

Board of Directors Minutes — May 4, 2002

Illinois Association of School Boards
430 East Vine Street, Springfield, Illinois
May 4, 2002

Present:

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|--------------------------|---|-------------------|
| Christy M. Coleman..... | President | Geneseo |
| Raymond Zimmerman..... | Vice President | Flanagan |
| Dennis McConville | Immediate Past President..... | Peru |
| Mary Walsh | Treasurer | Rosemont |
| Joseph Alesandrini | Central Illinois Valley..... | Pekin |
| Lowell Beggs | Northwest..... | Amboy |
| Gary Carter | Egyptian..... | Fairfield |
| Donna Cech | West Cook | River Forest |
| Fred Clatfelter..... | Wabash Valley..... | West York |
| Roger D. Edgecombe | Abe Lincoln | Maroa |
| Thomas Hannigan..... | Lake | Mundelein |
| John Heidler | Kishwaukee..... | McHenry |
| Wil Helmick..... | Service Associates Representative | Peoria |
| Cheryl Jackson..... | Corn Belt..... | Bloomington |
| David Kniker | Blackhawk | Kewanee |
| Milton Koppenhoefer..... | Director at Large | Metamora |
| John Mannix | Trustees' Council | Palos Heights |
| Debora McCleary..... | Director at Large | Coal City |
| Mark Metzger | Director at Large | Aurora |
| Jack Moore | Illini..... | Charleston |
| Roger Pfister | Shawnee | Murphysboro |
| Marie Slater | DuPage..... | Wheaton |
| Barbara Somogyi | North Cook | Elk Grove Village |
| Wesley G. Stellhorn..... | Southwestern..... | Baldwin |
| Patricia Stroube..... | South Cook | Steger |
| Brian Waitkus | Starved Rock..... | LaSalle |
| Gerald White..... | Western..... | Colchester |

Absent:

| | | |
|----------------------|---------------------------------|------------|
| David Barton..... | Two Rivers..... | Nebo |
| Tariq Butt | Chicago Board of Education..... | Chicago |
| Kent Kistler..... | Kaskaskia | Brownstown |
| Frances Roll | Director at Large | Cary |
| Michelle Skinlo..... | Director at Large | Mattoon |

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| Time Keeper | John Heidler |
| Process Observer | David Kniker |
| Recording Secretary..... | Pat Culler |

Call To Order

President Christy Coleman called the May 4 meeting of the IASB Board of Directors to order at 8:30 a.m., Crowne Plaza, Springfield, Illinois.

Additions to/Approval of the Agenda

Joe Alesandrini requested that a point of privilege be added under Item 21. Other.

Action: David Kniker moved, seconded by Marie Slater and carried unanimously, that the agenda for the conduct of the May 4, IASB Board of Directors' Meeting, as amended, be approved.

February 23, 2002, Minutes Approval

Action: Jack Moore moved, seconded by Joe Alesandrini and carried unanimously, that the minutes be approved with a correction to the attendance list reflecting Brian Waitkus' participation.

Consent Agenda Items Approval

Action: Mary Walsh moved, seconded by Debora McCleary and carried unanimously, that Consent Agenda Items 4, 5, and 7 be accepted as printed and distributed, and that Item 6, Executive Committee Minutes, be removed to allow Roger Pfister to address this item.

April 7, 2002, Executive Committee Minutes

Roger Pfister stated that the April 7, 2002, Executive Committee Minutes should be amended to reflect the absence/reason of Gary Carter, Roger Edgecombe, and Roger Pfister since they had agreed that, even though they were not attending, the meeting should be held in conjunction the National School Boards Conference in New Orleans.

Action: Roger Pfister moved, seconded by Mark Metzger and carried unanimously, that the April 7, 2002, Executive Committee Minutes be accepted as amended to reflect the absence of Gary Carter, Roger Edgecombe, and Roger Pfister and the reason they were not in attendance.

Monitoring Reports

Ends/Mission (Page 17-20)

This policy is in compliance at this time. There was some discussion questioning if the word standards under 1.3, A, should be changed to guidelines to be consistent with current language. It was decided to leave the wording as is.

Executive Limitations/Budgeting-Forecasting (Page 21)

This policy is in compliance at this time.

Executive Limitations/Financial Condition (Pages 25-32)

This policy is in compliance at this time.

Note: The Executive Director explained the new building cost will come out of current equity and will not bring it even close to the established reserve limits.

Treasurer's Report

Treasurer Walsh reported that once again the financial statement reflects a strong financial position, the financial system will undergo an audit before the August IASB Board of Directors' Meeting, and that the Executive Director and Chief Financial Officer would share additional financial challenges as discussion continues on pending construction and building plans later in the meeting.

Executive Limitations/Emergency Executive Succession (Page 33)

Action: Mark Metzger moved, seconded by David Kniker and carried unanimously, that paragraph 2 of the policy be amended to include the IASB General Counsel with the Associate Executive Directors.

Action: Milt Koppenhoefer moved, seconded by Jack Moore and carried unanimously, that the motion to update the Emergency Executive Succession policy to reflect new titles be approved as amended.

This policy is in compliance at this time.

Governance Process/Governing Style (Pages 35-36)

This policy is in compliance at this time.

Fiscal Year 2003 Budget Assumptions (Page 37 and separate budget binder.)

Executive Director Johnson discussed factors reflected in the 2003 budget assumptions, such as: additional part-time staff, possible technology consulting services, new positions since the 2002 fiscal year, salary increases of approximately 5.8% with an emphasis on merit pay, new pooling programs and program endorsements, moving from offset to digital printing, a review of the current self-funded medical program, and attempting to provide more accurate revenue and expenditures which should result in an approximate \$50,000 equity increase.

Discussion: Gerald White asked how the proposed salary increases compared with the previous year and the Executive Director responded the 2002 average had been approximately 6%. White replied he was a little uncomfortable with these figures in light of teachers' salaries in his area to which the Executive Director replied that staff salaries are in line with those of similar positions. Roger Edgcombe expressed concern over the projected 2003 year-end equity figure in view of most membership service activities showing heavier expenses than income. The Executive Director responded that all departments run a deficit other than the conference and policy services. These two areas, along with sponsorships, are what allow the Association to underwrite membership services and unforeseen deficiencies would result in reductions in other areas to compensate.

Action: Joe Alesandrini moved, seconded by Gary Carter and carried unanimously, to accept the proposed 2003 Fiscal Year Budget.

Springfield Building Update/Schedule (Page 39)

Executive Director Johnson reviewed Springfield building actions to date: The purchase of two corner lots in Park South at a cost of \$375,000; receipt of EPA information that no pollutants have been found on the property to be followed by independent testing and boring for confirmation; developer provided \$10 million insurance policy to cover any future pollutant discoveries; meetings with and tentative drawings from FWAI Architects of Springfield. The projected amount for the building/equipment to be expended from member equity is \$2,700,000 and it was requested that the Board allow a ten percent leeway for project completion. (The sale of the current building is anticipated to bring \$800,000.)

Discussion: Roger Pfister stated it was his opinion that further land purchase information would be brought to the May Board meeting prior to a decision to purchase. Gerald White requested clarification on the bottom line figure on which the ten percent variance would be based—building construction cost, building construction cost and furniture/equipment, or building construction cost, furniture/equipment, and land cost. Gary Carter requested that if the developer has an *EPA no further action letter*, that a copy be transferred to IASB. Marie Slater requested that Directors be given a complete breakdown of all costs to utilize in answering membership concerns.

The Executive Director responded that since it had been discussed that the money was available for the land purchase this was the authority and consensus to complete the land purchase and that the \$2,700,000 figure was the base for the ten percent variance. President Coleman stated that at its April 7, 2002 meeting the Executive Committee consensus was to proceed with the land purchase.

Action: Lowell Beggs moved, seconded by Jack Moore that the staff be authorized to spend up to \$2.7 million with a ten percent construction variance, to include page eight of the budget as an exhibit, for a new building, to let and receive bids, and report the received bids at the August Board of Directors' Meeting. On a roll call vote: **Voting yes**—Alesandrini, Beggs, Cech, Clatfelter, Coleman, Edgecombe, Hannigan, Heidler, Helmick, Jackson, Kniker, Koppenhoefer, Mannix, McCleary, McConville, Metzger, Moore, Slater, Somogyi, Stellhorn, Stroube, Waitkus, Walsh, Zimmerman. **Voting no**—Carter, Pfister, White.

IASB Constitution Amendment (Page 41)

CHSD 99 framed a constitutional amendment proposing six-year term limits for Directors that was not submitted within the timeframe for 2001 Delegate Assembly consideration. However, the IASB Board of Directors discussed the proposal with CHSD 99 representatives at its November 18, 2001 meeting and the district agreed with the Board of Directors that: (1) Division Director/officer term limits should come from the local districts and not be mandated statewide. (2) IASB draft and present a constitutional amendment for 2002 Delegate Assembly consideration stating the members of the Governing Committee of a Division may set a limit on the number of terms a Director or officer can serve.

Discussion: Mark Metzger felt IASB should offer a whole new resolution of its own rather than repackaging District 99's. David Kniker did not feel this was the case since District 99 had agreed IASB should take the initiative for the constitutional revision. Gary Carter felt that District 99 should resubmit its own proposal and go through the process once again. Roger Edgecombe felt the amendment needed to be clarified with current constitutional language/provisions.

Action: Thomas Hannigan moved, seconded by John Mannix and carried, that the IASB Board of Directors submit a constitutional amendment allowing Division Governing Committees to set Director/officer term limits to the 2002 Delegate Assembly. One nay vote—Roger Edgecombe

NSBA Delegate Report

President Coleman distributed recognition certificates to individuals representing the Association as NSBA delegates/alternates for the 2002 NSBA Delegate Assembly, and noted that although she was impressed with the dedication of people from other states, Illinois is on the cutting edge and is doing an excellent job. Immediate Past President Dennis McConville commented that Illinois had the second highest number of attendees (over 600) for the 2002 NSBA Conference held in New Orleans, April 6-9; however, he felt the overall attendance was less than previous years. Although Ray Zimmerman stated he felt the IASB delegates were more involved than those at the national level, it was an opportunity to share with counterparts from other states. David Kniker was impressed with the delegation collaboration in reconciling issues.

Illinois High School Association Update

Joe Alesandrini reported that: IHSA will have a new Executive Director as of July 1 and that the organization is struggling financially due to lawsuits connected to March Madness and trademarks; legal fees for this past year were \$250,000; a procedural change will eliminate all automatic entries to finals for Chicago high schools; and the organization will not assess membership fees for the current year.

Legislative Update

Ben Schwarm stated: Legislators are striving for a May 17 deadline, which leaves only two weeks in the current session. There are hardly any bills out there this year and the main focus is the budget. According to the Governor, revenue receipts for March are \$1 billion behind the budgeted amount. Hold harmless was totally eliminated. The decision that must be made now is to locate new revenue sources or raises taxes. It is projected that next year's education budget will be 25-40% lower than the present year and Schwarm felt there would be a slight increase in the foundation level—\$50-70 per pupil. Although the elected superintendent proposal was heard and passed this past week, it is too late to get it on the ballot this fall; however, there will be hearings around the state this summer. The resolution on student testing, an initiative of the Alliance, will be before the Education Committee the week of May 6. Schools will only have to test those subject areas required by the federal *No Child Left Behind Act* And do not have to require the ISAT.

IASB Service Associates Report

IASB Service Associates Representative Wil Helmick reported that the Service Associates Executive Committee met on Friday, May 3, and among other business, voted to recommend that the Board of Directors issue Service Associate membership invitations to Mechanical Incorporated of Freeport and Robert W. Baird and Company, Inc. of Oakbrook Terrace.

Action: John Mannix moved, seconded by Milt Koppenhoefer and carried unanimously, that IASB Service Associate membership invitations be extended to Mechanical Incorporated of Freeport, a mechanical contractor, and Robert W. Baird and Company, Inc. of Oakbrook Terrace, a consulting firm specializing in debt issuance.

IASB Staffing Changes/Additions

The Executive Director announced the following staff changes/additions: John Mannix will join the staff as Associate Executive Director Field Services, headquartered in Lombard. Ben Schwarm was promoted from Director, Advocacy/Governmental Relations to Associate Executive Director, Advocacy/ Governmental Relations. Robert E. Morenz, Chief Financial Officer, received a title change to Associate Executive Director/Chief Financial Officer, Administrative Services.

Alliance PAC Golf Outing

Joe Alesandrini announced that the Alliance PAC golf outing will be held on Monday, July 29, Weaver Ridge Golf Club, Peoria.

Adjournment

Motion: John Mannix moved, seconded by Milt Koppenhoefer and carried unanimously that the meeting be adjourned at 12:05 p.m.

The next meeting of the Board of Directors will be held August 23-25, 2002, Oak Brook Hills Resort, Oak Brook Hills, Illinois.