

SPEED S.E.J.A. #802

OPERATING COMMITTEE MEETING MINUTES

Regular Meeting
SPEED Operating Committee
SPEED Building
9:00 a.m.

January 18, 2019

CALL TO ORDER

At 9:05 a.m. Dr. Jackson called the meeting to order.

ROLL CALL

On roll call the following members answered present: Dr. Patterson, 144; Dr. Mitchell, 153; Ms. Latman, 161; Dr. Nottke, 163; Dr. Leak, 168; Dr. Jackson, 169; Ms. DeBruin, 172; Ms. Belotti, 201U; Dr. Navarre, 206; and Dr. Mansfield, 233

Absent: Ms. Duskey, 162; Ms. Lindsay, 167; Mr. Amadio, 170; Dr. Hahto, 194; Dr. Thomas, 227; and Mr. Bean.

The following SPEED staff members were also present: Dr. Halliman, Executive Director; Kevin Slattery, Director of Business and Finance; Sharon Curry, Director of Human Resources; Margie Lenoir-Davis, Interim Director of District Services; Amina Payne, Independence Program Principal; Nicole Taylor, Academy for Lifelong Learning Principal; April Brown, Program for Adaptive Learning Principal; and Janet Nozar, SEA President.

Also present were Mr. Ray Hauser, Attorney from Hauser, Izzo, Petrarca, Gleason & Stillman, LLC and Mr. Tim Fagan and Ms. Louise King from Legacy Professionals.

PRESENTATION: AUDIT REPORT

Mr. Fagan and Ms. King presented the audit findings from the FY18 audit. Mr. Fagan discussed the Annual Financial Statement with the Board. SPEED received an unmodified opinion, which is the highest level of assurance that the auditors can provide.

As of June 30, 2018 the total current assets were approximately \$6.1M. There were no current liabilities. The total fund balance was \$6.1M.

The Student Activity Fund showed \$38,000 shown as both an asset and a liability because that is not the Joint Agreement's money.

The general fixed assets were approximately \$27M, of which, about \$23M was made up of buildings and building equipment.

Total revenues were approximately \$30.6M. The total expenditures were \$29.8M, leaving a total net income of about \$780,000.

The Audit Communication Letter describes what the auditor's responsibilities were during the audit as well as what the Joint Agreement's responsibilities were during the audit. There were no difficulties performing the audit. The letter also outlines the journal entries that were proposed and made during the audit.

The Management Recommendation Letter states what the auditors found during the audit. The first item is a material weakness in internal control due to the Joint Agreement's inability to prepare its own financial statements. This standard is more for publicly-traded entities than non-publicly-traded entities. It is common for non-publicly traded entities to receive this finding.

The second item talked about other deficiencies in internal controls. In regards to the Joint Agreement's Worker's Compensation and Medical Flex Spending bank accounts; the reconciliations had not been performed for FY18 at the time of the audit. This has been corrected, but the reconciliations need to be prepared and reviewed on a monthly basis.

The third item is in regard to the Activity Fund Sub Ledger. The reconciled balance did not agree to the Activity Fund Sub Ledger. There was a \$200 difference.

All the necessary corrections and recommendations have been made by the Joint Agreement.

CLOSED SESSION

At 9:21 AM Dr. Navarre moved, seconded by Dr. Leak that the Operating Committee goes into Closed Session to discuss the employment, compensation, and/or performance of a specific employee of SPEED and to discuss pending, probable, and/or imminent litigation, and/or matters regarding students. Any items needing approval will be voted on during open session.

Motion carried by voice vote.

OPEN SESSION

At 10:31 AM, Dr. Patterson moved, seconded by Dr. Leak that the Operating Committee returns to Open Session.

Motion carried by voice vote.

EXECUTIVE DIRECTOR'S REPORT

The SPEED Finance Committee Members are Dr. Jackson, Dr. Leak, Dr. Mitchell, Dr. Navarre, Dr. Patterson, Dr. Smith, and Dr. Thomas. Dr. Halliman has secured a facilitator, Yasmin Dada, to work with the Finance Committee. Ms. Dada is a retired Business Manager who is currently also consulting with another Cooperative. One of the main focuses for the Finance Committee is going to be addressing the procedural change of the IDEA Grant. The Finance Committee members in attendance agreed that they would like to meet on Fridays after the Operating Committee Meetings.

ISBE has sent out three communications in regards to the proposed procedural changes for the IDEA Grant for FY20. They initially gave us some information in July; they updated us in October indicating that they were allowing Cooperatives and Districts to consider a six-month extension. The six-month

extension was not a feasible solution, due to the difficulty Districts and Coops would have budgeting for the year. The latest information that was sent out, states that they are now going to allow Cooperatives and Districts to consider a twelve-month extension. Right now, we do not have to make a decision. The application for the twelve-month extension is not even out yet. This will be talked about more in the Finance Committee Meetings.

ISBE has also given a little more guidance as to how the Cooperatives can bill the Districts. The suggestion from ISBE is to do it through purchased services. This may require SPEED to change our Articles of Agreement. The other option is that we could enter into inter-governmental agreements. Kevin attended a NIRT meeting with Business Managers of Co-ops this week and a lot of them are leaning towards applying for the twelve-month extension.

SPEED has begun planning for the 19/20 school year. We are using the monthly enrollment reports for our planning purposes. Currently, SPEED's enrollment numbers are very comparable to last year's numbers. Planning meetings with the principals will begin next Thursday.

Dr. Halliman handed out information on upcoming professional learning opportunities.

FINANCIAL REPORT

The fund balance as of January 10th was \$3.7M. We are about 50% through the fiscal year. We have expended \$11.5M and realized \$9.2M. The October and November tuition revenue checks are beginning to come in. This will increase the fund balance.

The transportation contract has been finalized. We were able to extend for one year with Cook-Illinois at an increase of 5.75%.

Mr. Slattery has submitted an application for a grant through the NSLP and is hoping to get \$12,000 to help pay for two new ovens and a new warmer for the kitchen.

CONSENT AGENDA

Dr. Navarre moved, seconded by Dr. Leak that the Operating Committee approves the Consent Agenda as presented.

- A. Personnel Report**
- B. Minutes of October 19, 2018**
- C. Closed Session Minutes of October 19, 2018**
- D. Recurring and Non-Recurring Bills from October, November, and December of 2018 and January of 2019**
- E. Imprest and Activity Funds for November, 2018**

On a roll call vote:

Ayes: Dr. Patterson, 144; Dr. Mitchell, 153; Ms. Latman, 161; Dr. Nottke, 163; Dr. Leak, 168; Dr. Jackson, 169; Ms. DeBruin, 172; Ms. Belotti, 201U; Dr. Navarre, 206; and Dr. Mansfield, 233

Nays: None

Absent: Ms. Duskey, 162; Ms. Lindsay, 167; Mr. Amadio, 170; Dr. Hahto, 194; Dr. Thomas, 227; and Mr. Bean

Motion carried.

NEW BUSINESS

Dr. Leak moved, seconded by Dr. Navarre that the Operating Committee approves New Business Items A – C as presented.

- A. Short-Term Substitute Training Agreement**
- B. FY18 Audit Report Approval**
- C. Extended School Year Dates**

On a roll call vote:

Ayes: Dr. Patterson, 144; Dr. Mitchell, 153; Ms. Latman, 161; Dr. Nottke, 163; Dr. Leak, 168; Dr. Jackson, 169; Ms. DeBruin, 172; Ms. Belotti, 201U; Dr. Navarre, 206; and Dr. Mansfield, 233

Nays: None

Absent: Ms. Duskey, 162; Ms. Lindsay, 167; Mr. Amadio, 170; Dr. Hahto, 194; Dr. Thomas, 227; and Mr. Bean

Motion carried.

OLD BUSINESS

Ms. Latman moved, seconded by Dr. Leak that the Operating Committee approves Old Business item A. as presented.

- A. Transportation Contract Extension**

On a roll call vote:

Ayes: Dr. Patterson, 144; Dr. Mitchell, 153; Ms. Latman, 161; Dr. Nottke, 163; Dr. Leak, 168; Dr. Jackson, 169; Ms. DeBruin, 172; Ms. Belotti, 201U; Dr. Navarre, 206; and Dr. Mansfield, 233

Nays: None


Absent: Ms. Duskey, 162; Ms. Lindsay, 167; Mr. Amadio, 170; Dr. Hahto, 194; Dr. Thomas, 227; and Mr. Bean

Motion carried.

ADJOURNMENT

Dr. Jackson adjourned the meeting at 10:44 AM.

Date: 3/25/19



Dr. Gregory Jackson, Secretary
Lori Koditek, Recording Secretary



Mr. Ron Bean, President
SPEED Operating Committee