

## **NESC BOARD OF DIRECTORS' MEETING**

Proposed Agenda

Date: November 21, 2016

Time: 7:00 P.M.

**Location: Lake Area Technical Institute (LATI)  
Manufacturing, Energy, and Transportation Building—Room 802  
1201 Arrow Ave NE, Watertown, SD**

1. Call to order
2. Agenda review, changes, and approval
3. Introduction of guests
4. Conflicts of Interest
5. Approval of October 2016 financial report
6. Consent Agenda
  - a. Approval of October 17, 2016 meeting minutes
  - b. Approval of payment of November 2016 budget claims
  - c.
  - d.
  - e.
7. Discussion Items
  - a. November 2, 2016 Advisory Board meeting minutes
  - b.
  - c.
8. Action Items
  - a. Approve bids for surplus vehicles
  - b. Conflict of Interest policy
  - c.
  - d.
9. Assistant Director's Report
10. Director's Report
11. Executive Session (If needed)
  - a. Personnel—SDCL 1-25-2(1)
  - b. Negotiations—SDCL 1-25-2(4)

**AGENDA ITEMS IN RED HAVE BEEN ADDED SINCE THE PROPOSED AGENDA WAS DRAFTED.**

**AGENDA ITEMS INDICATED BY A ~~STRIKETHROUGH~~ WILL BE DELETED FROM THE PROPOSED AGENDA.**

## **Agenda Explanation**

- 1. Call to order**
- 2. Agenda review, changes, and approval**
- 3. Introduction of guests**
- 4. Conflict of Interest**
- 5. Approval of October 2016 financial report**
- 6. Consent Agenda**
  - a. **Approval of October 17, 2016 meeting minutes.** Please review enclosed minutes.
  - b. **Approval of payment of November 2016 budget claims.** Please review the enclosed budget claims.
  - c.
- 7. Discussion Items**
  - a. **November 2, 2016 Advisory Board meeting minutes.** Please review the enclosed minutes.
  - b.
  - c.
- 8. Action Items**
  - a. **Approve bids for surplus vehicles.** A summary of the bids received from our vehicles that were surplussed will be provided.
  - b. **Conflict of Interest policy.** This policy has been discussed for several months. The Board should take action on it.
  - c.
  - d.
- 9. Assistant Director's Report**
- 10. Director's Report**
- 11. Executive Session**
  - a. **Personnel—SDCL 1-25-2(1)**
  - b. **Negotiations—SDCL 1-25-2(4)**

**Debbe Koenecke**  
PRESIDENT  
BOARD OF DIRECTORS

**Jerry Aberle**  
DIRECTOR  
Jerry.Aberle@k12.sd.us

**Tim Frewing**  
ASSISTANT DIRECTOR  
Tim.Frewing@k12.sd.us

**Brice Christensen**  
BUSINESS MANAGER  
Brice.Christensen@k12.sd.us

#### MEMBER DISTRICTS

- Arlington #38-1
- Britton-Hecla #45-4
- Castlewood #28-1
- Clark #12-2
- De Smet #38-2
- Deubrook #5-6
- Deuel #19-4
- Elkton #5-3
- Enemy Swim Day School
- Estelline #28-2
- Florence #14-1
- Grant-Deuel #25-3
- Hamlin #28-3
- Henry #14-2
- Iroquois #2-3
- Lake Preston #38-3
- Rosholt #54-4
- Sioux Valley #5-5
- Summit #54-6
- Waubay #18-3
- Waverly #14-5
- Webster Area #18-5
- Willow Lake #12-3
- Wilmot #54-7

## Northeast Educational Services Cooperative

P.O. Box 327 • Hayti, South Dakota 57241  
605-783-3607 • Fax 605-783-3259

November 16, 2016

Dear NESC Board Members:

Our November meeting will be held on Monday, November 21, 2016. It will be held in Watertown at LATI in the Manufacturing, Energy, and Transportation Building (Door #9)—Room 802. The meeting begins at 7:00 pm.

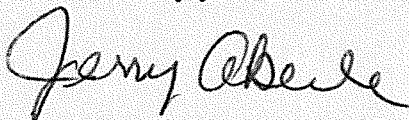
Since the creation of the original agenda, I will have one addition.

6c. Approval of work agreement. Kasey Nelson, Certified Occupational Therapist Assistant, \$16.00 per hour. Kasey has been hired to cover for an OT who needed to take leave under FMLA.

See you Monday evening at 7:00 pm.

Happy Thanksgiving!!

Sincerely yours,



Jerry Aberle

November 17, 2016

## **Hello NESC Board of Directors**

### **Meeting Location:**

Our November meeting will be held Monday, November 21, 2016 in Watertown, SD. **The meeting will be held at Lake Area Technical Institute.** The meeting will begin at **7:00 P.M.**

**NORTHEAST EDUCATIONAL SERVICES COOPERATIVE**  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CASH BALANCES

	General Fund (10)	Special Education Fund (22)	Agency Fund (71)	Enterprise Fund NPIP (72)	TOTAL ALL FUNDS
<b>CASH BALANCE</b>					
October 1, 2016	\$169,774.89	\$414,764.44	\$18,151.13	\$630,006.12	\$1,232,696.58

Receipts:

**Local Sources:**

1312 Center Base Tuition		\$66,371.21			\$66,371.21
1332 Extended School Year Tuition					\$0.00
1510 Interest	\$33.62	\$99.44	\$1.36	\$136.56	\$270.98
1941 ESA 1 OTHER SOURCES					\$0.00
1941 ESA 1 LEA Assessments					\$0.00
1941 SD COUNTS Other LEAs					\$0.00
1971 Insurance Premiums				\$8,424.92	\$8,424.92
1990 Charges For Service				\$43,478.00	\$43,478.00
1990 SPED Assessments		\$103,934.49			\$103,934.49
1990 General Fund Assessment	\$1,781.89				\$1,781.89
1990 Reading Recovery	\$3,291.12				\$3,291.12
1990 Reading Recovery-Other LEAs					\$0.00
1990 Miscellaneous		\$3,022.04			\$3,022.04
1990 Northern Plains	\$2,500.00				\$2,500.00
1990 Special Projects-Indirect Cost					\$0.00
1990 Drug & Alcohol Pool					\$0.00
1990 Expensed Mileage					\$0.00

**State Sources:**

3119 Grants-in-Aid: Ed. Specialist					\$0.00
3900 Part C Funds		\$5,726.94			\$5,726.94
3900 Part B Funds					\$0.00
3900 ESA 1					\$0.00

**Federal Sources:**

4152 Title IIB (SD COUNTS)					\$0.00
4175 IDEA Part B 611		\$188,919.00			\$188,919.00
4175 IDEA Part B 611-Private					\$0.00
4186 IDEA Part B 619		\$5,273.00			\$5,273.00

**Other Receipts:**

120 Accounts Receivable		\$1,026.38			\$1,026.38
140 Due from other Governments	\$136.92				\$136.92
Other Receipts	\$1,472.84		\$991.70		\$2,464.54

<b>Total Monthly Receipts</b>	<b>\$9,216.39</b>	<b>\$374,372.50</b>	<b>\$993.06</b>	<b>\$52,039.48</b>	<b>\$436,621.43</b>
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<b>Total Gross Receipts</b>	<b>\$178,991.28</b>	<b>\$789,136.94</b>	<b>\$19,144.19</b>	<b>\$682,045.60</b>	<b>\$1,669,318.01</b>
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Manual Journal Entry					\$0.00
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Manual Journal Entry Revenue					\$0.00
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<b>Less Salaries &amp; Disbursements</b>					
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Salaries	\$19,944.19	\$255,130.02			\$275,074.21
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Disbursements	\$12,674.87	\$18,148.47	\$2,491.59	\$47,766.17	\$81,081.10
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<b>Less Total Salaries &amp; Disbursements</b>	<b>\$32,619.06</b>	<b>\$273,278.49</b>	<b>\$2,491.59</b>	<b>\$47,766.17</b>	<b>\$356,155.31</b>
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<b>CASH BALANCE</b>					
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October 31, 2016	\$146,372.22	\$515,858.45	\$16,652.60	\$634,279.43	\$1,313,162.70
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**Balance Sheet**

Payroll Clearing Account XX-101-002	\$20.00	\$80.00	\$0.00	\$0.00	\$100.00
Checking Account XX-101	\$5,138.51	\$11,465.06	\$10,640.98	\$634,279.43	\$661,523.98
Money Market Savings XX-105	\$141,213.71	\$422,285.01	\$6,011.62	\$0.00	\$569,510.34
Certificates of Deposit XX-106	\$0.00	\$77,028.38	\$0.00	\$0.00	\$77,028.38
Imprest XX-108	\$0.00	\$5,000.00	\$0.00	\$0.00	\$5,000.00
<b>TOTALS</b>	<b>\$146,372.22</b>	<b>\$515,858.45</b>	<b>\$16,652.60</b>	<b>\$634,279.43</b>	<b>\$1,313,162.70</b>
Cash & Balance Sheet difference	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Regular; Processing Month 10/2016; Fund Number 10, 22

Fund: 10 GENERAL FUND

Account Number	Description	Revised Budget	During Month	To Date	% of Budget	Budget Balance
10 1510	INTEREST	300.00	33.62	173.17	57.72	126.83
10 1941 013	ESA 1 COMMON CORE TRAINING	0.00	0.00	0.00	0.00	0.00
10 1941 014	ESA 1 LEA ASSESSMENTS	74,554.22	0.00	0.00	0.00	74,554.22
10 1941 015	ESA-1 REVENUE OTHER SOURCES-LEAs	29,285.91	0.00	3,000.00	10.24	26,285.91
10 1941 016	SD COUNTS-OTHER LEAS	21,574.17	0.00	378.66	1.76	21,195.51
10 1990 009	NON-SP.ED. ASSESSMENTS	21,382.70	1,781.89	7,093.30	33.17	14,289.40
10 1990 012	READING RECOVERY ASSESSMENTS	49,110.16	3,291.12	20,295.21	41.33	28,814.95
10 1990 013	READING RECOVERY-OTHER LEAs	13,791.70	0.00	3,182.70	23.08	10,609.00
10 1990 018	MISCELLANEOUS	0.00	0.00	333.68	0.00	(333.68)
10 1990 020	NORTHERN PLAINS	24,000.00	0.00	7,500.00	31.25	16,500.00
10 1990 073	D&A POOL ASSESSMENTS	15,000.00	0.00	0.00	0.00	15,000.00
10 1990 200	EXPENSED MILEAGE FROM SPED	262,950.00	2,500.00	2,500.00	0.95	260,450.00
Subtotal: LOCAL SOURCES		511,948.86	7,606.63	44,456.72	8.68	467,492.14
10 3900 013	READING RECOVERY i3 GRANT	0.00	0.00	0.00	0.00	0.00
10 3900 016	COMMON CORE MATH	0.00	0.00	0.00	0.00	0.00
10 3900 017	ESA 1 COMMON CORE TRAINING	0.00	0.00	0.00	0.00	0.00
10 3900 050	ESA 1-TEACHER OF THE YEAR	600.00	0.00	0.00	0.00	600.00
10 3900 102	ESA 1 SDAP TRAINING	0.00	0.00	0.00	0.00	0.00
10 3900 103	ESA 1 SIP TRAINING	0.00	0.00	0.00	0.00	0.00
10 3900 104	ESA 1 6-12 LITERACY TRAINING	0.00	0.00	0.00	0.00	0.00
10 3900 105	ESA 1 PBL TRAINING	0.00	0.00	0.00	0.00	0.00
10 3900 106	ESA 1 SD STARS TRAINING	0.00	0.00	0.00	0.00	0.00
10 3900 107	ESA 1 COACHING	24,312.00	0.00	0.00	0.00	24,312.00
10 3900 108	MATH LEADER/COACH	0.00	0.00	0.00	0.00	0.00
10 3900 109	TEACHER EFFECTIVENESS & COM. CORE	7,260.40	0.00	0.00	0.00	7,260.40
10 3900 110	ESA 1 MENU OF OPTIONS	15,000.00	0.00	0.00	0.00	15,000.00
10 3900 111	ESA 1 TEACHER TRAINING	0.00	0.00	0.00	0.00	0.00
Subtotal: STATE SOURCES		47,172.40	0.00	0.00	0.00	47,172.40
10 4152 016	TITLE II PART B SD COUNTS	98,629.02	0.00	0.00	0.00	98,629.02
Subtotal: FEDERAL SOURCES		98,629.02	0.00	0.00	0.00	98,629.02
10 5110	OPERATING TRANSFER IN	0.00	0.00	0.00	0.00	0.00
10 5130	SALE OF SURPLUS PROPERTY	0.00	0.00	0.00	0.00	0.00
10 5140	COMPENSATION FOR LOSS OF ASSET	0.00	1,472.84	9,752.99	0.00	(9,752.99)
Subtotal: 5000		0.00	1,472.84	9,752.99	0.00	(9,752.99)
Fund Total:		657,750.28	9,079.47	54,209.71	8.24	603,540.57

Regular; Processing Month 10/2016; Fund Number 10, 22

Fund: 22 SPECIAL EDUCATION FUND

<u>Account Number</u>	<u>Description</u>	<u>Revised Budget</u>	<u>During Month</u>	<u>To Date</u>	<u>% of Budget</u>	<u>Budget Balance</u>
22 1312	TUITION-CENTER BASE	532,611.36	66,371.21	66,371.21	12.46	466,240.15
22 1312 100	TUITION-ESY	81,817.75	0.00	0.00	0.00	81,817.75
22 1510	INTEREST	1,500.00	99.44	477.29	31.82	1,022.71
22 1990 002	MISCELLANEOUS-CENTER BASE	0.00	0.00	0.00	0.00	0.00
22 1990 003	SPED ASSESSMENTS	1,247,219.05	103,934.49	412,380.46	33.06	834,838.59
22 1990 018	MISCELLANEOUS	5,000.00	3,022.04	3,037.04	60.74	1,962.96
22 1990 019	SPECIAL PROJECTS INDIRECT COSTS	5,000.00	0.00	0.00	0.00	5,000.00
Subtotal: LOCAL SOURCES		1,873,148.16	173,427.18	482,266.00	25.75	1,390,882.16
22 3119 071	STATE GRANTS-IN-AID: ED.SPEC.	117,925.03	0.00	0.00	0.00	117,925.03
22 3900 013	STATE REVENUE: PART C FUNDS	50,000.00	5,726.94	24,783.15	49.57	25,216.85
22 3900 014	STATE REVENUE: PART B FUNDS	4,500.00	0.00	0.00	0.00	4,500.00
22 3900 106	CBI GRANT	0.00	0.00	0.00	0.00	0.00
Subtotal: STATE SOURCES		172,425.03	5,726.94	24,783.15	14.37	147,641.88
22 4175 475	REGULAR IDEA PART B 611	1,654,908.00	188,919.00	188,919.00	11.42	1,465,989.00
22 4175 476	REGULAR IDEA PART B 611-PRIVATE SCHOOL	3,371.00	0.00	0.00	0.00	3,371.00
22 4186 486	REGULAR IDEA PART B 619	52,362.00	5,273.00	5,273.00	10.07	47,089.00
Subtotal: FEDERAL SOURCES		1,710,641.00	194,192.00	194,192.00	11.35	1,516,449.00
22 5130	SALE OF SURPLUS PROPERTY	0.00	0.00	0.00	0.00	0.00
22 5140	COMPENSATION FOR LOSS OF ASSET	0.00	0.00	0.00	0.00	0.00
Subtotal: 5000		0.00	0.00	0.00	0.00	0.00
Fund Total:		3,756,214.19	373,346.12	701,241.15	18.67	3,054,973.04

**Revenue Summary Report**  
Processing Month: 10/2016  
Regular; Processing Month 10/2016; Fund Number 10, 22

	<u>Revised Budget</u>	<u>During Month</u>	<u>To Date</u>	<u>% of Budget</u>	<u>Budget Balance</u>
Grand Total:	4,413,964.47	382,425.59	755,450.86	17.12	3,658,513.61

Account Number	Account Description	BUDGET	CURRENT MO.EXP.	EXP.TO DATE	% OF BUDGET	BALANCE AT EOM
10	GENERAL FUND					
1111	READING RECOVERY	\$62,901.86	\$4,439.97	\$19,715.74	31.34	\$43,186.12
2219	OTHER IMPROVEMENTS-INSTRUCTION	\$271,215.73	\$11,894.07	\$49,764.99	18.35	\$221,450.74
2227	TECHNOLOGY SUPPORT	\$14,829.43	\$289.91	\$8,924.89	60.18	\$5,904.54
2319	BOARD OF EDUCATION SERVICES	\$16,443.46	\$60.63	\$8,610.53	52.36	\$7,832.93
2329	ADMINISTRATION	\$47,528.33	\$2,935.56	\$12,868.29	27.07	\$34,660.04
2529	ADMINISTRATION-FISCAL SERVICES	\$17,182.83	\$883.12	\$3,635.73	21.16	\$13,547.10
2542	OPERATION & MAINTENANCE BLDGS.	\$11,190.94	\$632.82	\$1,405.86	12.56	\$9,785.08
2545	VEHICLE SERVICE	\$222,457.70	\$8,411.87	\$96,570.46	43.41	\$125,887.24
2551	DRUG & ALCOHOL TESTING POOL	\$15,000.00	\$2,583.03	\$2,583.03	17.22	\$12,416.97
10	GENERAL FUND	\$678,750.28	\$32,130.98	\$204,079.52	30.07	\$474,670.76
22	SPECIAL EDUCATION FUND					
1221	EXTENDED SCHOOL YEAR	\$85,188.75	\$0.00	\$72,803.38	85.46	\$12,385.37
1223	CENTER BASE DAY PROGRAMS	\$532,611.37	\$48,695.03	\$94,740.83	17.79	\$437,870.54
1226	EARLY CHILDHOOD SERVICES	\$333,429.76	\$23,262.64	\$54,980.03	16.49	\$278,449.73
1227	PROLONGED ASSISTANCE PROGRAMS	\$0.00	\$0.00	\$0.00	0.00	\$0.00
2129	TRANSITION SUPPORT SERVICES	\$26,425.78	\$1,681.77	\$6,726.93	25.46	\$19,698.85
2142	PSYCHOLOGICAL SERVICES	\$503,835.38	\$37,071.81	\$86,388.85	17.15	\$417,446.53
2152	SPEECH PATHOLOGY SERVICES	\$1,050,064.85	\$78,477.75	\$187,153.35	17.82	\$862,911.50
2171	PHYSICAL THERAPY	\$299,728.31	\$22,195.98	\$87,779.43	29.29	\$211,948.88
2172	OCCUPATIONAL THERAPY	\$485,826.14	\$28,664.69	\$97,866.77	20.14	\$387,959.37
2213	PROFESSIONAL DEVELOPMENT/PRESERVICE&TCAP	\$6,283.78	\$0.00	\$4,078.30	64.90	\$2,205.48
2219	OTHER IMPROVEMENTS-INSTRUCTION	\$117,925.03	\$6,665.60	\$25,283.25	21.44	\$92,641.78
2227	TECHNOLOGY SUPPORT	\$39,315.36	\$1,669.08	\$9,418.03	23.96	\$29,897.33
2319	BOARD OF EDUCATION SERVICES	\$71,634.12	\$349.02	\$49,568.75	69.20	\$22,065.37
2329	ADMINISTRATION	\$250,581.95	\$16,898.94	\$74,078.21	29.56	\$176,503.74
2529	ADMINISTRATION-FISCAL SERVICES	\$75,890.30	\$5,091.96	\$20,945.36	27.60	\$54,944.94
2542	OPERATION & MAINTENANCE BLDGS.	\$37,473.31	\$2,806.04	\$6,838.66	18.25	\$30,634.65
22	SPECIAL EDUCATION FUND	\$3,916,214.19	\$273,530.31	\$878,650.13	22.44	\$3,037,564.06
	Grand Total:	\$4,594,964.47	\$305,661.29	\$1,082,729.65	23.56	\$3,512,234.82

Activity Fund Balance Report - Summary - Exclude Encumbrances  
10/2016 - 10/2016

Regular; Beginning Month 10/2016; Processing Month 10/2016; Fund Number 71, 72

Fund: 71 AGENCY FUND

<u>Chart of Account Number</u>	<u>Chart of Account Description</u>	<u>Beginning Balance</u>	<u>Expenses</u>	<u>Revenues</u>	<u>Balance Change</u>	<u>Balance</u>
71 415 801	GENERAL CLEARING-AMT. HELD FOR OTHERS	1,102.42	713.52	713.52	0.00	1,102.42
71 415 802	FLORENCE CENTER BASE-AMT HELD FOR OTHERS	283.17	0.00	0.00	0.00	283.17
71 415 803	HAMLIN CENTER BASE-AMT HELD FOR OTHERS	493.31	0.00	0.00	0.00	493.31
71 415 804	GRANT-DEUEL CB-AMT HELD FOR OTHERS	621.08	0.00	0.00	0.00	621.08
71 415 805	KNIGHTS OF COLUMBUS-AMT HELD FOR OTHERS	2,415.06	0.00	0.00	0.00	2,415.06
71 415 806	SPECIAL OLYMPICS SD-AMT HELD FOR OTHERS	7,392.45	1,422.68	12.00	0.00	5,981.77
71 415 850	ELABO-AMT HELD FOR OTHERS	0.00	0.00	0.00	0.00	0.00
71 430 800	IMPREST ACCOUNT	5,838.74	355.39	266.18	0.00	5,749.53
71 704 005	FUND BALANCE - UNDESIGNATED	0.00	0.00	0.00	0.00	0.00
71 760	UNASSIGNED FUND BALANCE	4.90	0.00	1.36	0.00	6.26
Fund Total: 71		18,151.13	2,491.59	993.06	0.00	16,652.60

**Activity Fund Balance Report - Summary - Exclude Encumbrances**  
10/2016 - 10/2016

Regular; Beginning Month 10/2016; Processing Month 10/2016; Fund Number 71, 72

Fund: 72      SDSGIP

<u>Chart of Account Number</u>	<u>Chart of Account Description</u>	<u>Beginning Balance</u>	<u>Expenses</u>	<u>Revenues</u>	<u>Balance Change</u>	<u>Balance</u>
72 708	UNRESTRICTED NET POSITION	630,006.12	47,766.17	52,039.48	0.00	634,279.43
	Fund Total: 72	630,006.12	47,766.17	52,039.48	0.00	634,279.43

Northeast Educational Services Cooperative  
Board of Directors Meeting  
Monday, October 17, 2016

The Board of Directors for the Northeast Educational Services Cooperative (NESC) met in regular session on Monday, October 17 at Lake Area Technical Institute in Watertown, SD. The meeting was called to order by President Koenecke at 7:00 P.M. and adjourned at 7:55 P.M.

Members present:

Martin Murphy, Arlington; Trudi Gaikowski, Clark; Barb Asleson, De Smet; Carie Knutson, Deubrook; Debbe Koenecke, Deuel; Arend Schuurman, Elkton; Ron Gorder, Estelline; Tracy Hlavack, Florence; Joe Homola, Hamlin; Dave Fuller, Henry; Christy Woodcock, Lake Preston; Hailey Peterson, Rosholt; Gloria Koerlin, Sioux Valley; Sandy Hinze, Waubay; Jeff Buchholz, Waverly/South Shore; Joel Shoemaker, Webster; Paula Warkenthien, Willow Lake; Denise Lutkemeier, Wilmot

Absent:

Kurt Zuehlke, Britton-Hecla; Cory Akin, Castlewood; Lois Owens, Enemy Swim Day School; Jared Engebretson, Grant-Deuel; Greg Schortzmann, Iroquois; Corrie Quale, Summit;

Others Attending:

NESC Staff Representatives: None present.

Member District Superintendents: Jim Block, Webster

NESC Administration: Jerry Aberle, Director; Brice Christensen, Business Manager; Tim Frewing, Assistant Director

Call to Order

President Koenecke called the meeting to order at 7:00 P.M.

Agenda review, changes, and approval

*Action #17016* Motion by D. Lutkemeier, second by T. Hlavacek, to approve the agenda with the following additions: 6c) Approval of contract amendment—KorManagement Services LLC. \$35 per hour; \$15 per test for drug collection; Mileage at IRS rate; 7d) Title II Part B, Math and Science Partnership Grant; 8d) Budget supplement – Center Base. All present voting in favor, motion carried.

Introduction of Guests

Jim Block was introduced as a guest.

Conflicts of Interest

No conflicts of interests were reported.

Financial Report

*Action #17017* Motion by C. Knutson, second by T. Hlavacek, to approve the financial report for the period ending September 2016. All present voting in favor, motion carried.

	<u>General Fund</u>	<u>Special Education Fund</u>	<u>Agency Fund</u>	<u>Enterprise Fund (NPIP)</u>
<b>Cash Balance</b>				
<b>September 1, 2016</b>	<b>\$130,083.81</b>	<b>\$570,872.88</b>	<b>\$16,906.57</b>	<b>\$612,836.05</b>
<u>Receipts:</u>				
Local Sources	\$13,894.93	\$110,234.50	\$1.68	\$63,898.41
State Sources		\$4,982.25		
Federal Sources				
Other	\$91,586.75		\$4,142.63	
<u>Total Monthly Receipts</u>	<u>\$105,481.68</u>	<u>\$115,216.75</u>	<u>\$4,144.31</u>	<u>\$63,898.41</u>
Total Gross Receipts	\$235,565.49	\$686,089.63	\$21,050.88	\$676,734.46
Less Salaries	\$20,361.48	\$253,017.82		
Less Disbursements	\$45,429.12	\$18,307.37	\$2,899.75	\$46,728.34
<u>Total Salaries &amp; Disbursements</u>	<u>\$65,790.60</u>	<u>\$271,325.19</u>	<u>\$2,899.75</u>	<u>\$46,728.34</u>
<b>Ending Cash Balance</b>				
<b>September 30, 2016</b>	<b>\$169,774.89</b>	<b>\$414,765.44</b>	<b>\$18,151.13</b>	<b>\$630,006.12</b>

#### Consent Agenda

Action #17018 Motion by J. Homola, second by T. Gaikowski, to approve the following items on the Consent Agenda: 6a) Approval of September 19, 2016 Board of Directors minutes; 6b) Approval of payment of October 2016 claims; 6c) Approval of contract amendment—KorManagement Services LLC. \$35 per hour; \$15 per test for drug collection; Mileage at IRS rate. All present voting in favor, motion carried.

#### October 2016 Accounts Payable

**GENERAL FUND:** APEX LEARNING ADDITIONAL SEATS 625.00;BMO MASTERCARD PURCH SVCS, TRAVEL, PHONE, SPLYS 600.36;BND TOWING MAINT 126.00 CENEX FLEETCARD MAINT & GASOLINE 4,699.73;CENTURY BUSINESS PRODUCTS, INC COPIER MAINT CONTRACT 105.95;CHRISTENSEN, BRICE FISCAL MILEAGE TO STAFF 2.67;CHURCHILL,MANOLIS,FREEMAN,KLUDT,SHELTON BOARD - LEGAL 19.98;CRAIG BASS SANITARY SERVICE O&M - GARBAGE SERVICE 20.77;DELYLE'S SOUTH 81 SERVICE, INC. MAINT 1,387.70;DON'S BODY SHOP MAINT 40.00;DUST TEX SERVICE, INC. O&M - RUG RENTAL 6.42;ESTELLINE COMMUNITY OIL CO. MAINT 119.61 HAMLIN COUNTY FARMERS COOP MAINT & GASOLINE 1,662.71; JURGENS OIL MAINT 37.91;KORMANAGEMENT SERVICES, LLC DRUG & ALCOHOL POOL 2,583.03 NESC IMPREST REIMBURSE IMPREST 91.25;NESC PAYROLL CLEARING OCTOBER 2016 PAYROLL 19,944.19;NORTHLAND AUTO CENTER MAINT 107.15; OTTER TAIL POWER CO. O&M - ELECTRICITY 86.85;QUICK PRO LUBE MAINT 36.02;S & S AUTO MAINT 25.00;SD DEPT. OF REVENUE CARS- TITLE/PLATES/REGISTRATION 42.40 TOWN OF HAYTI O&M - WATER AND SEWER 29.78;W.W. TIRE SERVICE MAINT 114.36;WEBSTER AUTO CARE MAINT 104.22

**FUND TOTAL: \$32,619.06**

**SPECIAL EDUCATION FUND:** BMO MASTERCARD PURCH SVCS, TRAVEL, PHONE, SPLYS 11,495.23;BRITTON-HECLA SCHOOL DISTRICT SPEECH MILEAGE 37.38;CASTLEWOOD SCHOOL DISTRICT CB FACILITY USE FEE/SUPPLIES 978.82;CENTURY BUSINESS PRODUCTS, INC COPIER MAINT CONTRACT 38.85;CHILSON, GINA SPEECH MILEAGE TO STAFF 173.46;CHRISTENSEN, BRICE FISCAL MILEAGE TO STAFF 15.39;CHURCHILL,MANOLIS,FREEMAN,KLUDT,SHELTON BOARD - LEGAL 115.02;CRAIG BASS SANITARY SERVICE O&M - GARBAGE SERVICE 108.23;DUST TEX SERVICE, INC. O&M - RUG RENTAL 33.44;HAMLIN COUNTY FARMERS COOP MAINT & GASOLINE 1,585.71 HAMLIN SCHOOL DISTRICT CB FACILITY USE FEE 1,117.59;HAYUNGA, STEPHANIE OT DUES AND FEES 225.00;MEYER, MARIA PSYCH-CONF REG&TRAVEL 1,106.20;NESC IMPREST REIMBURSE IMPREST 174.93;NESC PAYROLL CLEARING OCTOBER 2016 PAYROLL 255,130.02;OTTER TAIL POWER CO. O&M - ELECTRICITY 452.56;TIEFENTHALER, DEBRA SPEECH MILEAGE TO STAFF 38.22 TOWN OF HAYTI O&M - WATER AND SEWER 5.72;WEBSTER SCHOOL DISTRICT CB FACILITY USE FEE 406.40;WENZ, MELODY SPEECH MILEAGE TO STAFF 8.40;WIESE, RITA SPEECH MILEAGE TO STAFF 31.92

**FUND TOTAL: \$273,278.49**

Discussion Items

October 5, 2016 Board of Advisor Minutes

Assistant Director Frewing reviewed the minutes from the October 5 Board of Advisor meeting.

Conflict of Interest Policy

Director Aberle reviewed a draft of a NESC conflict of interest policy. The policy will be on the action items at the November 21<sup>st</sup> board meeting.

New Overtime Rules

Business Manager Christensen informed the board of new overtime rules starting December 1 that may have an effect on a small number of NESC employees.

Title II Part B, Math and Science Partnership Grant.

Director Aberle gave information regarding the grant award notice for the Title II Part B grant. The grant will continue through FY17, but has not been reauthorized for the third and final year.

Action Items

Surplus Vehicles

*Action #17019* Motion by C. Knutson, second by G. Koerlin to declare 8 vehicles surplus. All present voting in favor, motion carried.

Fixed Asset No. 0243	1998 Plymouth Breeze	Serial#: 1P3EJ46C8WN306399
Fixed Asset No. 0277	1999 Plymouth Breeze	Serial#: 1P3EJ46XXXN658405
Fixed Asset No. 0280	1999 Plymouth Breeze	Serial#: 1P3EJ46CXXN629564
Fixed Asset No. 0287	2001 Dodge Stratus	Serial#: 1B3EJ46X71N649315
Fixed Asset No. 0294	2000 Ford Taurus	Serial#: 1FAFP5320YG278017
Fixed Asset No. 0299	2002 Dodge Stratus	Serial#: 1B3EL36X82N259586
Fixed Asset No. 0305	2001 Dodge Stratus	Serial#: 1B3EJ46X71N611888
Fixed Asset No. 0315	2004 Dodge Stratus	Serial#: 1B3EL36T64N139639

Property owners C. Knutson, T. Hlavacek, and D. Lutkemeier appraised the vehicles.

Set Center Base Tuition Rates

*Action #17020* Motion by D. Fuller, second by D. Lutkemeier to approve the FY17 center base tuition rates as presented. All present voting in favor, motion carried.

Base Rate	\$32,731.00
1 <sup>st</sup> Placement	\$45,332.44
2 <sup>nd</sup> Placement	\$26,102.97
3 <sup>rd</sup> Placement	\$24,220.94

Approve Indirect Cost Rate

*Action #17021* Motion by T. Hlavacek, second by A. Schuurman to approve the SD DOE indirect cost rate for fiscal years 2017-2021 of 2.56% retriected and 7.77% unrestricted. All present voting in favor, motion carried.

Budget Supplement – Center Base

*Action #17022* Motion by T. Gaikowski, second by G. Koerlin to introduce Resolution #164:

Let it be resolved, that the Board of Directors for the Northeast Educational Services Cooperative, in accordance with SDCL 13-11-3.2 and after duly considering the proposed supplemental budget, hereby approves and adopts the following supplemental budget in total:

Appropriations:

<b>22-1223-000-112</b>	Regular Salary-Para Professional	\$ 57,596.00
<b>22-1223-000-210-301</b>	Social Security & Medicare - Para	\$ 4,406.09
<b>22-1223-000-220-301</b>	Retirement - Para	\$ 3,455.76
<b>22-1223-000-230-301</b>	Insurance - Para	<u>\$ 26,139.49</u>
<b>Total Appropriations:</b>		<b>\$ 91,597.34</b>

Means of Finance:

<b>22-1312</b>	Tution-Center Base	<u>\$ 91,597.34</u>
<b>Total Means of Finance:</b>		<b>\$ 91,597.34</b>

Assistant Director's Report

Assistant Director Frewing gave his monthly report.

Director's Report

Director Aberle gave his monthly report.

Adjournment

*Action #17023* With there being no further business, motion by R. Gorder, second by J. Homola, to adjourn. All present voting in favor, motion carried.

The next NESC Board of Directors meeting will be held at Lake Area Technical Institute in Watertown, SD on Monday, November 21, 2016 at 7:00 P.M.

\_\_\_\_\_  
**Debbe Koenecke, President**

\_\_\_\_\_  
**Brice Christensen, Business Manager**

11/16/2016 01:51 PM

User ID: BPC

Vendor Name	Description	Amount
Checking Account: 1	Fund Number: 10 GENERAL FUND	
AAA PURE WATER	O&M - WATER FILTER CHANGE	14.41
AMMERICINN	ESA TRAVEL	144.00
BMO MASTERCARD	<i>Purch Sups, Travel, Supplies</i>	821.55
BND TOWING	MAINT	150.00
CENEX FLEETCARD	MAINT & GASOLINE	4,026.99
CENTURY BUSINESS PRODUCTS, INC	COPIER MAINT. CONTRACT	129.82
CHRISTENSEN, BRICE	FISCAL MILEAGE	5.35
DELYLE'S SOUTH 81 SERVICE, INC.	MAINT	1,537.97
DON'S BODY SHOP	MAINT	4,911.08
DUST TEX SERVICE, INC.	O&M - RUG RENTAL	6.42
ESTELLINE COMMUNITY OIL CO.	MAINT & GASOLINE	59.62
HAMLIN COUNTY FARMERS COOP	MAINT & GASOLINE	1,212.21
JOHNSON AUTOMOTIVE	MAINT	159.95
JURGENS OIL	MAINT	42.90
NESC IMPREST	REIMBURSE IMPREST	11.74
NESC PAYROLL CLEARING	NOVEMBER 2016 PAYROLL	19,934.50
NESC SPECIAL REVENUE PROJECTS	QUARTER 1 EXPENSED MILEAGE	5,830.04
NORTHLAND AUTO CENTER	MAINT	38.99
OTTER TAIL POWER CO.	O&M - ELECTRICITY	44.21
PALMLUND AUTOMOTIVE	MAINT	36.44
PEDERSEN, SHANE	O&M - LAWN CARE	140.00
REUER, JOHNNY	O&M - LAWN CARE	4.83
S & S AUTO	MAINT	295.64
SCHMIDT, ROCHELLE	SPEECH GAS REIMBURSEMENT	18.19
TOWN OF HAYTI	O&M - WATER AND SEWER	5.72
W.W. TIRE SERVICE	MAINT	59.90
Fund Number: 10		<hr/> 39,642.47
Checking Account: 1	Fund Number: 22 SPECIAL EDUCATION FUND	
AAA PURE WATER	O&M - WATER FILTER CHANGE	75.09
BEHAVIOR CARE SPECIALISTS	CB SUBSCRIPTION	500.00
BMO MASTERCARD	<i>Purch Sups, Travel, Supplies</i>	20,539.73
BRITTON-HECLA SCHOOL DISTRICT	SPEECH MILEAGE TO SCHOOL	72.66
BUSSKOHL, CHRISTY	OT ASHA DUES	225.00
CENTURY BUSINESS PRODUCTS, INC	COPIER MAINT. CONTRACT	50.64

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Vendor Name

CHILSON, GINA

CHRISTENSEN, BRICE

DUST TEX SERVICE, INC.

HANSEN, HEATHER

LUX, LOIS

NESC IMPREST

NESC PAYROLL CLEARING

NESC SPECIAL REVENUE PROJECTS

OTTER TAIL POWER CO.

REUER, JOHNNY

SW/WC SERVICE COOPERATIVE

TOWN OF HAYTI

WENZ, MELODY

WHIPKEY, SARAH

WIESE, RITA

Fund Number: 22

Checking Account: 1

## ACCOUNTS PAYABLE NOVEMBER 2016

Description

SPEECH MILEAGE TO STAFF

FISCAL MILEAGE

O&amp;M - RUG RENTAL

SPEECH MILEAGE TO STAFF

SPEECH MILEAGE TO STAFF

CB MILEAGE TO PARENT

REIMBURSE IMPREST

NOVEMBER 2016 PAYROLL

QUARTER 1 EXPENSED MILEAGE

O&amp;M - ELECTRICITY

O&amp;M - LAWN CARE

BCBA HOURS

O&amp;M - WATER AND SEWER

SPEECH MILEAGE TO STAFF

OT MILEAGE TO STAFF

SPEECH MILEAGE TO STAFF

User ID: BPC

Amount

160.02

30.77

33.44

24.78

40.32

196.56

497.65

253,586.30

53,872.30

230.38

25.17

2,250.00

29.78

84.84

61.32

31.92

332,618.67

372,261.14

# Reconciled/Disputed Detail

Reporting Period: 10/06/2016 Thru 11/05/2016

Tran ID	Proc Date	Tran Date	Supplier Description	GL Information	Current Status	Processing Status Dispute Date Reconcile Date	Amount
<b>Account #:</b>			<b>XXXXXXXXXX171375</b>	<b>Name: BOYD, BRENDA</b>		<b>ID:</b>	
445746196	10/12/2016	10/06/2016	DAKTECH COMPUTERS - FARGO, ND USA	.....	New		1,081.00
446563810	10/19/2016	10/18/2016	GETTYSBURG INN AND SUI - GETTYSBURG, SD USA	.....	New		70.00
447014084	10/21/2016	10/20/2016	PRAIRIE VISTA INN - FAITH, SD USA	.....	New		119.90
447171016	10/24/2016	10/21/2016	AMERICINN MOTEL & SUIT - SIOUX FALLS, SD USA	.....	New		70.00
448731338	11/04/2016	11/03/2016	HOLIDAY INN EXPRESS VE - VERMILLION, SD USA	.....	New		114.00
					<b>Transaction Count:</b>	<b>5</b>	<b>1,454.90</b>
<b>Account #:</b>			<b>XXXXXXXXXX171409</b>	<b>Name: REINHILLER, LISA</b>		<b>ID:</b>	
445746197	10/12/2016	10/10/2016	SUPER 8 SISSETON - SISSETON, SD USA	.....	New		110.00
447014085	10/21/2016	10/19/2016	Country Inn & Suites - WATERTOWN, SD USA	.....	New		57.00
448008564	10/31/2016	10/27/2016	Country Inn & Suites - WATERTOWN, SD USA	.....	New		57.00
					<b>Transaction Count:</b>	<b>3</b>	<b>224.00</b>
<b>Account #:</b>			<b>XXXXXXXXXX525117</b>	<b>Name: CHRISTENSEN, BRICE</b>		<b>ID:</b>	
445159662	10/06/2016	10/05/2016	HY VEE 1871 - WATERTOWN, SD USA	.....	New		30.25
445416984	10/07/2016	10/06/2016	SPECIAL OLYMPICS SOUTH - SIOUX FALLS, SD USA	.....	New		178.50
445746198	10/12/2016	10/11/2016	USPS 46370806815241326 - HAYTI, SD USA	.....	New		12.00
445746199	10/12/2016	10/12/2016	VZWRLSS*MY VZ VB P - 800-922-0204, GA USA	.....	New		324.25
445746200	10/12/2016	10/11/2016	WATERTOWN PUBLIC OPINI - WATERTOWN, SD USA	.....	New		191.80
445746201	10/12/2016	10/11/2016	MARSHALL COUNTY HEALTH - BRITTON, SD USA	.....	New		7,704.90
445881507	10/13/2016	10/12/2016	INTERSTATE TELECOMM CO - 605-874-2181, SD USA	.....	New		479.41
445881508	10/13/2016	10/11/2016	TIME MANAGEMENT SYSTEM - 6052717124, IA USA	.....	New		96.19
446563811	10/19/2016	10/18/2016	PATRICKMCGR - 4074155241, FL USA	.....	New		190.90
446710071	10/20/2016	10/19/2016	INNOVATIVE OFFICE SOLU - 952-808-9900, MN USA	.....	New		731.22
447441144	10/26/2016	10/25/2016	INNOVATIVE OFFICE SOLU - 952-808-9900, MN USA	.....	New		37.48
447441145	10/26/2016	10/25/2016	SANFORD CREDIT CARD PM - 605-3286573, SD USA	.....	New		7,838.22
447586368	10/27/2016	10/26/2016	DYNAVONX SYSTEMS LL - PITTSBURGH, PA USA	.....	New		199.00
448273584	11/02/2016	11/02/2016	NCS PEARSON - 800-843-0019, MN USA	.....	New		873.08
448469100	11/03/2016	11/02/2016	HY VEE 1871 - WATERTOWN, SD USA	.....	New		35.00
448469101	11/03/2016	11/02/2016	SAGE PUBLICATIONS - 805-499-9774, CA USA	.....	New		38.95
448731339	11/04/2016	11/03/2016	INNOVATIVE OFFICE SOLU - 952-808-9900, MN USA	.....	New		57.80
448731340	11/04/2016	11/03/2016	APL* ITUNES.COM/BILL - 866-712-7753, CA USA	.....	New		42.59
					<b>Transaction Count:</b>	<b>18</b>	<b>19,061.54</b>
<b>Account #:</b>			<b>XXXXXXXXXX657027</b>	<b>Name: ABERLE, JERRY</b>		<b>ID:</b>	

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RUN DATE: 11/16/2016

PAGE NO:2

## Reconciled/Disputed Detail

Reporting Period: 10/06/2016 Thru 11/05/2016

Tran ID	Proc Date	Tran Date	Supplier Description	GL Information	Current Status	Processing Status Dispute Date Reconcile Date	Amount
445159663	10/06/2016	10/05/2016	RADISSON HOTELS - BISMARCK, ND USA	.....	New		390.93
					Transaction Count:	1	390.93
Account #:	XXXXXXXXXX327796		Name: PSYCHOLOGY 2, SCHOOL		ID:		
446710072	10/20/2016	10/19/2016	PRAIRIE VISTA INN - FAITH, SD USA	.....	New		59.95
448731341	11/04/2016	11/03/2016	HOLIDAY INN EXPRESS VE - VERMILLION, SD USA	.....	New		114.00
					Transaction Count:	2	173.95
Account #:	XXXXXXXXXX327846		Name: CENTER BASE, CASTLEWOOD		ID:		
445620095	10/11/2016	10/10/2016	APL* ITUNES.COM/BILL - 866-712-7753, CA USA	.....	New		15.96
					Transaction Count:	1	15.96
Account #:	XXXXXXXXXX335997		Name: ADMIN, NESC		ID:		
448273585	11/02/2016	10/31/2016	KESSLERS - ABERDEEN, SD USA	.....	New		42.60
448469102	11/03/2016	11/01/2016	KESSLERS - ABERDEEN, SD USA	.....	New		40.00
448731342	11/04/2016	11/01/2016	KESSLERS - ABERDEEN, SD USA	.....	New		-42.60
					Transaction Count:	3	40.00
Account #:	XXXXXXXXXX449475		Name: SPECIAL OLYMPICS, NESC		ID:		
447860864	10/28/2016	10/28/2016	FARMERS UNION 07073083 - HAZEL, SD USA	.....	New		23.00
448731343	11/04/2016	11/04/2016	FARMERS UNION 07073083 - HAZEL, SD USA	.....	New		12.00
					Transaction Count:	2	35.00
					Report Count:	35	21,396.28

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Northeast Educational Services Cooperative  
Advisory Board Meeting  
Wednesday November 2, 2016

The Advisory Board for the Northeast Educational Services Cooperative (NESC) met Wednesday, November 2, 2016 at Hy-Vee in Watertown, South Dakota. The meeting was called to order by Director Aberle at 10:34 A.M. and adjourned at 11:12 A.M.

Present: Justin Downes, Arlington; Steve Benson, Britton-Hecla; Keith Fodness, Castlewood; Kevin Keenaghan, Deubrook; Virginia Dolney, Enemy Swim; Jim Lentz, Estelline; Patrick Kraning, Hamlin; Steve Zirbel, Henry; Tess Appel, Rosholt; Laura Schuster, Sioux Valley; Kurt Jensen, Summit; Scott Klautdt, Willow Lake; Larry Hulscher, Wilmot

Absent: ; Luanne Warren, Clark; Abi Van Regenmorter, De Smet; Dean Christensen, Deuel; Gary Leighton, Florence; Al Stewart, Grant-Deuel; Mike Ruth, Iroquois; Tim Casper, Lake Preston; Dean Jones, Waubay; John Bjorkman, Waverly; James Block, Webster;

Others Attending: Jerry Aberle, Director; Brice Christensen, Business Manager; Tim Frewing, Assistant Director

ADVISORY BOARD AGENDA

Financial Report

Business Manager Christensen reviewed the financial report for September 2016.

Future Meeting Dates

There will be no meeting in December, a meeting January 4, 2017, and February 8, 2017.

Dyslexia work group

Discussion was held on dyslexia work groups. It will be monitored to make sure NESC is doing everything that is needed to comply.

Adjournment

There being no further business, motion by Benson, second by Downes to adjourn. All present voting in favor, motion carried.

Brice Christensen, Business Manager

## **CONFLICT DISCLOSURE AND AUTHORIZATION**

This policy prohibits NESC board members, the business manager, or administrators from having an interest in, or receiving a direct benefit from, a contract, when the cooperative is a party to the contract or has a separate contract related to it, unless the board grants a waiver. Disclosure requirements apply to public contracts for labor or services to be rendered, the purchase of commodities, materials, supplies, or equipment of any kind, and any kind of contract related to facilities.

### **DISCLOSURE REQUIREMENT:**

Disclosure is required by the board member, the business manager or an administrator in each of the following situations:

1. when the board member, business manager or administrator has an interest in a contract or receives a direct benefit from a contract.
2. if the spouse of the board member, business manager or administrator has an interest in a contract or receives a direct benefit from a contract.
- 3.
4. if another person with whom the board member, business manager or administrator lives with and commingles assets has an interest in a contract or receives a direct benefit from a contract.

### **DIRECT BENEFIT DEFINED:**

A board member, business manager or administrator or their spouse or other person with whom assets are commingled, derives a direct benefit from a contract:

1. if the person has more than a five percent ownership or other interest in an entity that is a party to the contract. However, a person does not derive a direct benefit from a contract based solely on the value associated with investments or holdings.
2. if the person derives income, compensation, or commission directly from the contract or from the entity that is a party to the contract;
3. if the person acquires property under the contract; or
4. if the person serves on the board of directors of an entity that derives income directly from the contract or acquires property under it.

If in doubt whether an actual conflict exists, this policy also requires disclosure of possible or potential conflicts.

### **INTERACTION WITH OTHER LAWS OR REGULATIONS:**

If other specific conflict of interest laws or administrative regulations relating to board members, administrators and the business manager apply in addition to SDCL Ch. 3-23 and this policy, the more restrictive conflict of interest law shall apply. Any board member, administrator or business manager who knowingly violates SDCL Ch. 3-23 commits a criminal offense (class 1 misdemeanor). Any board member who knowingly violates the provisions of this policy is subject to being removed as a board member. Any administrator or business manager who knowingly violates the provisions of this policy is subject to his or her employment relationship with the Cooperative being terminated. Unless the board has granted a waiver, the contract in which the board member, administrator or business manager has an interest or receives a direct benefit is voidable by the board and any benefit received by the board member, administrator or business manager is subject to forfeiture.

**BASIS FOR A WAIVER:**

A waiver may be granted by the board to authorize a board member, administrator or business manager to receive a direct benefit from the Cooperative's contract with a person or entity (public, private, for-profit, non-profit) if the following conditions are met:

1. That person provides a full written disclosure to the board;
2. The board reviews the essential terms of the contract or transaction and that person's role in the contract or transaction;
3. the board determines that the transaction and terms of the contract are fair and reasonable and not contrary to the public interest; and
4. the authorization of the board is in writing and filed with the Auditor-General.

The public records laws (SDCL Ch. 1-27) apply to all requests for a waiver.

**APPLYING FOR A WAIVER:**

1. If the potential for a conflict exists, the board member, administrator or business manager having the potential conflict of interest must submit the Request for Board Waiver form.
2. The request should be submitted to the board before entering into a conflicted contract or transaction.
3. Disclosures and requests for a waiver must be submitted to the President/Chairperson of the Board, the Director, or the Business Manager.
4. The person applying for the waiver must describe the relationship to the contract in question and why the applicant believes the contract may be subject to disclosure, including how that person, his/her spouse or anyone with whom he/she lives and commingles assets might benefit from the contract. Examples of persons other than a spouse might include a girlfriend, boyfriend, roommate, or an adult child.
5. The person requesting the waiver must identify and describe the essential terms of the contract:
  - (a) all parties to the contract,
  - (b) the person's role in the contract or transaction,
  - (c) the purpose(s)/objective(s) of the contract,
  - (d) the consideration or benefit conferred or agreed to be conferred upon each party,
  - (e) the length of time of the contract,
  - (f) any other relevant information.
6. The person requesting the waiver should briefly describe why he/she believes a waiver would not be contrary to the public interest (i.e., the contract was part of a competitive bidding process, there are other school district people involved in the decision-making process to enter into the contract, or the terms of the contract are consistent with other, similar contracts).
7. The Cooperative Attorney may answer general questions about the applicability of SDCL Ch. 3-23 or about the other laws that address conflict of interest. However, the Cooperative attorney represents the Cooperative and the board, and not board members, administrators, or the business manager, in their individual capacities. Board members, administrators, and the business manager should contact a private attorney if they have questions as to how SDCL Ch. 3-23 and this policy apply.

**BOARD ACTION ON A REQUEST FOR WAIVER:**

1. The Cooperative will have an agenda item at the beginning of the board meeting agenda when the board will address disclosures and requests for a waiver.
2. Disclosures and requests for a waiver submitted before the conflict of interest agenda item is acted on will receive action during the scheduled meeting.
3. Disclosures and requests received after the conflict of interest agenda item has been acted on will be deferred to the next scheduled meeting.
4. If the board believes the request form information is incomplete, the board must ask the person requesting the waiver for additional information. The board may receive the needed information from the requesting party at the board meeting when the waiver request is being addressed.
5. When considering a waiver request, the school should be able to determine the requesting party's relationship to the contract, the requesting party's relationship to the outside contracting party, whether the contract terms are reasonable and in the public interest, and any other factors the board believes will help establish the relevant facts and circumstances surrounding the contract (s) and the request for waiver.
6. At the meeting when the waiver request will be considered by the board, the board member, administrator or business manager submitting the waiver request should be present and prepared to answer questions from the board.
7. The request and the Board's determination must be included in the minutes of the meeting.
8. If the authorization is granted, a written authorization shall be prepared following the meeting and signed by the President/Chair of the Board or other authorized Board Member, and filed with the Auditor General.

## REQUEST FOR BOARD WAIVER

Date: \_\_\_\_\_

Name of the board member, administrator or business manager requesting the waiver: \_\_\_\_\_

Brief explanation of the potential conflict of interest:

Brief explanation of the essential terms of the contract(s) or transaction(s) from which a potential conflict of interest may arise, including:

- (1) all parties to the contract
- (2) the person's role in the contract or transaction
- (3) the purpose(s)/objective(s) of the contract
- (4) the consideration or benefit conferred or agreed to be conferred upon each party
- (5) the length of time of the contract
- (6) any other relevant information

Brief explanation of how or why the transaction or the terms of the contract are fair, reasonable, and not contrary to the public interest such that a waiver should be granted.

Signature of Person Requesting Waiver: \_\_\_\_\_

**THIS IS A PUBLIC DOCUMENT**

**WAIVER AUTHORIZATION PURSUANT TO SDCL 3-23-3**

A written request for waiver of conflict, dated \_\_\_\_\_

was received from \_\_\_\_\_.

This request was acted upon by the members of the Northeast Educational Services Cooperative Board of Directors during a meeting held on \_\_\_\_\_.

\_\_\_\_ The request for waiver was denied because the terms of the contract were not considered fair and reasonable, or contrary to the public interest.

\_\_\_\_ The request for waiver was authorized because the terms of the contract are fair and reasonable, and not contrary to the public interest such that a waiver should be granted.

\_\_\_\_ The request was deferred pending additional information.

\_\_\_\_ The request for waiver was authorized because the terms of the contract are fair and reasonable, and not contrary to the public interest such that a waiver should be granted, subject to the following conditions:

\_\_\_\_\_  
Signature of Board President/Chairperson or Authorized Member

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date mailed to Auditor General \_\_\_\_\_

## **STAFF CONFLICT OF INTEREST**

Employees of the Cooperative will not engage, directly or indirectly, in any activity that conflicts (or raises a reasonable question of conflict) with their duties and responsibilities performed for the Cooperative.

Employees will not engage in work of any type where information concerning customer, client, or employer originates from any information available to them through Cooperative sources.

Employees will not sell textbooks, instructional supplies, equipment, reference books, or any other educationally related products to the schools in the Cooperative.

In order that there is no conflict of interest in the supervision and evaluation of employees, at no time may any administrator be responsible for the supervision and/or evaluation of an employee who is the spouse of the administrator or the parent or step-parent, child or step-child, grandparent or grandchild, aunt, uncle, cousin, niece or nephew of the employee.

Employees must disclose actual or potential conflicts to the Director as soon as they become aware of them. Failure to make required disclosures or resolve conflicts of interest satisfactorily can result in discipline up to and including termination of employment.

**NORTHEAST EDUCATIONAL SERVICES COOPERATIVE  
BOARD OF DIRECTORS MEETING  
Monday, November 21, 2016 - 7:00 P.M.**

**NESC DISCUSSION AND/OR ACTION ITEMS:**

1. Call to Order
2. Agenda review, changes, and approval
3. Introduction of guests: \_\_\_\_\_
4. Conflicts of Interest
5. Approval of October 2016 financial report
6. Consent Agenda
  - a. Approval of October 17, 2016 meeting minutes  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - b. Approval of payment of November 2016 budget claims  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - c. \_\_\_\_\_  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - d. \_\_\_\_\_  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - e. \_\_\_\_\_  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
7. Discussion Items
  - a. November 2, 2016 Advisory Board meeting minutes  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. \_\_\_\_\_  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. New overtime rules—December 1  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8 Action Items

a. Approve bids for surplus vehicles  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. Conflict of Interest policy  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. \_\_\_\_\_  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

d. \_\_\_\_\_  
BOARD ACTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Assistant Director's Report

10. Director's Report

11. Executive Session: (If needed)

a. Personnel---SDCL 1-25-2(1)

b. Negotiations ---SDCL 1-25-2(4)