

**Northeast Educational Services Cooperative  
Board of Directors Meeting  
October 19, 2009**

The Board of Directors for the Northeast Educational Services Cooperative (NESC) met in regular session on Monday, October 19, 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 8:35 P.M.

**Members present:** G.Johnson, Arlington; R.Gresh, Britton-Hecla; J.Guest, Clark; N.Koehlmoos, DeSmet; C.Knutson, Deubrook; P.Witte, Deuel; T.Bauer, Elkton; J.Bearhill, Enemy Swim; L.Mennenga, Estelline; S.Morrison, Florence; L.Larson, Grant-Deuel; P.Roe, Hamlin; G.Fish, Henry; B.Nelson, Lake Preston; M.Pearson, Rosholt; T.Kleinjan, Sioux Valley; C.Quale, Summit; J.Michalski, Willow Lake; D.Lutkemeier, Wilmot.

**Absent:** B.Little, Castlewood; M.Fast, Iroquois; C.Berger, Waubay; M.Comes, Waverly/South Shore; K.Meland, Webster.

**Others Attending:** Advisory Board Representatives: D.Johnson, D.Jones; NESC Staff Representatives: M.Gohring, J.Lear, K.Nolte, R.Schwandt; J.Aberle, Director; R.Zinter, Assistant Director; L.Olsen, Assistant Business Manager; C.DeWitt, Business Manager.

**DISCUSSION / ACTION ITEMS**

**Agenda**

***Action #7814*** Motion by C.Knutson, second by G.Johnson, to approve the agenda with the following additions: Action Item #2.B SW/WC Cooperative Purchasing Agreement; Executive Session. All present voting yes, motion carried.

**Board Proceedings**

***Action #7815*** Motion by M.Pearson, second by L.Mennenga, to approve the proceedings of the September 21, 2009, Board of Directors meeting as published. All present voting yes, motion carried.

**Accounts Payables**

***Action #7816*** Motion by D.Lutkemeier, second T.Bauer, to approve payment of the October 2009 accounts payables as presented. All present voting yes, motion carried.

**Financial Report**

***Action #7817*** Motion by J.Guest, second by S.Morrison, to approve the financial reports for the period ending 09/30/09. All present voting yes, motion carried.

**General Funds:** Cash Balance 08/31/09 \$1,393,069.50; Accounts Receivables \$1,422.61; Revenue: Reading Recovery Assessments \$5,284.32, Special Education Assessments \$219,386.48, Interest \$1,746.08, State/Federal Funds 1,883.10, Federal Part C Funds \$4,514.47; Expenditures: (\$258,478.88); Cash Balance 09/30/09 \$1,368,827.68.

**Special Revenue Funds:** Cash Balance 8/31/09 (\$80,341.14); Accounts Receivables \$1,760.00; ESA-1 Membership Assessments \$109,800.49; Expenditures: (\$81,611.89); Cash Balance 09/30/09 (\$50,392.54).

**Imprest / Trust & Agency:** Cash Balance 08/31/09 \$5,975.64; Receipts \$1,491.04; Expenses: (\$1,764.08); Cash Balance 09/30/09 \$5,702.60.

**Advisory Board Meeting**

The Advisory Board met October 6, 2009. The purpose of the meeting was to consider the NESC Funding Study proposals. Following discussion, it remained the consensus of those present to continue to support Proposal #1.

**Capital Assets – Sale of Surplus Property Report**

At the September 21, 2009 Board of Directors meeting four vehicles were declared surplus and authorized to be sold. A report listing the vehicles sold, the number of bids received, bid range, and selling prices was provided for the Board.

**NESC Funding Study**  
**Funding / Assessment Proposals**

A NESC Funding Study Committee was formed last spring to determine if there was a more equitable means of financing NESC by the member school districts. The committee met on May 6 and June 16, 2009. Various proposals were developed and submitted to the Advisory Board and the Board of Directors for consideration at prior meetings.

Information presented to the Board of Directors at this meeting for further study and discussion included the following:

- Proposed NESC By-Law changes.
- Child count information for the years 2001 – 2008.
- **Current Formula:** The current formula assesses every member school district 50% of the administrative, governing, fiscal, capital acquisitions, and contingency budgeted expenditures equally and 50% of the budgeted expenditures a per pupil rate based on K-12 enrollment as of December 1 of the preceding school year. A per pupil rate is assessed to each member school district for core services based on K-12 enrollment as of December 1 of the preceding school year.
- **Proposal #1:** This proposal assesses every member school district 50% of the administrative, governing, fiscal, capital acquisitions, and contingency budgeted expenditures equally and 50% of the budgeted expenditures a per pupil rate based on the special education child count as of December 1 of the preceding school year. A per pupil rate is assessed to each member school district for core services based on the special education child count as of December 1 of the preceding school year.
- **Proposal #2:** This proposal assesses every member school district 50% of the administrative, governing, fiscal, capital acquisitions, and contingency budgeted expenditures equally and 50% of the budgeted expenditures a per pupil rate based on K-12 enrollment as of December 1 of the preceding school year. A per pupil rate is assessed to each member school district for core services based on the special education child count as of December 1 of the preceding school year.
- **Proposal #3:** This proposal assesses every member school district 50% of the administrative, governing, fiscal, capital acquisitions, and contingency budgeted expenditures equally and 50% of the budgeted expenditures a per pupil rate based on K-12 enrollment as of December 1 of the preceding school year. A per pupil rate is assessed to each member school district for core services based on a three year special education child count average as of December 1 of the preceding school year.
- **Proposal #4:** This proposal assesses every member school district 100% of the administrative, governing, fiscal, capital acquisitions, and contingency budgeted expenditures a per pupil rate based on K-12 enrollment as of December 1 of the preceding school year. A per pupil rate is assessed to each member school district for core services based on special education child count as of December 1 of the preceding school year..

**Discussion:**

- Proposal #4 will be presented to the Advisory Board.
- The Advisory Board has recommended adoption of Proposal #1.
- The NESC Board of Directors Steering committee is supporting Proposal #1.
- Board members were encouraged to have further discussion with their local Boards and Administration.
- Final action will be taken at the November 16, 2009 Board of Directors meeting.

**NESC Board Workshop**

A NESC Board Workshop will be held November 18, 2009 at LATI, Watertown, SD. The workshop will begin at 7:00 P.M. The purpose of the workshop will be to provide information regarding NESC services and programs, financial information, and any other information requested. Board Members and Administrators are encouraged to attend.

**Board of Directors Meetings November 2009 – March 2010**

Past practice has been to change the Board of Directors' meeting time for the months of November through March to 7:00 P.M. President Kleinjan requested discussion regarding changing the meeting time for the current year.

**Action #7818:** Motion by C.Knutson, second by G.Johnson, to change the Board of Directors meetings for the months of November 2009 through March 2010 to begin at 7:00 P.M.

Vote: 18 present voting yes, J.Guest voting no, motion carried.

**ACTION ITEMS**

**Approve Contracts / Work Agreements**

**Action #7819** Motion by R.Gresh, second by D.Lutkemeier, to approve a long-term substitute work agreement for speech therapy services with Sheila Dailie. Compensation will be \$184.91 per day. All present voting yes, motion carried.

**Action #7820** Motion by M.Pearson, second by N.Koehlmoos, to approve the SW/WC Services Cooperative South Dakota Cooperative Purchasing Agreement for the period of July 1, 2009 through June 30, 2010. The agreement assesses a \$50.00 membership fee per participating school district. All present voting yes, motion carried.

**Executive Session**

**Action #7821** Motion by L.Mennenga, second by P.Witte, to enter executive session at 8:13 P.M. for the purpose of discussing personnel matters and an Unfair Labor Practice update. All present voting yes, motion carried.

President Kleinjan declared the Board out of executive session at 8:30 P.M. and resumed regular session.

**Meeting Adjourned**

**Action #7822** There being no further business, motion by L.Larson, second by J.Michalski, to adjourn. All present voting yes, motion carried.

The next meeting of the NESC Board of Directors will be Monday, November 16, 2009 at LATI, Watertown, SD. The meeting will begin at 7:00 P.M.

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Thomas Kleinjan, President

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Cheryl DeWitt, Business Manager