

**NORTHWESTERN ILLINOIS ASSOCIATION
EXECUTIVE BOARD MEETING #9, FY14 AGENDA
Ogle County Education Center
Byron, IL
Wednesday, June 18, 2014
4:00 p.m.**

Open Meeting Minutes

I. CALL TO ORDER

Date: Wednesday, June 18, 2014
Time: 4:00 p.m.
Location: Ogle County Special Education Office, Byron, IL
Type of meeting: Regular
Name of person taking the minutes: Jean Tritle, Board Secretary
Name of person(s) presiding: Sarah Willey, Chairperson

The meeting was called to order at 4:04 p.m.

II. ROLL CALL

Members in attendance:

1. Kathy Countryman
2. Dennis Daly
3. Drew Hoffman
4. Kimberly Moore
5. Shelley Nacke
6. Mike Noble
7. Pamela Scanlan
8. Lisa Wiet
9. Sarah Willey

Absent:

1. Karen Sanders
2. Tom Zelten

Also present:

1. Laura Frankiewicz, Regional Director
2. Jean Tritle, Board Secretary

III. APPROVAL OF AGENDA

Motion made by: Daly

Motion: to approve the agenda with the Action Items being completed before the Director's Report

Motion seconded by: Hoffman

The Chairman asked for a roll call

Roll Call:

“Ayes” – Countryman, Daly, Hoffman, Moore, Nacke, Noble, Scanlan, Wiet, Willey

“Nays” – None

Action: Approved

IV. PUBLIC PARTICIPATION

Reception of Guests & Visitors & Opportunity for Public Comment

Frankiewicz informed the Board that Jon Malone, a Coordinator in the Rockford School District, may be joining the meeting as a guest; he is running for election to the Board to represent Region II. Cheryl Crates will also be joining the meeting at 4:30 p.m. to participate in the discussion on the progress of the changes to the NIA Financial Structure.

V. CLOSED SESSION TO CONSIDER THE APPOINTMENT, EMPLOYMENT, COMPENSATION, DISCIPLINE, PERFORMANCE, OR DISMISSAL OF SPECIFIC EMPLOYEES OF THE PUBLIC BODY OR LEGAL COUNSEL FOR THE PUBLIC BODY, INCLUDING HEARING TESTIMONY ON A COMPLAINT LODGED AGAINST AN EMPLOYEE OF THE PUBLIC BODY OR AGAINST LEGAL COUNSEL FOR THE PUBLIC BODY TO DETERMINE ITS VALIDITY AS MANDATED BY SECTION 2.06 [5 ILCS 120/2.06].

Motion made by: Daly
Motion: to move into Closed Session at 4:05 p.m.
Motion seconded by: Scanlan

The Chairman asked for a roll call

Roll Call:

“Ayes” – Daly, Hoffman, Moore, Nacke, Noble, Scanlan, Wiet, Willey, Countryman

“Nays” – None

Action: Approved

Motion made by: Noble
Motion: to return to Open Session at 4:12 p.m.
Motion seconded by: Daly

The Chairman asked for a roll call

Roll Call:

“Ayes” – Hoffman, Moore, Nacke, Noble, Scanlan, Wiet, Willey, Countryman, Daly

“Nays” – None

Action: Approved

VI. CONSENT AGENDA

- A. Approval of Open Session Minutes of Meeting #8 on April 23, 2014**
- B. Approval of Closed Session Minutes of Meeting #8 on April 23, 2014**
- C. Approval of Personnel Report**
- D. Approval of Accounts Payable for the Month of May, 2014**
- E. Approval of Accounts Payable for June, 2014 (Handout)**
- F. Acknowledgement of Receipt of Treasurer’s Report for the Month of April, 2014 (Handout)**

Motion made by: Daly
Motion: to approve the Consent Agenda as presented.
Motion seconded by: Noble

The Chairman asked for a roll call

Roll Call:

“Ayes” – Hoffman, Moore, Nacke, Noble, Scanlan, Wiet, Willey, Countryman, Daly

“Nays” – None

Action: Approved

VII. ACTION ITEMS

A. Approval of the NIA Executive Board FY15 Ballot

Motion made by: Daly

Motion: to approve the NIA Executive Board FY15 Ballot

Motion seconded by: Moore

Frankiewicz noted that Nacke and Countryman are running to represent Region I; Malone and Zelten for Region II; Noble and Hoffman for Region III. She said that there is still an opening in Region III and that Sarah Willey has reached out to Cheryl Robinson to see if she would be willing to accept the position. If she does, her appointment will be an Action Item on the August Board meeting agenda.

The Chairman asked for a roll call

Roll Call:

“Ayes” – Moore, Noble, Scanlan, Wiet, Willey, Countryman, Hoffman, Daly, Hoffman

“Nays” – None

Action: Approved

B. Approval of the Service Agreement Between NIA and CCSD #301

Motion made by: Daly

Motion: to approve the Service Agreement between NIA and CCSD #301

Motion seconded by: Nacke

Frankiewicz explained that we were able to come to an agreement with School District #301 to rent classroom space for one year, with the possibility of an additional year; discussion of the additional year will come to the table in January. District #301 has had significant growth in their population and have gone to all-day kindergarten, which means they have less space to offer to the NIA Hearing Impaired Program. The Service Agreement is for District #301 staff members who provide oversight to our program.

Hoffman asked if there was specific language included in the contract concerning the additional year. Frankiewicz referred him to Section 2 of the Agreement, which states that either party may terminate the contract with written notice.

The Chairman asked for a roll call

Roll Call:

“Ayes” – Nacke, Noble, Scanlan, Wiet, Willey, Countryman, Daly, Hoffman, Moore

“Nays” – None

Action: Approved

C. Approval of the Lease Agreement Between NIA and CCSD #301

Motion made by: Daly
Motion: to approve the Lease Agreement between NIA and CCSD #301
Motion seconded by: Wiet

Frankiewicz said that the attorneys stated the terms of the Service Agreement more concisely than the Lease Agreement. She will meet with the District in September to review their enrollment trend and will meet again in January to decide if they can extend the agreements for another year.

The Chairman asked for a roll call

Roll Call:

“Ayes” – Noble, Scanlan, Wiet, Willey, Countryman, Daly, Hoffman, Moore, Nacke

“Nays” – None

Action: Approved

Jon Malone arrived at the meeting at 4:20 p.m.

D. Approval of NIA Services to SEDOM

Motion made by: Daly
Motion: to approve the Provision of NIA Services to SEDOM
Motion seconded by: Nacke

Frankiewicz reminded the Board that she had brought this proposal to the Board last year as well. SEDOM realized that they were not providing mandatory technical assistance to their vision and hearing staff and, therefore, purchased 4.5 days each of services for Vision and Hearing. This year, they are purchasing 5 days of service for each. Frankiewicz reported that our services were well received by the SEDOM staff and that both SEDOM and the NIA benefit from the arrangement – SEDOM receives the mandatory services they need and the NIA is able to round out the contracts for Diane Finn and Amy Timonen without taking service time away from any of our member Districts.

The Chairman asked for a roll call

Roll Call:

“Ayes” – Scanlan, Wiet, Willey, Countryman, Daly, Hoffman, Moore, Nacke, Noble

“Nays” – None

Action: Approved

E. Approval of the NIA Mission Statement and Core Values

Motion made by: Daly
Motion: to approve the Provision of NIA Services to SEDOM
Motion seconded by: Nacke

Frankiewicz explained that the creation of a Mission Statement and Core Values for the NIA was one of her goals. The Coordinators and Supervisors met with Frankiewicz and Nancy Locke, a consultant who provided guidance for this project. The Mission Statement and Core Values being presented to the Board are a result of their collaborative effort. Frankiewicz said that, if they are approved by the Board, she will make a push this fall to get them out to the public; we will be changing the NIA print matter in order to incorporate the NIA Mission Statement. Willey stated that she appreciates the fact that they are concise. Frankiewicz added that these are not just

words – they are a way of acting and an aid in decision-making for the organization. Hoffman stated that he liked every word, but suggested adding “NIA” after the formal name.

The Chairman asked for a roll call

Roll Call:

“Ayes” – Scanlan, Wiet, Willey, Countryman, Daly, Hoffman, Moore, Nacke, Noble

“Nays” – None

Action: Approved

F. Acceptance of the Regional Director’s Evaluation

Motion made by: Daly

Motion: to approve the Regional Director’s Evaluation

Motion seconded by: Moore

The Regional Director’s evaluation was reviewed by the Board in Closed Session. Hoffman stated that the Board was pleased with Frankiewicz’s performance, adding that she does a great job. Frankiewicz responded that she appreciated the opportunity.

The Chairman asked for a roll call

Roll Call:

“Ayes” – Wiet, Willey, Countryman, Daly, Hoffman, Moore, Nacke, Noble, Scanlan

“Nays” – None

Action: Approved

Cheryl Crates arrived at 4:30 p.m.

G. Approval of the FY15 Tentative Budget

Motion made by: Daly

Motion: to approve the FY15 Tentative Budget

Motion seconded by: Scanlan

Frankiewicz explained that the Tentative Budget packet does not only contain projected revenues and expenses for FY15; it also contains the proposed FY14 budget and the final FY14 budget numbers that were approved by the Board last August. Frankiewicz stated that they are close; the proposed FY14 presented last May had a \$450,000 deficit and the Board approved a final projected \$496,615 deficit for FY14. We are proposing a \$577,720 deficit for FY15. We are not raising rates this year in order to initiate our new financial plan.

In terms of specific expense lines, there are some variants due to personnel changes and increases and decreases in various services:

- Administrative costs will be calculated differently for FY15. Some of the Coordinators’ days are being added to the Administration budget as the Coordinators perform some administrative duties throughout the year.
- Audio baseline was increased due to the fact that Roman Zerebny is retiring.
- There is an increase in the Operation and Maintenance costs due to the move to new office space in Rockford (the lease has been signed and work on remodeling the space has begun), new furniture purchases, and the Gordon Flesch Records Retention project.

- There is an increase in the cost of Interpreting services, but this will be cancelled out by revenues received for this service.
- The purchase of Adapted PE services decreased significantly, which resulted in one of the Adapted PE teachers being RIF'ed.
- Therapy sold almost 2,000 more service days for FY15. Speech, Autism, and Assistive Technology will now be under the umbrella of the Therapy Department, rather than under Special Services.

The assumptions upon which the FY15 budget are based include keeping the daily rate the same, a 10% increase in insurance costs (Frankiewicz added that our broker feels it will be closer to a 6% or 7% increase), 2% salary increases, and a 5% increase in operations and maintenance. The numbers will be tweaked before the Board votes on the final FY15 budget in August.

The Chairman asked for a roll call

Roll Call:

“Ayes” – Willey, Countryman, Daly, Hoffman, Moore, Nacke, Noble, Scanlan, Wiet

“Nays” – None

Action: **Approved**

VIII. REGIONAL DIRECTOR’S REPORT

A. HLERK – The Extra Mile – May and June 2014 Editions

There was no discussion

B. NIA Financial Structure Update – Presentation by Dr. Cheryl Crates

Frankiewicz introduced Dr. Crates and explained that she asked her to attend the meeting to assist in explaining the proposed financial structure changes for the NIA. Crates gave the Board some background on her qualifications. She taught junior high school mathematics before receiving her Master’s and Doctorate degrees from NIU. NIU then hired her to work for them in School Business Management. Later she became the CFO for District #300 and remained in that position for 8 years; she helped to turn their deficit around. She has been retired for two years, but still teaches some classes at NIU. She said that she has an interest in Special Education as she was introduced to it when mainstreaming was launched in the schools. She currently is a member of the SEDOL Board. Nacke observed that Crates has a vast knowledge of Special Education.

Frankiewicz stated that this project had several false starts with our consultants, but it has taken off with Crates providing ideas and oversight to Cindy Vogeler, our Grants and Finance manager, to crunch budget numbers.

Frankiewicz explained that this has been a two-year process. It began when she and Vogeler realized that the NIA financial structure is unclear in that they could not ascertain how the daily rates and assessments were calculated. The purpose of the Financial Restructuring is to improve transparency, create a well-defined process, and to provide the NIA with long-term financial stability. In order to accomplish these goals, their first step was to look at the fund balance history, the current budget, and the Articles

of Agreement for guidance. This led to the decision to move NIA to a modified accrual accounting process in which revenues and expenses are charged to the year in which they are received or incurred. This accounting method will give a better picture from year to year of the proposed budget and audit. Cost centers were created, which will aid in developing a more accurate daily rate, which is per the Board's recommendation.

The proposal being brought to the Board today involves the use of Assessment Fees for Baseline services, which was the original intent but has gotten lost over the years. Utilizing this process will not require a change to the NIA Articles of Agreement. Baseline refers to the services required for "child find" activities that are provided by the Coordinators and NIA staff during the case study process. Basically, before a child is deemed eligible for services, he or she receives baseline services. Once they are determined to be eligible, fee for service is then applied. Frankiewicz explained that, over the years, the assessment fee has not been used for baseline. Therefore, it has become increasingly difficult to tie fees to specific services. Frankiewicz recommended going back to the use of assessment fees; baseline days will be left in hearing, vision, and audiology services. Districts can buy additional baseline services if they choose to do so. Crates added that this fits the cost center model in that expenses and revenues match.

Noble suggested that an explanation be developed that shows the Districts exactly what services they are receiving through baseline in their Needs Assessment packets. Nacke agreed with this suggestion. Hoffman also agreed, adding that a discrete definition of baseline will assist Superintendents in understanding the process as well. Crates noted that the Guidelines contain a description of baseline, but Frankiewicz noted that some of the services listed are no longer provided. Frankiewicz stated that one of her goals for next year is to update the Guidelines, for which she will seek Board approval.

Frankiewicz explained that a part of the financial restructuring also looks at indirect costs. Expenses were reviewed to see if they could find revenue streams related to them. This review led to the discovery that we could not find revenue streams for administrative costs; in other words, they were not being paid through assessment fees. Crates added that every expense should be identified to a cost center, as well as the corresponding revenue. Whatever is "left over" pays for the "oversight" areas, such as administrative services, heating and air conditioning, the records retention project, and Coordinators' time spent on administrative issues. 90% of the cost centers have been created and revenues and expenses will be assigned to them wherever possible. Whatever is left over after this process is completed comprises the indirect cost rate. Frankiewicz added that this rate will be fixed in the following fiscal year, based upon the prior fiscal year's costs and that it basically can be defined as our "overhead"; this process will make the calculation of our rates not only clear but defensible. Nacke agreed, adding that this terminology is used in grant documents, etc. Frankiewicz stated that we need to have the indirect cost rate set by October.

Frankiewicz asked the Board if they feel we are on the right track with this financial plan. Hoffman answered that, if Frankiewicz feels strongly about pursuing this, she has his approval. Nacke agreed, adding that it is a fiscally responsible thing to do. Willey stated that, the clearer we can make the calculation of our rates the better. Frankiewicz answered this will help in establishing a daily rate in a more concise manner. Countryman commended Frankiewicz and Crates for their good work.

IX. Chairperson’s Comments and Other Business

Frankiewicz asked the Board members to send the most current list of Superintendents in their districts to her so that the ballots will be set to the correct entities.

Willey welcomed Jon Malone to the Board.

XI. ADJOURNMENT – The Chairperson asked for a motion to adjourn the meeting.

Motion made by: **Daly**
Motion: **to Adjourn**
Motion seconded by: Hoffman

The Chairperson asked for a voice vote.
Voice Vote: “Ayes” - all “Nays”- none
Action: **Approved**

The meeting was adjourned at 5:38 p.m.