

## Superintendent's bonus sparks debate

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Elementary School District 15 Board of Education members disagree about whether the district will save money by Superintendent Robert McKanna retiring at the end of next school year.

They also disagree about the merits of a pay hike described as a retirement incentive.

The board voted 4-3 in December to pass an amendment to McKanna's contract to give him a raise as an incentive to retire early.

The complicated deal gives McKanna about \$36,600 more this school year for a base salary of nearly \$218,500 but reduces that base salary to about \$200,500 for next school year.

Board member Tim Millar, who voted against the bonus, said the district won't save money because it still has to hire a superintendent to replace McKanna.

"We're not going to get someone for that much less than what McKanna is getting now," he said. "Not enough to justify this. I just don't see the cost savings."

According to board members who voted for the bonus, the district ultimately would save money by not paying for McKanna's sick leave and vacation days at a higher pay scale that would apply if he retired in 2009 as previously planned.

"We're saving his final year salary, plus the sick and vacation days he would have gotten," Board President Nancy Lee Carlson said. "And if he stayed, we would have to contribute to his retirement for that last year."

Superintendents often accrue sick and vacation days and can be reimbursed for them at a higher level based on seniority, Carlson said.

A superintendent making \$150,000 his first year, for example, can save those days until he's making a larger salary and cash them in at that higher salary level. Unused days can also be taken as compensation toward the state Teachers' Retirement System (TRS).

McKanna started in the district in 2003 at a base salary of \$175,000 and was given an initial compliment of 50 days sick leave.

According to McKanna's employment records, he received base pay of about \$181,000 in 2005 and \$190,000 in 2006.

The Carpentersville-based Champion Foundation's Web site -- [www.thechampion.org](http://www.thechampion.org) -- estimates McKanna's salary including retirement contribution, bonuses, annuities, compensation for unused vacation days and retirement incentives at \$212,049 in 2005 and \$226,056 in 2006. McKanna ranked 36th in the state among superintendents in terms of compensation, according to the foundation's Web site; top-ranked DuPage District 200 Superintendent Gary Catalani received \$380,227.

'Buyout'

Several amendments were made in McKanna's 2006 contract, most notably a lump sum payment of \$36,595 split into two \$18,297.50 halves.

"It's a buyout; in the long term, this is saving the district more money," Carlson said.

According to the contract amendment, one of the \$18,297.50 halves represents retroactive pay for July through December 2006 -- roughly the period in which McKanna took a pay freeze.

"It's how we had to split up the money for TRS to approve it," board member Scott Boucher said. "We had to do it so we could be able to accomplish what we wanted to do: buy him out a year early."

McKanna's performance is typically reviewed by the board in March of every year. The pay freeze period started April 1, 2006, and the board did not make the decision to amend the contract until December.

"Technically, someone could argue I didn't get a freeze," McKanna said. "But my base salary goes down from \$218,487 for 2006-07 to \$200,536 in 2007-08. So the only real difference is the (lump sum) divided over two years, and that was done so I could roll that into the TRS. If they'd offered me less, I would have stayed."

Boucher said if McKanna had stayed he would have gotten his final year's salary plus more money for retirement.

"Basically, he's walking away from well over \$200,000 in his last year, and he didn't get anywhere near that in the buyout," Boucher said. "And anyone we hire will be saving their sick and vacation time for TRS so we're not only saving on that, but saving on paying TRS for another year at (McKanna's salary level)."

McKanna said he is taking the tradeoff to help pay the retirement system for his years of service out of state.

Reasons differ

Board members who voted against amending McKanna's contract had different reasons for doing so.

Board member Kelly Keenan said she felt giving McKanna such a hefty one-time raise violated the law passed preventing school employees receiving large annual salary increases in anticipation of retirement. The practice manipulated the retirement system, which based pension pay on the salary amount in the last few years of service. While school districts set salary, all Illinois taxpayers pay into the TRS system.

The law was passed shortly after former District 15 Superintendent John Conyers retired with what was then the largest pension in the state.

"I don't think it's a good deal for the district," Keenan said. "We had said we don't want to see any more bumps in pay to boost superintendents' pensions. I think this goes against the intent of the (Conyers) law."

Millar added that it also will increase McKanna's retirement pay.

Board member Wendy Rowden said she voted against the contract amendment and early retirement because it was not initiated by the board.

"This was not something we proposed, and it had costs associated with it," she said. "McKanna has the right to retire early, but I don't see why we would pay someone extra to do that."

Rowden agreed that there wasn't enough savings to the district.

"We don't know how much the next superintendent will cost. And why would you buy someone out if you are happy with their performance?" she said.