

**Northeast Educational Services Cooperative
Board of Directors Meeting
November 16, 2009**

The Board of Directors for the Northeast Educational Services Cooperative (NESC) met in regular session on Monday, November 16, 2009 at the LATI-Technical Education Center, Watertown, SD. The meeting was called to order by President T.Kleinjan at 7:00 P.M. and adjourned at 7:50 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; T.Bauer, Elkton; J.Bearhill, Enemy Swim; L.Mennenga, Estelline; S.Morrison, Florence; L.Larson, Grant-Deuel; P.Roe, Hamlin; G.Fish, Henry; C.Woodcock, Lake Preston; M.Pearson, Rosholt; T.Kleinjan, Sioux Valley; C.Berger, Waubay; D.Thyen, Waverly/So.Shore; K.Meland, Webster; J.Michalski, Willow Lake; D.Lutkemeier, Wilmot.

Absent: M.Fast, Iroquois; C.Quale, Summit;

Others Attending: Advisory Board Representatives: D.Johnson, D.Jones, K.Keenaghan; NESC Staff Representatives: M.Borgman, M.Paulson, C.Sprang; J.Aberle, Director; R.Zinter, Assistant Director; L.Olsen, Assistant Business Manager; C.DeWitt, Business Manager.

DISCUSSION / ACTION ITEMS

Agenda

Action #7823 Motion by M.Pearson, second by C.Knutson, to approve the agenda with the following additions: Action Item #2A Kari Holden, PT Contract; #2B Professional Security Contract; and an Executive Session. All present voting yes, motion carried.

Board Proceedings

Action #7824 Motion by D.Lutkemeier, second by J.Michalski, to approve the proceedings of the October 19, 2009, Board of Directors meeting as published. All present voting yes, motion carried.

Accounts Payables

Action #7825 Motion by L.Mennenga, second R.Gresh, to approve payment of the November 2009 accounts payables as presented. All present voting yes, motion carried.

Financial Report

Action #7826 Motion by M.Pearson, second by C.Berger, to approve the financial reports for the period ending 10/31/09. All present voting yes, motion carried.

General Funds: Cash Balance 09/30/09 \$1,368,827.68; Accounts Receivables \$2,772.50; Revenue: Reading Recovery Assessments \$5,704.80, Special Education Assessments \$203,509.92, Center Base Tuition 103,727.27, Extended School Year Tuition 45,316.98, Sale of Surplus Property 4,915.00, Miscellaneous / Indirect Fees 13,764.99, Interest \$1,861.97, Federal Part C Funds \$3,299.57; Expenditures: (\$307,074.80); Cash Balance 10/31/09 \$1,446,625.88.

Special Revenue Funds: Cash Balance 9/30/09 (\$50,392.54); Accounts Receivables \$1,453.47; ESA-1 Professional Development \$500.00, ESA-1 Membership Assessments \$11,066.89, State/Federal Grants \$47,113.00; Expenditures: (\$56,516.88); Cash Balance 10/31/09 (\$46,776.06)).

Imprest / Trust & Agency: Cash Balance 09/30/09 \$5,702.60; Receipts \$1,766.92; Expenses: (\$2,103.72); Cash Balance 10/31/09 \$5,365.80.

Advisory Board Meeting

The Advisory Board met November 4, 2009. Informational and discussion items included the following:

- Problem Solving Team (PST)
- NESC Funding / Assessment Study
- ESA-1 Update
- Alternative School
- Professional Security Contract
- Child Count
- Fall Enrollments

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 the September 2, 2009 Advisory Board meeting the Superintendents approved an action to recommend to the Board of Directors approval and adoption of the proposed funding / assessment formula proposal with the stipulation that the funding formula should be reviewed in three years.

The Board of Directors held first and second readings of the proposed By-Law change at their regular meetings on September 21, 2009 and October 19, 2009.

Information provided at this meeting for final review included the following:

- Proposed NESC By-Law changes.
- Child count information for the years 2001 – 2008.
- NESC Child Count / K-12 Enrollment Information for the years 2004 – 2008.
- Current Formula
- Proposal #1
- Proposal #2
- Proposal #3
- Proposal #4:

President Kleinjan reported that the Steering Committee met at 6:45 P.M. on date for a final review of the proposals and to come to a consensus for a recommendation to submit to the Board of Directors. All members of the Steering Committee, with the exception of L.Larson, were in agreement to recommend to the Board of Directors the adoption of Proposal #1.

Resolution #146

Action #7827 Board Member C.Knutson introduced Resolution #146, second by P.Roe, to adopt Funding Proposal #1 and to amend NESC By-Law Article V: Section 5.2 - Means of Finance accordingly. Roll Call Vote: Arlington yes, Britton-Hecla yes, Castlewood no, Clark yes, DeSmet no, Deubrook yes, Deuel yes, Elkton yes, Enemy Swim no, Estelline yes, Florence yes, Grant-Deuel no, Hamlin yes, Henry yes, Iroquois absent, Lake Preston yes, Rosholt yes, Sioux Valley yes, Summit absent, Waubay yes, Waverly/So.Shore yes, Webster yes, Willow Lake yes, Wilmot yes. Vote total: 18 yes, 4 no, 2 absent. Resolution #146 was approved and adopted.

Article V: Section 5.2: All program costs not supported by state and/or federal sources, with the exception of the Advisory board members' mileage and the Board of Directors' expenses (to include salary, social security and mileage), will be assessed to the member school districts. Administrative, other Governing board expense, Fiscal Services, Capital Acquisitions, and Contingency costs will be distributed fifty percent (50%) on a membership basis and fifty percent (50%) on a special education child count basis. All other program costs will be funded on a special education child count basis. Non-special education services are provided based on a general fund assessment to member districts on a per pupil basis. Also, for billing purposes, operational and other administrative costs will be allocated to each of the services provided. Member school districts shall make monthly payments. Membership will be defined as equal distribution of costs to each member district. Per pupil basis will be defined by the K-12 enrollment as of December 1 of the prior school year. Special education child count basis will be defined as the total number of students identified as being on an Individual Education Program (IEP) as of December 1 of the prior school year. Member school districts will be responsible for submitting this information to the NESC Business Manager at the time it is collected. This By-Law will be reviewed every three years with the next review being in 2012-2013. Any changes resulting from the review will become effective the ensuing school year.

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.

December Board of Directors Meeting

Action #7828: Motion by L.Mennenga, second by J.Michalski, to move the December 21, 2009 Board of Directors' meeting location to the Pizza Ranch, Watertown, SD. The meeting will begin at 12:30 P.M. All present voting yes, motion carried.

ACTION ITEMS

Budget Amendments

Action #7829 Motion by S.Morrison, second by C.Berger, to amend the General Fund: Education Service Agency budget to include additional funding received from local and state sources. All present voting yes, motion carried.

Resolution #147

Appropriations:	Purchased Services	\$25,376.31
Means of Finance:	Local Education Agencies	\$ 7,963.45
	Revenue from State Sources	<u>\$17,412.86</u>
		\$25,376.31

Action #7830 Motion by R.Gresh, second by L.Larson, to amend the Special Education Fund to include Extended School Year expenditures and revenue. All present voting yes, motion carried.

Resolution #148

Appropriations:	Instruction Salary	\$25,115.12
	Paraprofessional Salary	\$ 5,537.11
	Speech Therapy Salary	\$14,837.94
	Social Security/Medicare	\$ 3,556.51
	Retirement	\$ 2,252.86
	Mileage Paid to Parents	\$ 329.67
	Mileage Paid to Staff	\$ 582.38
	Supplies	\$ 224.92
	Gasoline NESC Vehicles	<u>\$ 3,587.43</u>
		\$57,023.94
Means of Finance:	ESY Summer School Tuition	\$57,023.94

Approve Contracts

Action #7831 Motion by G.Johnson, second by P.Roe, to approve a contract with Kari Holden, Physical Therapist, for the period of January 1, 2010 through June 30, 2011. Compensation will be \$57,584.00. All present voting yes, motion carried.

Action #7832 Motion by M.Pearson, second by L.Larson, to renew the contract with Professional Security to provide bus driver drug and alcohol testing for the period of January 1 – December 31, 2010. All present voting yes, motion carried.

Executive Session

Action #7833 Motion by C.Knutson, second by D.Thyen, to enter executive session at 7:43 P.M. for an Unfair Labor Practice update. All present voting yes, motion carried.

President Kleinjan declared the Board out of executive session at 7:48 P.M. and resumed regular session.

Meeting Adjourned

Action #7834 There being no further business to come before the Board at this time, motion by T.Bauer, second by J.Guest, to adjourn. All present voting yes, motion carried.

The next meeting of the NESC Board of Directors will be Monday, December 21, 2009 at Pizza Ranch, Watertown, SD. The meeting will begin at 12:30 P.M.

Thomas Kleinjan, President

Cheryl DeWitt, Business Manager