

**NORTHWESTERN ILLINOIS ASSOCIATION  
EXECUTIVE BOARD MEETING #8 FY10 AGENDA**

**Open Meeting Minutes**

**I. CALL TO ORDER**

Date: Wednesday, May 26, 2010

Time: 5:10 p.m.

Location: Ogle County Education Center in Byron, Illinois

Type of meeting: Regular

Name of person taking the minutes: Dianne Fraedrich, Board Secretary

Name of person(s) presiding: Sarah Willey, Board Chairperson

**II. ROLL CALL**

Members in attendance:

1. Jay Augustine
2. Cynthia Dennis
3. Jan Jones
4. Mike Noble
5. Pamela Scanlan
6. Sheri Smith
7. Sarah Willey

Members absent:

1. Drew Hoffman
2. Crysta Morrissey
3. Wayne Riesen
4. Lisa Wiet
5. Tom Zelten

Also present:

1. Laura Frankiewicz, Regional Director
2. Dianne Fraedrich, Board Secretary

**III. APPROVAL OF AGENDA**

**Motion made by: Jones**

**Motion: to approve the Amended Agenda to correct the Personnel Report. Michael Sparapani's job title should be Adaptive Physical Educator, which is under Recommended for Re-employment for FY11.**

Motion seconded by: Dennis

The Chairperson asked for a voice vote.

Voice Vote: "Ayes" – All  
"Nays" – None.

**Action: Passed**

#### IV. PUBLIC PARTICIPATION

**Reception of Guests & Visitors & Opportunity for Public Comment – There were none.**

#### V. CONSENT AGENDA

- A. **Approval of Minutes of Meeting #7 April 21, 2010**
- B. **Approval of Amended Personnel Report**
- C. **Approval of Accounts Payable for the Month of May, 2010**
- D. **Acknowledgment of Receipt of Treasurer's Report for the Month of April 2010**

**Motion made by: Noble**

**Motion: to approve the Consent Agenda as amended.**

Motion seconded by: Wiet

The Chairperson asked for a roll call.

Roll Call:

“Ayes” – Augustine, Dennis, Jones, Noble, Scanlan, Smith, Willey

“Nays” – None.

**Action: Passed**

#### VI. REGIONAL DIRECTOR'S REPORT

- A. **HLERK – The Extra Mile – May 2010** – Laura Frankiewicz shared that copies of this publication were included in the board packets.
- B. **Discussion regarding Vacation Days Usage Procedures** – Frankiewicz shared that currently NIA has no clear procedure regarding employees carrying over vacation days from one year to the next. Generally it is not a problem but it is a source of possible financial liability. She asked the attorneys to draft some model language for the NIA Personnel Procedures Manual and they have done so but it needs to be revised slightly before it is ready to be presented to the board. It will be available for review at the next board meeting. The procedures specify that employees may only carry over a total of five vacation days from year-to-year and limits the maximum number of vacation days to 25 days at any one time. A brief discussion followed.
- C. **Insurance Issues – Changes to Third Party Administrator** – Frankiewicz shared that in attempting to better control insurance costs she engaged the services of Fringe Funding, Inc. as insurance consultants. In order to serve as consultants, Fringe Funding needed to be specified as the Broker of Record. Once Stephen Morcos received the Broker of Record correspondence he asked for a meeting with Laura and Fringe Funding, Inc.'s representatives to discuss the Third Party Administrator (TPA) situation. During the meeting Mr. Morcos indicated that he would only agree to the current arrangements and was unwilling to entertain a negotiated rate. He also had previously submitted correspondence invoking a 30 day notice of termination of services. As a result, it was decided that NIA would change TPAs as of June 1<sup>st</sup>. The new TPA is Group Administrators. Their fee is \$19.50 per person in contrast to Morcos' fee of \$30.00. A brief discussion followed.

## VII. ACTION ITEMS

- A. Approval of Lease Agreement with Jensen Chiropractic for Sterling Office –** Frankiewicz stated that the lease is a five year lease and it is very favorable. Dr. Jensen was willing to lease the reduced space and accepted that NIA would not be responsible for paying property taxes on their portion of the property. A brief discussion followed.
- Motion made by: Jones**
- Motion: to approve the Lease Agreement with Jensen Chiropractic for Sterling Office.**
- Motion seconded by: Smith
- The Chairperson asked for a roll call.
- Roll Call:
- “Ayes” – Dennis, Jones, Noble, Scanlan, Smith, Willey, Augustine
- “Nays” – None.
- Action: Passed**
- B. Approval of FY11 Executive Board Ballots –** Frankiewicz said that she approached Karen Sanders to replace Jan Jones on the NIA Executive Board for FY11 and FY12 and she agreed. Karen is the Director of Pupil Personnel Services of Freeport School District #145. A brief discussion followed.
- Motion made by: Dennis**
- Motion: to approve the FY11 Executive Board Ballots as presented.**
- Motion seconded by: Augustine
- The Chairperson asked for a voice vote.
- Voice Vote: “Ayes” – All
- “Nays” – None.
- Action: Passed**
- C. Approval of Tentative FY11 Budget – Handout –** Frankiewicz shared there are handouts for both the FY10 Budget and one for the proposed FY11 Budget in the board packets to compare the difference in how the budgets have been portrayed. Previously, while there has been a budget deficit, it was not easily discerned due to the line item in projected revenue for “NIA Carryover”. Frankiewicz explained that this carryover was really fund balance so the budget was not balanced without using NIA fund balance. She wanted the budget to clearly show the deficit. She said that there is a \$1.3M deficit this year and it is hard to pinpoint all of the causes. The fundamental reason for the deficit is that the expenses outweigh the revenues. The revenues may have been overstated in previous years but given the conversion and the skill of the new Grants and Finance person, Frankiewicz was better able to predict revenue. She will be examining all of the program cost centers to determine where adjustments may be made. There are some cost centers that clearly cause concern such as Early Intervention Services and Special Projects. Frankiewicz will call on co-op directors and Luke Glowiak, Sycamore School District’s Financial Assistant Superintendent, for assistance. Frankiewicz indicated that it is an unsettling yet accurate picture and she will be developing a list of recommendations

to share with the Budget and Finance Committee. Jones asked about carryover reserve. We will have to use fund balance to balance the budget (\$4,239,528 - \$1,328,273 = \$2,911,255 Fund Balance). Frankiewicz said we can start by looking at ways to cut costs which may include employees paying towards insurance costs and evaluating whether to keep or eliminate Early Intervention Services, etc. Augustine said we need to look at the breakeven point and also asked if a cash flow projection could be done. Frankiewicz said she was also concerned with cash flow and would check with Luke Glowiak. She also indicated that the budget is still tentative because Sycamore 427 hasn't finished their teacher contract negotiations and NIA teacher salaries are tied to Sycamore's salary schedule. Once Sycamore concludes negotiations the Budget and Finance Committee will need to get together to develop an NIA Teacher Salary guide for FY11. Noble asked if NIA had a lot of long-term employees and Frankiewicz said yes. He also added that salary and other costs are greater with more longevity.

**Motion made by: Dennis**

**Motion: to approve the Tentative FY11 Budget.**

Motion seconded by: Noble

The Chairperson asked for a roll call.

Roll Call:

“Ayes” – Jones, Noble, Scanlan, Smith, Willey, Augustine, Dennis

“Nays” – None.

**Action: Passed**

**VIII. CHAIRPERSON'S COMMENTS AND OTHER BUSINESS** – The Chairperson said she appreciates Laura starting the process to review the budget. Augustine commented that over the years, NIA has grown in the number of long-term employees, which is more costly. Noble asked if we had any programs we could cut to save money. Frankiewicz said that we currently have 4.0 FTE of Early Intervention staff that we could potentially cut and realize a savings. Jan Jones passed out fliers on the June 10<sup>th</sup> and 11th Global Education Conference in Rockford at Rock Valley College Stenstrom Center for Career Education.

**IX. ADJOURNMENT** – the Chairperson asked for a motion to adjourn.

**Motion made by: Augustine**

**Motion: to Adjourn.**

Motion seconded by: Scanlan

The Chairperson asked for a voice vote.

Voice Vote: “Ayes” – All

“Nays” – None.

**Action: Passed at 6:24 p.m.**