

**APPROVE SETTLEMENT AGREEMENT IN
CHICAGO SCHOOL REFORM BOARD OF TRUSTEES, et al. v. MARTIN,
Circuit Court for Cook County, Illinois, Law Division, No. 00L5914**

THE GENERAL COUNSEL REPORTS THE FOLLOWING SETTLEMENT:

DESCRIPTION: On November 12, 2001, the Law Department entered into a settlement agreement with Plaintiff, Beverly Martin, in the lawsuit it brought against the Board in *Martin v. Chicago School Reform Board of Trustees et al.*, No. 00L5914 (In the Circuit Court for Cook County, Law Division). The lawsuit related to the Board's suit for a declaratory judgment that the principal contract extended Martin by the Gale Community Academy was void as violative of the School Code (105 ILCS 5/1-1 *et seq.*) and Martin's related counterclaim for breach of contract.

The Board alleged that the contract violated the School Code, inter alia, because (1) the Gale Local School Council (LSC) meeting during which Martin was selected principal did not occur within 90 days of the resignation of the previous principal (see 105 ILCS 34-2.3); (2) the publicized agenda for the LSC meeting at issue did not include the selection of a principal as is required under the Open Meetings Act; (3) Martin received only six council votes rather than the required "supermajority" of seven votes (see 105 ILCS 34-2.2); and (4) the LSC failed to submit three candidates' names to the Board CEO within 90 days, thereby invalidating Martin's selection (see 105 ILCS 34-2.3).

Martin's counterclaim sought a declaration that her 4-year contract was valid; an award of \$30,000 for the breach; and any other relief the court deemed proper and equitable. Martin further requested that (1) the Board and the Gale LSC be ordered to immediately instate her as principal of Gale Academy; (2) the Gale LSC be enjoined from commencing any new principal selection process; and (3) the Board and Gale LSC pay her current salary and the salary she would have been paid as principal.

The settlement agreement provides a monetary payment of \$80,000.00 to Martin.

LSC REVIEW: LSC approval is not applicable to this report.

FINANCIAL: Charge \$80,000.00 to Law Department
Budget Classification 0963-210-000-1991-5113

AUTHORIZATION: Authorize the General Counsel to execute the Settlement Agreement, and all ancillary documents related thereto.

GENERAL CONDITIONS: The \$80,000.00 payment is comprised of gross back pay in the amount of \$45,448.69, a stipend of \$7,500.00 and an additional payment of \$37,051.31. The gross back pay amount and stipend are payable less applicable federal and state withholding taxes, pension contributions and other amounts required to be withheld by state and federal laws. The Board further agrees to make any required payment to the pension fund to assure that the \$80,000.00 is pensionable.

Approved,


MARILYN F. JOHNSON
General Counsel

Within Appropriation:


KENNETH C. GOTSCH
Chief Fiscal Officer