

**Northeast Educational Services Cooperative
Board of Directors Meeting
July 20, 2009**

The Board of Directors for the Northeast Educational Services Cooperative (NESC) met in regular session on Monday, July 20, 2009 at the LATI-Technical Education Center, Watertown, SD. The meeting was called to order by President T.Kleinjan at 7:30 P.M. and adjourned at 8:45 P.M.

Members present: G.Johnson, Arlington; R.Gresh, Britton-Hecla; B.Little, Castlewood; J.Guest, Clark; N.Koehlmoos, DeSmet; C.Knutson, Deubrook; P.Witte, Deuel; L.Mennenga, Estelline; S.Morrison, Florence; L.Larson, Grant-Deuel; P.Roe, Hamlin; B.Nelson, Lake Preston; T.Kleinjan, Sioux Valley; C.Berger, Waubay; M.Comes, Waverly/South Shore; K.Meland, Webster; S.Haug, Willow Lake; D.Lutkemeier, Wilmot.

Absent: T.Bauer, Elkton; J.Bearhill, Enemy Swim; G.Fish, Henry; M.Fast, Iroquois; M.Pearson, Rosholt; C.Quale, Summit.

Others Attending: J.Aberle, Director; R.Zinter, Assistant Director; L.Olsen, Assistant Business Manager; C.DeWitt, Business Manager.

DISCUSSION / ACTION ITEMS

Agenda

Action #7777 Motion by S.Haug, second by J.Guest, to approve the agenda reflecting no changes or additions. All present voting yes, motion carried.

Board Proceedings

Action #7778 Motion by L.Mennenga, second by D.Lutkemeier, to approve the proceedings of the June 15, 2009 Board of Directors meeting as published. All present voting yes, motion carried.

FY 2009 Accounts Payables

Action #7779 Motion by L.Larson, second P.Roe, to approve payment of the final FY 2009 accounts payables as presented. All present voting yes, motion carried.

FY 2009 Budget Amendment

Resolution #143

Action #7780 Board Member C.Knutson introduced Resolution #143, second by Board Member R.Gresh, to amend the NESC 2008/09 revenue and expenditure budget to include additional funding for the General Fund ESA-1 Coordinated School Health grant. All present voting yes, Resolution #143 was approved and adopted as follows:

<u>APPROPRIATIONS</u>	<u>General Fund</u>
ESA-1 Coordinated School Health Grant	
10-2219-015-399-011 Purchased Services	\$2,500.00
<u>MEANS OF FINANCE</u>	
Federal Grant: Coordinated School Health	\$2,500.00

NESC Inventory Update

A report of NESC's overall inventory as of June 30, 2009 was presented to the Board of Directors. The report included a listing of items lost, broken, and/or outdated.

Action #7781 Motion by M.Comes, second by C.Knutson, to remove items identified as lost, broken, and/or outdated from NESC's inventory. All present voting yes, motion carried.

Capital Assets - Sale of Surplus Property Report

At the June 15, 2009 Board of Directors meeting eight vehicles were declared surplus and authorized to be sold. The Board was provided a report listing the vehicles sold, the number of bids received, bid range, and sale prices.

Financial Report

Action #7782 Motion by D.Lutkemeier, second by S.Haug, to approve the financial reports for the period ending 06/30/09 and the FY 2009 Annual Financial Report. All present voting yes, motion carried.

General Funds: Cash Balance 05/31/09 \$1,505,260.67; Accounts Receivables \$11,109.49; Revenue: Non Special Education Assessments \$1,396.25, Reading Recovery Assessments \$5,347.50, Special Education Assessments \$271,072.49, Center Base Tuition \$59,208.98, Sale of Surplus Property \$5,836.77, Interest \$5,994.25, Miscellaneous / Indirect Fees \$12,150.81, Federal/State Grants \$12,623.00, Federal Funds Part C \$7,053.24; ; Expenditures: (\$363,800.12); Cash Balance 06/30/09 \$1,533,253.33.

Special Revenue Funds: Cash Balance 5/31/09 (\$138,025.48); Accounts Receivables \$1,793.29; Revenue: ESA-1 Professional Development LEAs \$1,100.00, State & Federal Grants/Agreements \$119,866.75; Expenditures: (\$66,509.85); Cash Balance 06/30/09 (\$81,775.29).

Imprest / Trust & Agency: Cash Balance 05/31/09 \$6,868.28; Receipts \$2,563.53; Expenses: (\$1,457.47); Cash Balance 06/30/09 \$7,974.34.

Adjourn FY 2008/2009

President T.Kleinjan appointed Business Manager DeWitt as President Pro-Tem.

Action #7783 There being no further business to come before the Board of Directors for FY 2008/2009, C.Knutson moved to declare the fiscal year completed and to adjourn the final Board of Directors meeting for FY 2008/2009 at 8:00 P.M. The motion was second by R.Gresh. All present voting yes, motion carried.

NESC Board of Directors
Annual Reorganization Meeting for FY 2009/2010

The annual reorganization meeting for FY 2009/2010 was called to order by the President Pro-Tem, Business Manager C.DeWitt at 8:01 P.M.

Election of Officers for FY 2009/2010

Office of President

Action #7784 R.Gresh nominated Tom Kleinjan for the office of President of the Board of Directors for FY 2009/2010. L.Larson seconded the nomination. N.Koehlmoos moved that nominations cease and a unanimous ballot be cast. All present voting yes, Tom Kleinjan was elected President of the Board of Directors for FY 2009/2010.

Office of Vice President

Action #7785 L.Larson nominated Denise Lutkemeier for the office of Vice President of the Board of Directors for FY 2009/2010. R.Gresh seconded the nomination and moved that nominations cease and a unanimous ballot be cast. All present voting yes, Denise Lutkemeier was elected Vice President of the Board of Directors for FY 2009/2010.

FY 2009/2010 DISCUSSION AND/OR ACTION ITEMS

July 2009 Accounts Payables

Action #7786 Motion by L.Mennenga, second by C.Knutson, to approve payment of the July 2009 accounts payables as presented. All present voting yes, motion carried.

BUDGET HEARING FY 2009/2010

A budget hearing was held for the purpose of further review and to receive public input regarding the FY 2009/2010 NESC Revenue and Expenditure Budgets. Business Manager DeWitt reviewed the proposed budget and reported the following changes to the published budget.

General Fund:

- ❖ Reading Recovery assessment to participating school districts, \$6,845.77 per school district. Fund Balance designated to finance FY 2010 budget, \$4,050.71. Expenditure budget, \$72,508.34.
- ❖ Drug & Alcohol Testing Pool assessment, \$26.53 per bus driver. Fund Balance designated to finance FY 2010 budget, \$3,624.56.
- ❖ Region 1 Education Service Agency: Revenue Budget \$298,232.54; Expenditure Budget \$298,232.54.
- ❖ SD COUNTS Grant: Revenue Budget \$111,308.83; Expenditure Budget \$111,308.83.

Special Education Fund:

- ❖ Revenue Budget: Fund Balance designated to finance FY 2010 budget, \$302,568.60.
Assessments to member school districts: 50% membership, \$9,890.73; 50% per pupil, \$33.40; core services assessment per pupil, \$300.15; miscellaneous income, \$5,000.00; indirect fees, \$23,000.00. SD DOE Educational Specialist Consultant Agreement revenue budget, \$183,198.16.
- ❖ Expenditure Budget: Physical Therapy budget, \$268,000.00; Occupational Therapy budget, \$509,594.00; Operation & Maintenance of Building budget, \$65,382.50; SD DOE Educational Specialist Consultant Agreement expenditure budget, \$183,198.16.

ADOPT BUDGET FOR FY 2009/2010
Resolution 144

Action #7787 Board Member S.Morrison introduced Resolution #144 and moved to approve and adopt the FY 2009/2010 Revenue and Expenditure Budget. R.Gresh seconded the motion. All present voting yes, the Fiscal Year 2009/2010 Revenue and Expenditure Budget, reflecting the changes to the published budget, was approved and adopted as follows:

<u>APPROPRIATIONS</u>	<u>GENERAL FUND</u>	<u>SPECIAL EDUCATION FUND</u>
Instruction	72,508.34	960,155.80
Support Services	465,158.01	3,017,084.58
TOTAL APPROPRIATIONS:	537,666.35	3,977,240.38
<u>MEANS OF FINANCE</u>		
Designated Fund Balance	51,180.92	302,568.60
<u>Revenue from Local Sources</u>		
Assessments	261,506.78	2,682,378.53
Tuition	0.00	731,095.09
Investment Earnings	0.00	15,000.00
Miscellaneous	0.00	5,000.00
Total Local Sources:	261,506.78	3,433,473.62
<u>Revenue from State/Federal Sources</u>		
Grants-In-Aid	224,978.67	183,198.16
Part C Funds	0.00	35,000.00
Indirect Costs	0.00	23,000.00
Total Revenue from State/Federal Sources	224,978.67	241,198.16
TOTAL MEANS OF FINANCE:	537,666.37	3,977,240.38

ACTION ITEMS

Action #7788 Motion by S.Morrison, second by D.Lutkemeier, to approve the following designations for FY 2009/2010. All present voting yes, motion carried.

Official Depository: Reliabank, Hayti, SD

Official Newspaper: Watertown Public Opinion, Watertown, SD

Legal Counsel: Rodney Freeman

Custodian of Accounts: Business Manager Cheryl DeWitt

State Travel Rates: \$.37 per mile, \$5.00 breakfast, \$9.00 lunch, \$12.00 dinner

Title IX and 504 Coordinator: Assistant Director Rhonda Zinter

Action #7789 Motion by L.Larson, second by L.Mennenga, to adopt the NESC By-Laws. All present voting yes, motion carried.

Action #7790 Motion by C.Knutson, second by K.Meland, to appoint Director Jerry Aberle and Business Manager Cheryl DeWitt as Federal Program Agents. All present voting yes, motion carried.

Action #7791 Motion by D.Lutkemeier, second by C.Berger, to designate Director Jerry Aberle and Business Manager Cheryl DeWitt as joint purchasing agents. All present voting yes, motion carried.

Appoint Steering Committee: Tabled to the August 17, 2009 Board of Directors Meeting.

Action #7792 Motion by K.Meland, second by S.Haug, to set Board of Director's pay for Special Committees at \$40.00 per meeting and mileage reimbursement at \$.37 per mile. All present voting yes, motion carried.

Action #7793 Motion by C.Berger, second by J.Guest to approve the following contracts. All present voting yes, motion carried.

Marci Saathoff: Extended School Year Work Agreement, compensation \$22.55 per hour.

Carrie Niles: Amend 2009/10 Speech Therapy Contract to .8 FTE, compensation \$30,287.20.

Kay Ziegler: 2009/10 Speech Therapy Contract, .4 FTE, compensation \$15,544.20.

Sanford-Canby Physical Therapy Contract: Renewal, \$80.00 per hour.

Prairie Lakes Health Care System: Renewal,\$50.00 per hour.

Executive Session

Action #7794 Motion by L.Mennenga, second by N.Koehlmoos, to enter executive session at 8:30 P.M. for the purpose of discussing Unfair Labor Practice litigation. All present voting yes, motion carried.

President Kleinjan declared the Board out of executive session at 8:42 P.M. and resumed regular session.

Meeting Adjourned

Action \$7795 There being no further business, motion by N.Koehlmoos, second by B.Little to adjourn. All present voting yes, motion carried.

The next meeting of the NESC Board of Directors will be Monday, August 17, 2009 at LATI, Watertown, SD. The meeting will begin at 7:30 P.M.

Thomas Kleinjan, President

Cheryl DeWitt, Business Manager