

Board of Directors' Meeting Minutes

IASB Board of Directors' Meeting Hyatt Regency Chicago May 19, 2012

Present:

Carolyn BrooksPresident.....Noble
Karen Fisher.....Vice PresidentMarseilles
Joseph AlesandriniImmediate Past President..... Pekin
Ben Andersen.....Northwest Division East Dubuque
David Barton.....Two Rivers.....Nebo
Tim Blair.....Wabash Valley.....Casey
Tom CunninghamSouth Cook..... Orland Park
Linda Eades.....KaskaskiaHettick
Roger EdgecombeAbe Lincoln Maroa
Robert Friend (*for Director R. Swanson*).....DuPage.....
Mark HarmsCorn Belt..... Flanagan
Simon KampwerthStarved Rock..... Peru
Mike Kelly (*for Director D. Hansen*).....Three Rivers.....
Steve Larson.....Service Associates Representative.....Lisle
Sue McCanceWestern Cuba
John Metzger.....Egyptian Benton
Jackie MickleyBlackhawk..... Geneseo
Tom Neeley.....Central Illinois Valley.....Morton
Joanne Osmond.....Lake.....Lake Villa
Jesse Ruiz.....Chicago Board of Education..... Chicago
Michelle Skinlo.....Illini.....Mattoon
Mary StithKishwaukee..... Geneva
Joanne ZendolWest Cook.....Berwyn

Absent:

John Coers (*attended Friday night*)Southwestern Chair O'Fallon
Phil PritzkerNorth Cook.....Arlington Heights
Roger PfisterShawneeMurphysboro

Recording SecretaryCarla S. Bolt

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Introductions and Announcements – President Carolyne Brooks called the meeting to order at 1:15 p.m. on Saturday, May 19, 2012. Carolyne welcomed Mike Kelly (Three Rivers Division) and Robert Friend (DuPage Division). Several directors had conflicts with the graduation events and could not attend.

Additions to and Approval of Agenda

Action: Tom Neeley moved, seconded by Tom Cunningham and carried unanimously, that the meeting agenda be approved with the addition of 12a. appointment of an Ad Hoc Committee.

Approval of Minutes

Action: Joanne Zendol moved, seconded by Linda Eades and carried unanimously, that the minutes for the February 26, 2012, Board of Directors' Meeting be approved and placed on file.

Monitoring Report of February 26, 2012 Meeting – this was the last report until the board approves a new monitoring system.

Consent Agenda –

Action: Joanne Zendol moved, seconded by Linda Eades and carried unanimously, that the Consent Agenda (President's Report; Executive Director Emeritus Report; April 13, 2012 Executive Committee meeting minutes; FY 2012 Membership Report) be approved.

Action: Ben Andersen moved, seconded by Joanne Zendol and carried unanimously, to approve all policy changes and OE interpretations as contained in the meeting packet. The motion carried.

Glossary of Terms

Governance ~~Policy~~ **Policies:**

BOARD-EXECUTIVE DIRECTOR RELATIONSHIP: change ...point of ~~connection~~ **contact**

ADD this term:

Active Member – The dues-paying Board of Education of any legally organized school district in Illinois.

Policy Index

~~8. Exhibit: Annual Disclosure Form~~

Governance Culture

GC-1 Board Purpose – reviewed and no changes were recommended.

GC-2 Governing Commitments – reviewed and no changes were recommended.

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GC-2E Exhibit: Mentoring Program for New Members

Guidelines for Serving as a Mentor

4. c. ~~An~~ historical context for the Board's

General Mentor Responsibilities

5. Be receptive to feedback and new ideas and help the new Director know how to present them. **(add period)**

GC-3 Board Job Description – Dr. Johnson reviewed how the auditor is selected and that we rotate auditors conducting IASB's audit from year to year.

7. **Approve the appointment of** ~~Appoint~~ an independent auditor.....

GC-4 Officer's Roles – reviewed and no changes were recommended.

GC-5 Board Committees –

4. Name: Audit Committee
 - b. Membership
 4. ~~Six (6)~~ **Seven (7)** members of the Board of Directors appointed by the IASB President.

DELETE:

~~5. Name: Executive Director Search Committee~~

~~a. Purpose/Charge:~~

- ~~1. Develop candidate profile~~
- ~~2. Survey internal and external stakeholders to define qualifications~~
- ~~3. Review and revise, as deemed necessary, the total compensation package, job description, and employment contract~~
- ~~4. Establish timeline, budget and support needs~~
- ~~5. Develop and publish the Announcement of Vacancy~~
- ~~6. Develop interview process: questions and schedule~~
- ~~7. Recommend candidates for interview to the Board~~

~~b. Membership:~~

- ~~1. President~~
- ~~2. Executive Committee~~
- ~~3. Four (4) members of the Board of Directors appointed by the IASB President~~

~~c. Term of Committee: until the successful employment of the Executive Director~~

~~d. Authority Over Resources: support services and meetings, as needed~~

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GC-5E Exhibit: Annual Work Plan –

Active Member of the Board of Directors to serve in place.....

GC-6 Annual Work Plan – reviewed and no changes were recommended.

GC-6E Exhibit: Annual Work Plan – the committee would like to see a more “user-friendly” document. Angie Peifer will work on a new version.

GC-7 Board Members' Code of Conduct – reviewed and no changes were recommended.

GC-8 Board of Directors Member Conflict of Interest –

ADD:

Required Legal Supplement: 990 (Policy RLS-1) further defines and sets forth processes and procedures for dealing with Board of Directors Member Conflicts of Interest.

Additionally, Directors must avoid any conflict of interest with respect to the fiduciary responsibility:

Replace 1., 2., 3. With new text:

1. There must be no self-dealing or any conduct of private business or personal services between any Directors and the Association except as procedurally controlled to assure openness; competitive opportunity and equal access to "inside" information;
2. Directors must not use their positions to obtain employment in the Association for themselves, family members or close associates;
3. Should a Director be considered for employment, he or she must temporarily withdraw from Board of Director's deliberation, voting and access to applicable Board of Director's information.

GC-9 Process for Addressing Board Members Violations – reviewed and no changes were recommended.

GC-10 Board Development – reviewed and no changes were recommended.

Board/Executive Director Relationship

B/EDR-1 Single Point of Contact – reviewed and no changes were recommended.

B/EDR-2 Staff Accountability – reviewed and no changes were recommended.

B/EDR-3 Authority of the Executive Director – reviewed and no changes were recommended.

B/EDR-4 Executive Director Accountability – reviewed and no changes were recommended.

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B/EDR-4E Exhibit: Annual Summative Evaluation of the Executive Director –

Update Numbering:	<u>Results Policies:</u>	<u>Date Monitored:</u>	<u>Board Disposition:</u>
R-2 R-1		_____	_____
R-3 R-2		_____	_____
R-4 R-3		_____	_____
R-5 R-4		_____	_____
R-6		_____	_____

Operational Expectations

OE-1 Global Operational Expectation – reviewed and no changes were recommended.

OE-2 Emergency Succession – reviewed and no changes were recommended.

OE-3 Treatment of Members, Other Clients and Volunteers – reviewed and no changes were recommended.

OE-4 Personnel Administration – reviewed and no changes were recommended.

OE-5 Compensation and Benefits – reviewed and no changes were recommended.

OE-6 Financial Planning – reviewed and no changes were recommended.

OE-7 Financial Administration –

4. Coordinate and cooperate with the Board's ~~appointed~~ **approved** financial auditor,

OE-8 Asset Protection – reviewed and no changes were recommended.

OE-9 Communicating with the Board – reviewed and no changes were recommended.

OE-10 Relationship with Service Associates – reviewed and no changes were recommended.

Results

R-1 Mega Result / Mission – reviewed and no changes were recommended.

R-2 Board and Board Member Development – reviewed and no changes were recommended.

R-3 Member Advocacy – reviewed and no changes were recommended.

R-4 Sponsored Programs – reviewed and no changes were recommended.

Required Legal Supplements: 990

RLS-1 Conflict of Interest – reviewed and no changes were recommended.

RLS-1E Exhibit: Annual Acknowledgement and Disclosure Form – reviewed and no changes were recommended.

RLS-2 Whistle Blower – reviewed and no changes were recommended.

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RLS-3 Document Retention and Destruction – reviewed and no changes were recommended.

RLS-4 Process for Determining Compensation – reviewed and no changes were recommended.

OE Interpretations

OE-1 Global Operational Expectation – no comments received.

OE-2 Emergency Succession – no comments received.

OE-3 Treatment of Members, Other Clients and Volunteers

Members are all dues-paying boards of education ~~and their individual board members and superintendents.~~

OE-4 Personnel Administration

5. Maintain adequate job descriptions for all staff positions is interpreted to mean that the Association will maintain **written** current, concise and legally-vetted descriptions for all staff positions **which are available for staff in paper and electronic form.**

OE-5 Compensation and Benefits

Delete extra period at end of sentence.

OE-6 Financial Planning

6. Clearly separates capital and operational items is interpreted to mean~~t~~ that budget documents will make a clear distinction and separation between the two.

(delete the t in meant)

11. Increases Annual Conference registration fees greater than four (4) percent annually, rounded to the nearest \$10 is interpreted to mean that the Executive Director may increase conference registration fees each year up to the amount described. Any additional increased must be acted on by the Board. **Note for possible future Board discussion of the Operational Expectation itself: in this volatile economic environment, do we want to continue this assumed fee adjustment, or would it be better for the ED to annually recommend the new fee for Board approval, based on “conditions on the ground”? If we wish to establish a “cap,” is 4% still the correct amount?**

OE-7 Financial Administration

7. ~~While it is~~ **It is within** the Executive Director's discretion as to whether those concerns are best addressed with the individual member,.....

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OE-8 Asset Protection – no comments received.

OE-9 Communicating with the Board

4. Coordinate and cooperate with the Board's **approved** ~~appointed~~ financial auditor, including the conduct of the annual audit.....

OE-10 Relationship with Service Associates – no comments received.

Review of FY 11-12 Budget and 2012-2013 Budget Assumptions – Dr. Johnson reviewed the budget packet and answered questions. Membership dues and conference registrations have been consistently high. Roger will be working on sponsorships and has already secured a \$10,000 sponsorship from BMO Harris Bank. We have budgeted \$200,000 in sponsorships and \$100,000 for Capital Expenditures. Health insurance continues to be IASB's largest expenditure.

The moved to go into Executive Session to discuss the new Executive Director's Contract. Immediate Past President Alesandrini distributed copies of Roger's contract to the entire board for review.

At 2:40 p.m. the Board came out of Executive Session and staff returned to the board meeting.

Executive Director Contract –

Action: Joanne Zendol moved, seconded by John Metzger carried unanimously, to ratify the Executive Committee's approval of the new Executive Director's contract with IASB.

Roger Eddy thanked Dr. Johnson for his historical overview of the association and the Board of Directors for the opportunity to serve as executive director. Roger stated that he plans to meet with each IASB staff member to get to know them.

Signatories –

Action: Mike Kelly moved, seconded by Simon Kampwerth carried unanimously, to add Roger L. Eddy and remove Dr. Michael D. Johnson as authorized signatories for IASB accounts, for the period July 1, 2012, through November 18, 2012, or until successors are reported to the Board

Committee Appointments – President Brooks reviewed the committee appointments and determined the need for an Ad Hoc Committee to review the new governance policies. Carolyn appointed Karen Fisher, Joanne Osmond, Jesse Ruiz and Ben Andersen to serve on this committee.

Action: Roger Edgecombe moved, seconded by Roger Pfister carried unanimously, to approve the appointments to the Ad Hoc Committee. The motion carried.

Treasurer's Report – Vice President Fisher reviewed the Treasurer's report and answered questions. Dr. Johnson reviewed the estimated costs vs. actual costs and gave examples of such. Membership dues are reported as 1/12 revenue on a monthly basis. Conference registration is not counted as revenue until December or January. Dr. Johnson believes IASB will be around \$400,000 in the black at the end of the budget year.

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Staffing Update – Dr. Johnson reviewed the staffing report. Depending on what legislation passes IASB could have eight staff members retiring under TRS, but does not believe it will happen.

NSBA Delegate Report – President Brooks thanked the delegates for attending and stated there was not much activity just tweaking policies.

NSBA and Executive Directors contributed \$3,000 to the Ronald McDonald Charity in honor of Dr. Johnson.

IASB had a “Cheers” theme reception and was very well attended, much thanks to Patricia Culler for organizing this event.

NSBA canceled the joint annual meeting with AASA. NSBA’s Executive Committee will meet in Chicago in June.

IHSA Report – Mark Harms distributed an article on Student-Athletes with Disabilities and reviewed current issues at IHSA.

Legislative Report – Ben Schwarm distributed his Alliance Legislative Report and reviewed current legislation and answered questions.

Service Associates Report –

Action: John Metzger moved, seconded by Roger Pfister carried unanimously, to issue a membership invitation to Interiors for Business, Inc. of Batavia. The motion carried.

Communications: Argo CHSD 217 Board of Education letter & IASB Response –

President Brooks reviewed the correspondence received and sent to the Argo Board of Education.

Dr. Johnson took a moment to thank everyone for their support and stated this was the best job he ever held. Which was due to the great IASB staff whose diversity works well for the association. He thanked the Board of his great retirement celebration. This was his last board meeting and will be retiring effective June 30, 2012, but he will be back in November as an “old-goat.”

The board thanked Dr. Johnson and gave him a standing ovation and their best wishes.

The 3rd Quarter board meeting will be August 24-25, 2012 at the Oak Brook Hills Marriott Resort in Oak Brook, Illinois.

The meeting adjourned at 3:15 p.m.

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New Governance Policies

Action: _____ moved, seconded by _____ to make changes as distributed in the meeting packet be approved.

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Governance Culture

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- GC-4 Officer's Roles
- GC-5 Board Committees
- GC-5E Exhibit: Annual Work Plan
- GC-6 Annual Work Plan
- GC-6E Exhibit: Annual Work Plan
- GC-7 Board Members' Code of Conduct
- GC-8 Board of Directors Member Conflict of Interest
- GC-9 Process for Addressing Board Members Violations
- GC-10 Board Development

Board/Executive Director Relationship

- B/EDR-1 Single Point of Contact
- B/EDR-2 Staff Accountability
- B/EDR-3 Authority of the Executive Director

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B/EDR-4 Executive Director Accountability
B/EDR-4E Exhibit: Annual Summative Evaluation of the
Executive Director

Operational Expectations

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- OE-2 Emergency Succession
- OE-3 Treatment of Members, Other Clients and Volunteers
- OE-4 Personnel Administration
- OE-5 Compensation and Benefits
- OE-6 Financial Planning
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- OE-8 Asset Protection
- OE-9 Communicating with the Board
- OE-10 Relationship with Service Associates

Results

- R-1 Mega Result / Mission
- R-2 Board and Board Member Development
- R-3 Member Advocacy
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Required Legal Supplements: 990

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- RLS-3 Document Retention and Destruction
- RLS-4 Process for Determining Compensation

POLICY I-1, ENDS/Mission – This policy is in compliance at this time.

POLICY II-4, EXECUTIVE LIMITATIONS, Financial Condition – This policy is in compliance at this time. The January 2012 financial statements were included for review.

Dr. Johnson hopes to be above budget at this time. He reported that we had \$1.4 million more than we had spent. Health insurance costs are higher than we would like. We have spent \$150,000 on governance training and the executive director search to date. The IEC royalty is down by four-percent; Policy Services renewal is at 100%; numbers for board self-evaluations and workshops are up and the OMA training is currently at 1,300.

Treasurer, Dale Hansen reported that \$1 million less at this time of year is normal for IASB. IASB receives conference registration in the Spring, but they do not put in current revenue until later and the same process is done for annual membership dues. We include one-twelfth revenue per month.

POLICY II-8, EXECUTIVE LIMITATIONS, Communication and Counsel to the Board – This policy is in compliance at this time.

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Dr. Johnson reported that we have filed for a summary judgment regarding the EEOC complaint and are awaiting a decision by the judge. Dr. Johnson reviewed the EEOC complaint for the newest members of the board of directors.

POLICY II-9, EXECUTIVE LIMITATIONS, Relationship with Suppliers (Service Associates) – This policy is in compliance at this time.

Dr. Johnson reviewed IASB's exhibit hall hours as compared to National Conferences and stated our exhibit hall hours are longer than others.

POLICY II-10, EXECUTIVE LIMITATIONS, Treatment of Member Districts – This policy is in compliance at this time.

POLICY III-1, GOVERNANCE PROCESS, General Governance Commitment – This policy is in compliance at this time.

POLICY III-2, GOVERNANCE PROCESS, Governing Style – This policy is in compliance at this time.

POLICY III-3, GOVERNANCE PROCESS, Board Job Description – This policy is in compliance at this time.

POLICY III-4, GOVERNANCE PROCESS, President's Role – This policy is in compliance at this time.

POLICY III-4A, GOVERNANCE PROCESS, Vice President's Role – This policy is in compliance at this time.

POLICY III-4B, GOVERNANCE PROCESS, Treasurer's Role – This policy is in compliance at this time.

POLICY III-4C, GOVERNANCE PROCESS, Immediate Past President's Role – This policy is in compliance at this time.

POLICY III-7, GOVERNANCE PROCESS, Annual Board Planning Cycle – This policy is in compliance at this time.

POLICY III-8, GOVERNANCE PROCESS, Board Members' Code of Conduct – This policy is in compliance at this time.

Review of New Governance Policies – The Board reviewed, discussed and made a few more changes to the new governance policies.

Dr. Johnson updated the board regarding ASPEN and why they were not in attendance for this meeting. He also reviewed the meeting they had with the Administrative Team on December 19. The board's next step is to approve his interpretations, develop a monitoring calendar and discuss process for Results/Indicators (how does the board get information). Angie Peifer, associate executive director will assist the board at its May 2012 meeting Friday evening and Saturday morning (if needed).

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Action: Joe Alesandrini moved, seconded by Joanne Osmond and carried unanimously, to approve the New Governance Policies as presented in the board packet with edits – to replace previous governance policies.

Dr. Johnson's Interpretations of the OE Policies – the Board reviewed and discussed his interpretations. Dr. Johnson answered questions from the board and stated he would bring a revised set of interpretations (will involve staff for editing) back to the board of directors at the May 2012 board meeting. At that meeting the board will need to decide if each of his interpretations is reasonable. If reasonable, then they will need to be approved.

Fiscal Year 2012-13 Budget Assumptions Preview – Dr. Johnson review his report contained in the meeting packet and answered questions. He reported that IASA has decided to buy space in the Schaumburg area for their satellite office. Dr. Johnson updated the board on an issue with IASB's wet/dry fire system in the Springfield office and that we would be spending money from the Capital Expenses budget to fix the problem. We are looking at around \$50,000 to replace pipes in the attic.

Committee Appointments and Re-appointments – President Brooks has assigned made committee appointments and a new list will be distributed at the May Board Meeting.

FRN Report & Legislative Update – President Brooks reviewed the various meetings held in D.C. Joe Alesandrini stated this was his 5th year at FRN and it was the most frustrating of all. Susan Hilton will be distributing NSBA's federal reports to all school districts in Illinois (you do not have to be a NSBA member of CUBE or an Affiliate).

Associate Executive Director Ben Schwarm gave a legislative update and answer members questions. He reported that K-12 education is likely to get a modest increase in funding. New Executive Director Roger Eddy gave his unique perspective of the budget and TRIP.

IASB Service Associates Report – Representative, Steve Larson reported the Committee met February 17 via video-conference between Springfield and Lombard and reviewed membership applications and references. Steve stated there are currently 73 service associates. This number goes up and down from time to time with 80 members being their highest level of membership to date. Steve reviewed the membership application of Wintrust Financial of Lake Forest.

They voted to recommend that the Board of Directors invite the following firm to become an IASB Service Associate:

Wintrust Financial of Lake Forest (Financial Services)

Action: Sue McCance moved, seconded by Phil Pritzker and carried unanimously, that a Service Associate membership invitation be issued to this firm.

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IHSA Report - Director, Mark Harms updated the board on the last IHSA meeting. Athletic concussion injuries currently is a hot topic for the board. IHSA is looking at ways to get all schools involved in the process. Also, they are setting new guidelines to deal with heat-related injuries.

Dr. Johnson reported on his discussions with Lloyds of London regarding a IHSA policy for sports-related injury for all schools and to have this go through IASB's third-party administrator.

The next meeting of the Board of Directors will be Saturday, May 19, 2012, in conjunction with Dr. Johnson's Retirement Celebration at the Crowne Plaza in Springfield, Illinois.

Dr. Johnson stated that he plans to continue his charity work with the Ronald McDonald House of Chicagoland. They are currently raising funds for a 10 story house with 84 beds – it would be the largest of their houses.

Staff was dismissed at 11:30 a.m. for the Board to go into CLOSED SESSION to discuss the Executive Director's Term Sheet.

CLOSED SESSION:

Action: Phil Pritzker moved, Simon Kampwerth seconded, to authorize the Executive Committee to develop and approve a tentative contract with the new Executive Director, Roger Eddy, consistent with the Term Sheet as amended today and after negotiations with our attorney (Jonathan Howe) and Roger Eddy's attorney have completed.

The meeting was adjourned at 12:15 p.m.