

**SOUTHERN MINNESOTA EDUCATION CONSORTIUM #6083
CABINET**

Regular Meeting

Tuesday, December 15, 2020 9AM

SMEC Office, 21697 HWY 56, Austin, MN 55912

The regular meeting of the Cabinet of Southern Minnesota Education Consortium #6083 was called to order at 9:03AM by Dan Armagost on Tuesday, December 15, 2020. Due to COVID-19, the social distancing recommendations are being followed and the meeting was held virtually via Zoom video conferencing. The meeting opened with roll call to determine a quorum. Cabinet members in attendance were: Brian Shanks (AC & GE), Paul Besel (GM), Jamie Goebel (LY), Scott Hall (SO), Jennifer Backer-Johnson (LO) and Jim Hecimovich (KPS). Administration and staff in attendance were: Executive Director Dan Armagost, Director Denise Kennedy, Business Manager Nicole Fitzgerald and Administrative Assistant Elizabeth Rice. Guests in attendance were: Kelly McCalla (Riverland), Heather Schutte (Career Navigator), and Jason Boynton (Smith & Schafer Auditors).

A motion was made by Paul Besel to approve the agenda, seconded by Jamie Goebel. Motion carried.

Public comments/recognition:

No items.

Approval of Agenda:

A motion was made by Paul Besel, seconded by Jim Hecimovich to approve the Consent Agenda with the moving of the presentations from Riverland and Smith Schafer ahead of the Committee Reports. Motion carried. Items approved in the Consent Agenda were: Minutes from the November 17, 2020 Regular Meeting; the Treasurer's Report/Financial Report; the NEXT Step bank account statements; approval to hire Taylor Swanek, daily sub teacher for remainder of 2020-2021 school year.

Committee Reports:

Review of Target Goals: on hold due to COVID

- A. Marketing/Public Relations
- B. Transportation
- C. Riverland

- Presentation from Kelly McCalla in regards to the options for bundling courses and availability of concurrent courses.
 - i. Uses for concurrent courses: offer specific courses (ie: calculus, higher sciences) for PSEO students to allow them to stay within the district for the class
 - 1. College instructors could potentially come to the district or virtually teach
 - 2. High School teachers could consider working part-time through the college to teach courses
 - ii. Career Academy is an option to allow for students to explore opportunities (medical, technical, and others)
 - 1. Bridges Career Academy is an example that Riverland is looking to follow
- Heather Schutte: mentioned that the Future Ready Grant can be used for PSEO and concurrent enrollments

- SMEC Academy: will most likely see a higher number of students needing this for credit recovery option

New Business Items:

- A. Riverland presentation moved to above – no action
- B. Presentation of FY20 Audit – Jason Boynton, Smith Schafer
 - An increase in the expenditures was noted in FY20; resulted in a deficit of \$23,000
 - Other Revenue source includes everything that is not federal or state
 - In FY19 \$130,000 should have been identified as ALC funds
 - FY20 fund balance is 10.3%; minimum is 10%; other districts range between 13-20%
 - Need to look into determining way to increase minimum fund balance to cover at least 2 months of operational expenses
 - Motion by Brian Shanks, seconded by Jennifer Backer-Johnson to approve the FY20 Audit as presented. Motion carried.
- C. SMEC Billing Procedures FY21
 - Looking into the transportation piece to see if SMEC can code to 143 for reimbursement instead of billing
 - This would only apply to students transported via SMEC owned vehicles
 - PB: can see some financial implications
 - Level III/membership fees
 1. Why are utilities, disposal, snow removal/lawn care included?
 2. Need to know actual numbers for revenue and expenses
 - Not comfortable approving this document until having better information of revenue/expenses
 - JH: Is it time to get a second professional opinion? Bring in Paul Ferrin, MDE Sped Finance?
 - Need to include Board, Cabinet, and Business Managers to ensure that everyone hears the same message.
 - JBJ: Agreed. We need to have additional opinion of the situation.
 - JG: Agree that we should have Paul Ferrin come to review.
 - DA: Will contact Paul Ferrin to set up a time to meet with the group.
 - SH: Biggest concern is that the bond payment is not set up equitably among the districts (based on the Level III fund use)
 - What are the actual numbers (revenue/expense) for FY17, FY18, FY19?
 - JBJ: We need to go back to the Joint Powers to re-establish the base reason we became a coop and to ensure this is still relevant.
 - Motion by Paul Besel, second by Brian Shanks to table the Billing Procedures, Fund Balance Policy, and Bond Payment Schedule until after meeting with Paul Ferrin to have more questions answered. Motion carried.
- D. Fund Balance Policy – tabled
- E. Bond Payment Schedule – tabled
- F. MOU with IMS to provide for mental health services to students in the ALC. SMEC will provide for the space to meet with students.
 - Motion by Scott Hall, seconded by Brian Shanks. Motion carried.

Old Business Items:

- A. Reviewed the steps started in creating the formula for the non-member access fee.

Administrative Reports:

Director Updates (Denise Kennedy):

- COVID update:
 - Working with host districts for the return plans in January

- Looking to have planning days for ALC/RESET/ and some of Level III programs on December 21-23
- Student teachers
 - Working with Winona to get checks out to student teachers

Executive Director Updates (Dan Armagost):

- Building Updates: water filtration system – cost to install approx. \$10,206; would like to move forward with this. Motion by Jim Hecimovich, second by Brian Shanks to move forward with purchase/installation of water filtration system. Motion carried.
- Finance Update: At this time, I do not feel that continuing to work with SMS as the business management service for SMEC is in our best interest. I will be giving SMS our 60-day notice to cancel the contract.
 - In support of this decision: Jim Hecimovich (KPS), Brian Shanks (AC/GE), Jennifer Backer-Johnson (LO), Scott Hall (SO)
 - No comment: Paul Besel (GM) and Jamie Goebel (LY)

Cabinet Comments:

No additional comments.

Next Meeting Date/Time:

The next regular meeting will be on Tuesday, January 19, 2021 at 9AM at the SMEC office.

Adjourn:

A motion to adjourn was made by Jim Hecimovich, seconded by Paul Besel. Motion carried. Meeting adjourned at 11:10 AM.

Unofficial minutes submitted by Elizabeth Rice, Admin Assistant for SMEC on December 15, 2020