

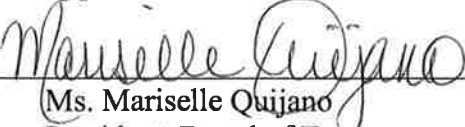
Paragraph 2 of the Superintendent's Contract of Employment originally executed on December 8, 2015 is amended as follows:

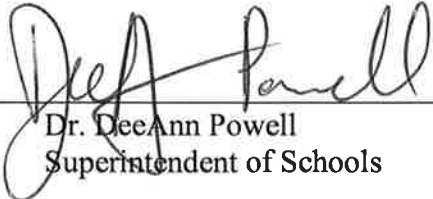
2. The Board, by and on behalf of the District, employs the Superintendent on a twelve (12)-month basis, and the Superintendent accepts continued employment as Superintendent of Schools from today through June 30, 2022. Each contract year shall begin July 1st and end June 30<sup>th</sup> of each respective 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.

This Fourth Amendment is effective February 26, 2019 upon final execution of the signatures listed below.

EXECUTED this 6<sup>th</sup> day of March 2019.

BOARD OF TRUSTEES  
PASADENA INDEPENDENT SCHOOL  
DISTRICT

By:   
Ms. Mariselle Quijano  
President, Board of Trustees

By:   
Dr. DeeAnn Powell  
Superintendent of Schools

**Reimbursements Received by the Superintendent and Board Members**

For the Twelve-Month Period Ended August 31, 2018

Reimbursements	DeeAnn Powell Superintendent	Nelda Sullivan Board Member	Marshall Kendrick Board Member	Vickie Morgan Board Member	Fred Roberts Board Member	Kenny Fernandez Board Member	Mariselle Quijano Board Member	Jack Bailey Board Member
Meals	\$401.50	\$328.29	\$122.43	\$347.50	\$214.36	\$525.12	\$385.21	\$169.44
Lodging	\$1,142.70	\$708.55	\$703.93	\$708.55	\$704.62	\$1,516.05	\$633.93	\$1,122.21
Transportation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Motor Fuel	\$197.29	\$43.49	\$43.60	\$0.00	\$200.56	\$286.60	\$42.88	\$64.20
Other	\$871.91	\$1,115.00	\$1,195.00	\$740.00	\$1,294.00	\$1,583.60	\$408.30	\$650.00
<b>Total</b>	<b>\$2,613.40</b>	<b>\$2,195.33</b>	<b>\$2,064.96</b>	<b>\$1,796.05</b>	<b>\$2,413.54</b>	<b>\$3,911.37</b>	<b>\$1,470.32</b>	<b>\$2,005.85</b>

**Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Persona**

For the Twelve-Month Period Ended August 31, 2018

Name(s) of Entity(ies)	Amount Received
N/A	\$0.00
<b>Total</b>	<b>\$0.00</b>

**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

DeeAnn Powell Superintendent	Nelda Sullivan Board Member	Marshall Kendrick Board Member	Vickie Morgan Board Member	Fred Roberts Board Member	Kenny Fernandez Board Member	Mariselle Quijano Board Member	Jack Bailey Board Member
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**Business Transactions Between School District and Board Members**

For the Twelve-Month Period Ended August 31, 2018

DeeAnn Powell Superintendent	Nelda Sullivan Board Member	Marshall Kendrick Board Member	Vickie Morgan Board Member	Fred Roberts Board Member	Kenny Fernandez Board Member	Mariselle Quijano Board Member	Jack Bailey Board Member
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Amounts</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>