

AEA 11 Board of Directors
6500 Corporate Drive
Johnston, Iowa
Tuesday, January 12, 2010

MINUTES

REGULAR BOARD MEETING

Board President Ms. Ann Wilson called the regular meeting of the Heartland AEA Board of Directors to order at 5:40 p.m.

Board Members Present: Dr. Jane Bell, Ms. Margaret Borgen, Dr. Earl Bridgewater, Mr. Bruce Christensen, Mr. Cal Halliburton, Mr. Nels Turnquist and Ms. Ann Wilson.

Dr. Steve Rose joined the board meeting via conference call at 5:48 p.m.

Ms. Marcy Sparks joined the board meeting via conference call at 5:49 p.m.

Administrative Staff Present: Ms. Arletta Dawson, Ms. Laura Gillon, Mr. David King, Ms. Sheila King, Mr. Steve Prall and Ms. Jenny Ugolini.

Approval of Agenda

The agenda was amended to include an update on the board goals, the AESA conference and the AEA governing board meeting. The recognition for Superintendent Dennis Wulf was also rescheduled for February. A MOTION was made by Mr. Bruce Christensen and seconded by Dr. Jane Bell to approve the amended agenda. Motion carried unanimously.

Public Hearing

No one was present to speak at the public hearing regarding the 2010-11 proposed budget.

Public Forum

No one was present to speak at the public forum.

Discussion Items

Board Goals

Dr. Jane Bell reviewed the goals developed by board members. It was agreed that these goals would remain in place until 2011.

Goal 1: To be responsible employers.

Goal 2: To be fiscally responsible and accountable.

Goal 3: To continue Heartland's transformation.

Goal 4: To advocate for a unified state AEA system.

2008-09 Audit, Pittman & Company, LLP

Mr. John Pittman with Pittman and Company, LLP reviewed the results of the Agency's 2008-09 audit. Mr. Pittman met with the Board Audit Committee who reviewed and approved the findings. The results of the audit indicate that the Agency is in-line with general accounting principles and standards, and it has been given an unqualified clean audit opinion of its financial statements.

Amended 2009-10 Budget and Proposed Budget for 2010-11

Mr. David King updated the Board on the 2009-10 amended budget and discussed concerns about the FY2010-11 budget. The recent budget cuts have been disappointing and have caused the Agency to review its resources as they become more limited. American Recovery and Reinvestment Act (ARRA) funds together with \$850,000 from fund

balance, is budgeted each of the next two years to cover gaps in the budget. While staff have played a strong role in building a "culture of austerity" in an effort to reduce expenses, the ability to cut costs won't occur as quickly as revenue is being reduced. The Agency will not be able to maintain a five percent fund balance during these times of budget shortfalls. Since the Agency has no taxing authority it will have to settle on a lower percentage balance for the next several years. There is no ability to reliably predict what will occur over the next five months while the legislature is in session regarding funding for FY2009-10 nor FY2010-11.

As the Agency moves into FY2011-12, it is anticipated that continued funding reductions will result in dramatic challenges and changes for the Agency. Based on the State's financial condition it is expected the Agency will not receive full funding and ARRA funds will be consumed. It will also be harder to make more non-personnel cuts in the future beyond what is already being done. The Agency could experience over a \$3M gap, which is roughly 40+ FTE. This is not to say reductions in force would occur at that level, but instead this provides a scope of measurement for the impact of the looming reduction. The District Services Council is meeting every week to review how services can be made more efficient and is moving quickly to act on these challenges.

A communication plan has been developed to inform staff about the condition of the budget. Ms. King will be meeting with Heartland leaders and the Staff Advisory Council next week and articles are being drafted for the Connection.

Action Items

2008-09 Audit Report

A MOTION was made by Ms. Margaret Borgen and seconded by Mr. Bruce Christensen to accept the 2008-09 audit report as presented by Pittman and Company LLP. Motion passed unanimously.

Technology Server Bunker

A MOTION was made by Mr. Cal Halliburton and seconded by Mr. Nels Turnquist to approve contracts from Brocon Services LLC in the amount of \$148,000 and Wolin Electric LC in the amount of \$15,769 for general construction and electrical contracting, respectively, for the technology server bunker pending final approval from the Department of Education. Motion passed unanimously.

Consent Agenda

Personnel Report

Bills (Cal Halliburton)

Minutes of December 8, 2009 Board meeting

Purchase of Service Agreement ARRA Funds between Ames CSD and AEA 11

Purchase of Service Agreement ARRA Funds between Des Moines Public Schools and AEA 11

Purchase of Service Agreement ARRA Funds between Indianola CSD and AEA 11

Purchase of Service Agreement ARRA Funds between Manning CSD and AEA 11

Purchase of Service Agreement ARRA Funds between Newton CSD and AEA 11

Fourth Amendment to Dixon Warehouse Lease Agreement

A MOTION was made by Mr. Nels Turnquist and seconded by Mr. Cal Halliburton to approve the consent agenda including payment of warrant numbers 00345214 through 00345881. Mr. Cal Halliburton reviewed the bills and stated that everything is in good order. Motion carried unanimously.

Closed Session

A MOTION was made by Ms. Margaret Borgen and seconded by Mr. Bruce Christensen to hold a closed session as provided in Iowa Code Section 21.5, (1)(c) to discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent where its disclosure would likely prejudice or disadvantage the position of the government body in that litigation.

Dr. Jane Bell	Aye
Ms. Margaret Borgen	Aye
Dr. Earl Bridgewater	Aye
Mr. Bruce Christensen	Aye
Mr. Cal Halliburton	Aye

Dr. Steve Rose	Absent
Ms. Marcy Sparks	Aye
Mr. Nels Turnquist	Aye
Ms. Ann Wilson	Aye

Motion carried unanimously. The Board of Directors entered into closed session at 7:15 p.m. and returned to public session at 9:03 p.m. A MOTION was made by Mr. Cal Halliburton and seconded by Ms. Margaret Borgen to return to closed session to discuss the 2010-11 negotiation session.

Dr. Jane Bell	Aye
Ms. Margaret Borgen	Aye
Dr. Earl Bridgewater	Aye
Mr. Bruce Christensen	Aye
Mr. Cal Halliburton	Aye
Dr. Steve Rose	Aye
Ms. Marcy Sparks	Absent
Mr. Nels Turnquist	Aye
Ms. Ann Wilson	Aye

Motion carried unanimously. The Board of Directors entered into closed session at 9:03 p.m. to discuss 2010-11 negotiations and returned to public session at 10:11 p.m.

AEA Governing Board Update
Tabled

Board Comments

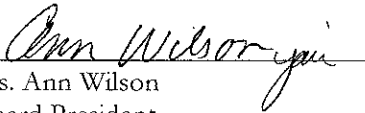
- Dr. Earl Bridgewater shared that he heard numerous compliments regarding Ms. King's role as interim chief administrator at the December AESA Conference. He spoke with other AEA chief administrators who were very complimentary of the work Ms. King has been performing at Heartland.

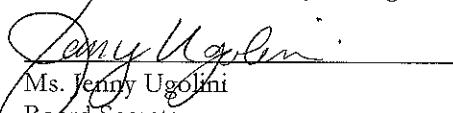
Interim Chief Administrator Comments

Ms. King will write a written update for the Board and will email it later this week.

The meeting was adjourned at 10:15 p.m.

Reports and documents and the full text of motions, resolutions or policies considered by the Board at this meeting are on file in the Board Secretary's office, 515/270-9030 ext. 14441, Monday through Friday, 7:30 a.m. – 4:30 p.m.


Ms. Ann Wilson
Board President


Ms. Jenny Ugolini
Board Secretary

Heartland Area Education Agency is dedicated to enriching people's lives. We are partners for learning who provide cutting-edge services for children and youth, families, schools and communities. Heartland AEA is a pro-active and caring organization fueled by a passion for excellence in all we do. We are committed, every day, to helping people grow, develop and learn. Heartland Area Education Agency 11 does not discriminate based on gender, gender identity, race, national/ethnic origin, creed, age, marital status, sexual orientation, or disability.