

ASBSD Board of Directors Meeting (Friday, April 21, 2017)

Generated by Katie Mitchell-Boe on Monday, May 1, 2017

1. Board Development

Discussion: 1.1 Native American Cultural Experience – The ASBSD Board of Directors met in Rapid City at Central High School for a presentation by students and staff of the Ateyapi Mentoring Program. The program is led by American Indian mentors who are drug and alcohol free, and knowledgeable about Lakota culture.

Traditional Lakota dance and song were shared with board members, as well as information about the program, which was implemented in the district in 1994 through the Rural America Initiatives Agency and is offered in three high schools, five middle schools and five elementary schools for students between the 4th and 12th grades.

Rapid City Central Principal, Mike Talley told the board members “I think we have an obligation to bring programs in to make our students feel welcome.”

Sen. Troy Heinert shared his personal experience of growing up in “2 worlds, Native American and White”. He discussed issues on Native American education and other matters of life on the reservations. He shared that 70% of Native American families are from fatherless homes.

2. Call to Order - President Peterson

The meeting was called to order at 2:20 p.m. by President Anita Peterson. Present were board members: Debbe Koenecke, Ron Riherd, Eric Stroeder, Denise Lutkemeier, Rick Olson, Orson Ward, Duane Alm, Pam Haukaas, Susan Humiston and Alan Van Ruler. Absent were members: Todd Thoekle, Steve Kubik, Kathy Greenway, Bryan Bauer, Melissa Whipple, Tom Farrell and Neil Putnam. Also present were ASBSD staff, Dr. Wade Pogany, Gerry Kaufman, Dr. Randall Royer, Tyler Pickner, Matt Flett and Katie Mitchell-Boe.

Information: 2.1 Good News –

Duane Alm – Negotiations have been settled with the superintendent being offered a 3 year contract and the business manager and assistant superintendent a 2 year contract. An Aberdeen senior is a National Merit Finalist.

Denise Lutkemeier – Negotiations with certified staff is complete and two tenure teachers retired. Two teaching openings are available one in Math and the other Special Ed.

Susan Humiston – Math customization is going really well and she is very proud of the Edgemont Community pulling together and within one year will have a new track built.

Pam Haukaas – Negotiations are quite difficult this year. Two retiring teachers donated their sick leave to help create a larger maternity leave bank. Colome Consolidated has rejoined the ASBSD Protective Trust Health Fund.

Alan Van Ruler – Montrose is still in the negotiations process. New FFA program is going well.

Ron Riherd – Negotiations process is difficult as they continue to fight finances. The good news is this year they will have the lowest number of teachers retiring in a long time. Stevens Robotic team is doing well.

Orson Ward - Orson began by thanking Gerry Kaufman for the assistance in updating their policies. The Lead-Deadwood school is balancing the schools between the two cities with the middle school and high school in Lead and the elementary school in Deadwood. They are in the process of a \$13-14 million dollar building project.

Deb Koenecke – Deuel negotiations is going well. Grant-Deuel is closing this year and has allowed Deuel to hire a couple of their teachers and acquire students.

Rick Olson – Howard is busy with their strategic plan and updating their 50 year old building. Policies are also being updated.

Eric Stroeder – The Mobridge-Pollock school year has been going well with a few teaching positions open. The community project is building a new concession area. The district is also looking at building updates.

Anita Peterson – Philip is very busy and things are going well. Opening bids for new school, teachers received a one-time bonus and they hired a new superintendent but were very pleased because he had previously worked in the district as a principal.

Dr. Pogany asked the board if he could share his good news and advised the board his daughter, Jennifer, and her husband are expecting a baby girl.

3. Approval of Minutes

Action, Minutes: 3.1 Approval of Minutes February 21, 2017

Moved by Denise Lutkemeier, seconded by Rick Olson to approve the February 21, 2017 minutes as presented. Motion carried.

4. Reports

Information: 4.1 NSBA Report - Neil Putnam

Neil Putnam presented a written report on NSBA board's activities. He reported the pre-conference meeting quarterly financials indicated they were on target with budget projections and the events are exceeding attendance estimates. NSBA auditor reported everything was in order and issued an "unmodified" report. NSBA is ramping up the Stand Up 4 Public Schools campaign.

Information: 4.2 NSBA 2017 Convention Reports

Eric Stroeder reported the speakers were absolutely the best and how difficult it was so to see and do everything in the given time frame.

Ron Riherd participated as a board member from the Rapid City School District and he stated what a wonderful education experience it is.

Anita Peterson reported astronaut, Scott Kelly, was a powerful speaker and she learned more about life in space than she needed to know.

Action, Report: 4.3 Executive Committee Meetings Minutes

Dr. Pogany presented the Executive Committee Minutes to the board for their information.

5. Financial Items

Action: 5.1 Financial Reports through March 2017 - Matt Flett, CFO

Matt Flett reported the financial statements presented to the board was truly and fairly presented with building loans, depreciation expense, and interest expense adjusted to truly make them up-to-date. March 31st means the Association has completed 75% of its fiscal year. As of March 31st we have received \$1,572,792.91 or 78.20% of our revenue budget and have expended \$1,380,621.93 or 68.65% of our expenditure budget. Moved by Duane Alm, seconded by Deb Koenecke to accept the financial report as presented. Motion carried.

Discussion: 5.2 ASBSD Revenue Sources

For information purposes this was part of the budget discussion. What is the return of your investment for such programs? How dependent are we on certain services? Discussion followed.

Action, Discussion: 5.3 Investment Proposal

The purpose of this proposal was to lay out a long term plan to use the assets of ASBSD as a source of income for the organization. There would be several specific legal and financial details that need to be decided but this proposal serves to ask the question, should ASBSD pursue the concepts within this investment proposal as described?

1. ASBSD reserve funds – A). ASBSD proposes reducing the line of credit (LOC) with Bankwest to \$500,000 thus unrestricting most of the collateral needed on the LOC. The unrestricted reserve funds could then be used for other purposes as outlined below.
2. The ASBSD Building: A). ASBSD proposes we pay-off all outstanding loans of the building including the ASBSD and TLO portion, by using our unrestricted reserve funds, in the amount of \$539,879. B). ASBSD proposes restructuring the TLO outstanding liability that remains on their share of the debt on the building and ASBSD would serve as the lending agent for the TLO loan. This could provide the Association with interest income from the TLO loan at a rate of 4.45%
3. Reserve Fund Investments: A). ASBSD proposes enlisting an investment broker that could propose an investment strategy using approximately \$1 million of ASBSD reserves. B). The Board of Directors would then review the investment strategy and approve investments as they deemed appropriate.

Discussion followed. Moved Susan Humiston, seconded by Orson Ward to accept the second recommendation. Motion carried. Discussion followed with the consensus of the board to review ASBSD Policy DFA – Investment and Policies and Standards and bring back a recommendation to invest resources funds to the board for final approval.

Action, Discussion, Presentation: 5.4 2017-2018 Proposed Budget

Matt Flett presented the 2017-18 budget. Dr. Pogany shared ASBSD employee health plan had a 20% increase this year. He also shared the budget can sustain a 3 percent increase as well

as the increase in insurance. Dr. Pogany also indicated staff has been advised of the health insurance increase and ASBSD will be studying changes to the health plan. Moved by Rick Olson, seconded by Pam Haukaas to accept the budget as presented and recommended. Motion carried.

6. Director's Report

Information: 6.1 Program updates

Dr. Pogany advised the board of the upcoming Regional Meetings in October and asked if board members were interested in hosting a site. If they are interested to please let him know immediately so we can continue in the planning.

Dr. Pogany advised the board any director wishing to be considered as a nominee for second vice president to notify Eric Stroeder, Immediate Past President or Dr. Pogany. Application form deadline is July 14, 2017.

Discussion: 6.2 Protective Trust Update

Matt Flett reported the three pools are busy with renewals and things are looking very good. The health fund is moving forward and has 3 new districts joining the pool.

Discussion: 6.3 Joint Convention 2017 Report

Dr. Pogany provided updates on the 2017 Joint Convention. He announced ASBSD and SASD will welcome Col. Arthur J. Athens as the keynote speaker of the 2017 ASBSD-SASD Convention.

Col. Athens is the Director of the U.S. Naval Academy's Vice Admiral James B. Stockdale Center for Ethical Leadership and a member of the Academy's Senior Leadership Team.

On a motion by Denise Lutekemeier, seconded by Deb Koenecke the board meeting was recessed until 8:00 a.m. April 22, 2017.

President Anita Peterson called the meeting to order with the addition of board member Bryan Bauer joining the meeting.

7. Advocacy

Information: 7.1 Policies and Resolutions Committee Appointments

President Peterson announced her appointments to the Policy and Resolution Committee. The following members were appointed: Eric Stroeder, Anita Peterson, Todd Thoeke, Tom Farrell and Kathy Greenaway.

Action, Information: 7.2 Future Legislative Issues

Dr. Pogany updated the board on the 91st Legislative Session, He asked the board to provide input to the Policy and Resolutions Committee on future legislative topics.

Questions to consider were:

1. What should ASBSD's next step be regarding the private schools scholarship tax credit issue? Board discussion followed with the following ideas presented:
 - a. Transparency/political/grassroots desire;
 - b. Attorney General opinion on language, and
 - c. What is the cost to the state

2. What should ASBSD's response be if the threat of state aid going below the index factor, (rate of inflation) continues in the future? Do we need a statement that makes it clear education funding is a constitutional requirement, and current statute provides for an automatic inflationary increase? Board discussion followed with the following ideas presented:
 - a. How many board members/legislators understand how the funding formula works, where the money comes from;
 - b. Grassroots effort making membership more aware so they can discuss with legislators;
 - c. We cannot become complacent

3. What should ASBSD's response be if more bills are introduced in the legislature to sponsor State supported Pre-School education. (We heard from several legislators who want to bring some form of bills that offer state support for pre-schools.) Board discussion followed with the following ideas presented:
 - a. Todd Thoeke sent his concerns to Dr. Pogany who shared Todd's concern that even if one penny is removed from k12 monies we need to be opposed.
 - b. Where would school place the students
 - c. Would it be mandatory for all schools to provide said service

4. What should ASBSD's response be to the growing push by home school groups to expand their ability to participate in extra-curricular activities. (This issue will grow stronger in the future, and several schools do not allow any form of participation for homeschoolers.) Board discussion followed with the following ideas presented:
 - a. Number one position is home school issues are a local decision
 - b. Would ASBSD boards be allowed to ask home schoolers if they can come into their home schools environment and revoke if students were not being adequately educated?
 - c. Truancy is still an issue
 - d. Social Services need to be included and enforce the law
 - e. Begin a conversation with the Home School Organizations

5. What should ASBSD's response be if a move to restrict collective bargaining emerges, especially if it eliminated certain provisions of collective bargaining law that currently allows working conditions to become non-negotiable. (Rep. Mickelson is considering legislation that could limit or eliminate bargaining of working conditions by unions from the negotiations process.) Board discussion followed with the following ideas presented:
 - a. Not a waste to negotiate policy
 - b. Relationships erode
 - c. When there is no money available policy/sick leave/time off are used as bargaining tools – value of time

6. What should ASBSD's response be to a bill that would require local school board elections to be held at the same time of the primary elections every other year? (Sen.

Bolin is considering such an idea.) Board discussion followed with the following ideas presented:

- a. Cost factors
 - b. Fine line of balancing voters and areas versus school district election at school
 - c. It's not a problem right now, why the change?
7. What should ASBSD's response be if legislation were again introduced that limits the speech and/or political activity of education advocacy groups? Board discussion followed with the following ideas presented:
- a. Check your policy and enforce it
 - b. School equipment should not be used for political activities
8. What other advocacy topics should we consider? Board discussion followed with the following ideas presented:
- a. Other monies – reserves are under fire and is there a safe way to plan for rainy days

Discussion followed.

8. ASBSD Policies

Action, Discussion: 8.1 ASBSD Awards

Dr. Pogany asked the board for potential nominees for ASBSD awards for the 2017 School Bell Award, Community Service, Outstanding School Board Member and School Board Award of Excellence. In addition, a discussion followed to look at how the ASBSD awards could be used in connection to the ALL Board Recognition program.

Discussion: 8.2 Board Governance Discussion

The February 20, 2017, board members began the discussion of who the Board of Directors represent on the ASBSD board. Dr. Pogany presented the following questions for discussion:

1. Who do the Board of Directors represent on the ASBSD Board? Does each Director represent their local district, the enrollment area from which they were elected, their region as a whole, or the entire state?
2. Does the Board wish to consider alternative models of how their representative regions and enrollment categories are construed or leave the current system as it is today? Consensus was to not change the current governance model.
3. If a change were to be considered, which model, as introduced at the December 6, 2016 Board meeting, would the Board like to consider as a By-Law change? If a change is made, how should conflicts of sitting board members be reconciled with the new model?

Susan Humiston stated she felt her role on the ASBSD Board was to focus on the greater good of students of the whole state. However in doing so she would bring her perspective from her school size. Also, she felt she was a contact for all schools in her region. Discussion followed with the consensus of the board in agreement with Susan's statement.

9. Strategic Plan

Discussion: 9.1 Strategies to Increase Participation

Dr. Royer presented baseline data on previous meetings and the ongoing discussion to increase participation in meetings. The board engaged in lengthy discussion regarding their roles and how they could be more engaging in developing relationships with members in their region.

10. Other Business

Information: 10.1 Next meeting is scheduled for August 9, 2017 in Sioux Falls at the Convention Center.

11. Executive Session

Discussion: 11.1 Executive Director Evaluation

Moved by Pam Haukaas, second by Deb Koenecke to move into executive session for the purpose of evaluation of the Executive Director.

12. Adjournment

Action: 12.1 Adjournment – President Peterson declared the meeting adjourned.