

Board of Directors Minutes — May 20, 2006

Illinois Association of School Boards  
2921 Baker Drive, Springfield, Illinois  
May 19-20, 2006

Present:

Marie Slater .....	President .....	Wheaton
Mark C. Metzger.....	Vice President .....	Aurora
Raymond Zimmerman .....	Immediate Past President .....	Flanagan
David Barton (Sat. only).....	Two Rivers .....	Nebo
Fred Blue .....	Starved Rock .....	Utica
Carolynne Brooks .....	Wabash Valley .....	Noble
Cyndi Dahl.....	DuPage .....	Darien
Carol Farnum .....	Kishwaukee .....	Aurora
Philip Fulton .....	Service Associates Representative .....	Chicago
Cheryl Jackson (Sat. only).....	Corn Belt .....	Bloomington
Felton Jose .....	Wabash Valley .....	Salem
Debora McCleary.....	Three Rivers .....	Coal City
John Metzger (Sat. only).....	Egyptian .....	Benton
Joanne Osmond.....	Lake .....	Lake Villa
Michelle Skinlo.....	Illini .....	Mattoon
Barbara Somogyi .....	North Cook.....	Elk Grove Village
Gerald White (Sat. only).....	Western .....	Colchester
Joanne Zendol.....	West Cook.....	Berwyn

Absent:

Joseph Alesandrini .....	Treasurer, Central Illinois Valley.....	Pekin
Lowell Beggs .....	Northwest .....	Amboy
Tariq Butt.....	Chicago Board of Education .....	Chicago
Roger Edgecombe.....	Abe Lincoln.....	Maroa
Steve Hawk.....	Blackhawk.....	Erie
Helen McClelland.....	South Cook.....	Country Club Hills
Roger Pfister .....	Shawnee .....	Murphysboro
Wesley G. Stellhorn.....	Southwestern .....	Baldwin

Chart Recorder.....	John Metzger
Timekeeper .....	Michelle Skinlo
Process Observer .....	Joanne Zendol
Recording Secretary.....	Patricia Culler

Call to Order

President Marie Slater called the meeting to order at 11:05 a.m., Diamond Ballroom, Crowne Plaza, Springfield.

Meeting Agenda Additions/Approval

No additions to the meeting agenda were forthcoming and the May 20, 2006, meeting agenda was accepted as presented.

Minutes Approval—March 11, 2006

Action: Michelle Skinlo moved, seconded by Cheryl Jackson and carried unanimously, that the minutes for the March 11, 2006, Board of Directors' Meeting be accepted as distributed and placed on file.

Consent Agenda Approval

Action: The Consent Agenda Items were accepted as printed and distributed in the meeting packet.

Presidents' Report

A copy of the President's Association-related activities for the period March 15-May 19-20, 2006, was included on page 9 of the meeting packet.

Executive Director's Report

The Executive Director's itinerary, including an informational narrative for the period March 23-May 20, 2006, was presented in the meeting packet—pages 11-12.

Executive Committee Minutes, April 21, 2006

Minutes of the April 21, 2006, Executive Committee Meeting was distributed in the meeting packet, pages 13-16.

FY2006 Membership Report

An updated FY2006 Membership Report was distributed in the meeting packet; page 17, 2006 membership was 97.6 compared to 96.8 for 2005. Six districts were lost five due to consolidations/annexations and one from non-renewal. Six new members were added in 2006, two since the March 11 meeting. Dues collected, \$2,817,215, exceeded budgeted 2006 dues, \$2,788,273, by \$28,942.

There was no change in the twenty-year-old dues formula and the dues surcharge will affect 131 districts in the next year, down 203 districts from the current year. A drop is anticipated for the following year as well.

Monitoring Reports

ENDS/Mission—Pages 19-22

This policy is in compliance at this time.

EXECUTIVE LIMITATIONS/Budgeting/Forecasting, Page 23

This policy is in compliance at this time.

EXECUTIVE LIMITATIONS/Financial Condition, Pages 25-34

This policy is in compliance at this time.

EXECUTIVE LIMITATIONS/Emergency Executive Succession, page 35

This policy is in compliance at this time.

GOVERNANCE PROCESS/Governing Style—Pages 37-38

This policy is in compliance at this time.

Fiscal Year 2007 Budget Assumptions Preview, Pages 39-40

The Executive Director outlined the rationale and future status/impact for his recommendation for a negative balance FY07 budget—projected revenues of \$320,168 and projected expenses of \$750,558, with the shortfall to be financed from reserves while staying well within fiscal limitations. (A complete FY2006-2007 budget and rationale was included in the meeting packet.) Included in the reasoning for this:

- The health insurance plan is self-funded and has served IASB well over the years. Two years ago IASB joined a PPO provider, which has saved the Association over \$200,000 and continues to do so. The health experience for the past year has been the worse in ten years. This is expected to hit individual and group aggregate reinsurance levels for the first time. Health insurance costs have increased by \$200,000 since last year while continuing above norm for FY07. These are expected to drop in FY08 to more historic levels.
- IEC royalty payments have drastically reduced in 2006 as complete deregulation is neared. At this time, utility companies are not willing to set rates beyond January 1, 2007. Despite positioning to add many accounts after January 1, 2007, decreased royalties are anticipated for FY07. However, large growth is anticipated in the second half of FY07 and full implementation is expected in FY08.
- \$200,000 in additional training and attendant support staff. Additional revenue for these will lag the expenditure; however, these people will bring in more revenue than the expense for their positions. The need for added services constantly grows, there is no down time when staff is not working on services and there is no foreseeable decrease in this situation for at least ten years.

The Executive Director concluded his remarks by stating IASB has always stated the reason for reserves is two-fold: To build additional space when needed; and To fund shortfalls from a rainy day fund. Johnson expects it to rain in FY07, but for the sun to return in FY08.

Action: Cheryl Jackson moved, seconded by Carolyn Brooks and carried unanimously, that the budget proposal for FY2006-2007 be approved.

#### Springfield Office Expansion

March 11 Board action tabled the Springfield office expansion pending development and distribution of more definitive plans and costs to the Board prior to its May 20 meeting. This information was developed and mailed to each Director and no Director response/comments were received by the Executive Director. The Executive Committee reviewed the external and internal layouts, with change notations, at their April 21, 2006 meeting and determined to recommend the adoption and completion of the proposed plans at an estimated cost of \$450,000 to the Board of Directors at its May 20 meeting. Director comments and responses to questions during the ensuing discussion included:

- Building costs increase yearly; therefore the expansion should not be delayed. Yearly increases estimated between \$25,000-30,000.
- The expansion costs will be covered from cash reserves and, therefore, will not put the Association in jeopardy.
- The Association needs to plan for the future and proceed with the proposed expansion, particularly since it has the cash funds available.
- To not move ahead would restrict the Association's growth which, in turn restricts service to local board membership.
- Even if the grant funding fell through for the additional five staff members, the Executive Director would feel the need to retain four and to rehire the fifth within one year.

Action: Michelle Skinlo moved, seconded by Carol Farnum and upon a roll call vote the motion carried with one no vote.

#### IASB Constitution Amendment

Schaumburg School District 54 President Peggy Brothman and Vice President Barbara Hengels were invited and spoke to the Board on behalf of the district's proposed resolution for an IASB constitutional amendment to allow districts increased Delegate Assembly representation based on base charge/average daily attendance of the most recent IASB dues schedule. Schaumburg feels that a single delegate for each member district skews representation to favor small districts, whose districts, Schaumburg feels, are generally different from the majority of IASB members and inconsistent with Schaumburg's interpretation of IASB'S constitutionally-stated purpose to service and support all public school boards of education.

After a one hour dialog, it was agreed that Schaumburg would redraft its proposed resolution language to delete references to the dues schedule and resubmit its new draft to the Executive Director no later than August 18 for inclusion in the August 26, 2006, Board meeting agenda.

November 19, 2006 Board Meeting Time Change

Action: Cheryl Jackson moved, seconded by Michelle Skinlo that the Sunday, November 19, 2006 Board of Directors' meeting time be set at 8 a.m. Upon a voice vote, the motion carried with two nay votes.

NSBA Delegate Report

President Marie Slater reported that the 2006 NSBA Annual Conference, held for the first time in Chicago, April 7-11, was a great success, and had almost 1,000 Illinois board members in attendance. The NSBA delegates voted to become more inclusive in its language, stating all children and not naming specific groups. Slater stated the general session speakers, as well as discussion sessions, were exceptional, the Illinois reception outstanding and the IASB sponsored Hearts for Hurricane Relief event most gratifying. Vice President Mark Metzger noted that the NSBA Board is composed of three representatives from each district, as well as special interest representation and the chairman of the Executive Director's Liaison Committee. IASB Executive Director Michael Johnson will serve as this committee's chair in 2008 and as such, will sit as a member of the NSBA Board of Directors.

Legislative Report

Ben Schwarm distributed and discussed a 2006 Alliance Legislative Review handout. The Democratic leaders put together a budget compromise, largely mirroring Governor Blagojevich's proposal, approved a budget bill with all Democrat votes in both chambers and adjourned on May 4. No funding for the School Construction Grant Program was included in the budget bill and bills were defeated in both houses that would have provided \$500 million for school construction. The FY07 budget contains an increase for ISBE of nearly \$416 million over the FY06 funding levels--\$16 million over the Governor's initial request.

Among approved bills:

- Agreement on adjustments to the 6% salary limitation provision of last year's TRS pension bill.
- Agreed language between legislators, the Alliance and other interested parties regarding mandated reporting of child abuse or sex abuse of a minor—HB5375.
- Elimination of the property Tax Extension Limitation Law and taxing district referenda language that provides for the Rate Increase Factor and instead allows a phase-in of a newly-approved rate for up to a four-year period with voter approval—HB1682.

Among defeated bills:

- State-issued vouchers for parents to pay tuition for their children to attend non-public schools—HB1577.
- Process that would have made it very difficult to have any more mandated waivers approved—HB5370.
- Though not in legislative form, the Alliance worked strongly against the State Board of Education's rule proposal to remove "junk food" from elementary and middle schools. The proposal, however, was far more than a "junk food" prohibition as it would have significantly changed entire school food service programs.

Service Associates Report

IASB Service Associates Chair Philip Fulton reported that the group's Executive Committee recently met with IASB staff Gerald Glaub and Diane Cape to discuss avenues to direct more recognition to Service Associate exhibitors at the November conference. Fulton reported that Cape had been quite helpful in recommending program changes to enhance Service Associate visibility and implementing onsite attendee involvement to promote individual Service Associate booths.

Action: The Service Associate Executive Committee recommended, seconded by Debora McCleary and carried unanimously, that a membership invitation to extended to Cordogan Clark and Associates, Inc. of Aurora.

It was noted this firm has been providing architectural, engineering and construction management services since 1951 and has been working with Illinois public schools for the past twenty years.

Staff Update

A staffing update contained on page 51 noted the Association is advertising for two Board Consultant positions, one in Lombard and one in Springfield and working through an employment agency for the required support staff for these. Replacements are being sought for the librarian position in Springfield and a support position in Lombard required by recent retirements and an employment agency has been contacted to seek a support staff position for a resigning Springfield staff person.

NSBA Central Region Meeting, July 28-30, 2006

IASB will host the nine-state NSBA Central Region Meeting to be held in Chicago, July 28-30, 2006. IASB President Marie Slater will sit on the Central Region Nominating Committee, which will meet at that time.

Adjournment

Action: There being no further business, Fred Blue moved, seconded by John Metzger and carried unanimously, that the meeting be adjourned at 12:25 p.m.

The next IASB Board of Directors' Meeting will be held August 25-26, Pheasant Run Resort, St. Charles, Illinois.