

# CENTENNIAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES BOARD OF DIRECTORS

**June 17, 2010  
MEETING MINUTES**

## **1.0 OPENING OF MEETING**

The Board of Directors of the Centennial Board of Cooperative Educational Services met on June 17, 2010 at the Centennial BOCES Office - 2020 Clubhouse Drive – Greeley, Colorado.

## **1.1 CALL TO ORDER**

Mr. Tim Swain, Board Vice-President, called the meeting to order at 6:30 p.m.

## **1.2 SELF INTRODUCTIONS**

### **1.3 ROLL CALL**

- 1) John Cordova – Alternate, Ault-Highland RE-9
- 2) Mike Dixon, Brush RE-2J
- 3) Josh Fox – Alternate, Platte Valley RE-7
- 4) Sheryl Groves, Weldon Valley RE-20J
- 5) Marsha Harris – Alternate, Weld RE-1  
\*Ms. Harris arrived after roll call – during 4.0 Reports
- 6) Kelly Johnston, Briggsdale RE-10
- 7) Tony Paglia, Park R-3
- 8) Rod Schmidt, St Vrain RE-1J
- 9) Mike Steinbach, Wiggins RE-50J
- 10) Tim Swain, Eaton RE-2
- 11) Nolan Troudt – Alternate, Prairie RE-11
- 12) Don Wilson, Johnstown/Milliken RE-5J

### **Board Members (or alternates) absent:**

- 1) Mary Burson – Pawnee RE-12
- 2) Rob Carruth, Morgan RE-3
- 3) Sharon Olson, Thompson R-2J

### **Superintendents present:**

- 1) Linda Chapman, Park R-3
- 2) Marty Foster, Johnstown/Milliken RE-5J
- 3) Jo Barbie, Weld RE-1
- 4) Glenn McClain, Platte Valley RE-7
- 5) Rob Ring, Ault/Highland RE-9
- 6) Joe Kimmel, Prairie RE-11

### **BOCES Staff present:**

Randy Zila, Executive Director  
Terry Buswell, Chief Financial Officer / HR Director  
Becky Minnis, Special Ed / Gifted & Talented Director  
Melony Sandquist, Executive Administrative Assistant

**Guests:**

Dr. Don Saul, Independent Consultant  
Christine Muldoon, CBOCES Program Coordinator  
Ken Fellman, Legal Counsel - Broadband Grant Project

**1.4 APPROVAL OF AGENDA**

Mr. Tony Paglia moved to approve the Agenda as presented. Seconded by Mr. Mike Steinbach.

The motion passed by an unanimous roll call vote: [John Cordova, yes; Mike Dixon, yes; Josh Fox, yes; Sheryl Groves, yes; Kelly Johnston, yes; Tony Paglia, yes; Rod Schmidt, yes; Mike Steinbach, yes; Tim Swain, yes; Nolan Troudt, yes; Don Wilson, yes]

**1.5 APPROVAL OF MINUTES**

**Ms. Sheryl Groves moved to approve the Minutes from May 20, 2010. Seconded by Mr. Mike Steinbach.**

**The motion passed by a unanimous roll call vote: [John Cordova, yes; Mike Dixon, yes; Josh Fox, yes; Sheryl Groves, yes; Kelly Johnston, yes; Tony Paglia, yes; Rod Schmidt, yes; Mike Steinbach, yes; Tim Swain, yes; Nolan Troudt, yes; Don Wilson, yes]**

**1.8 SAC REPORT**

Dr. Glenn McClain provided a report from the June 4, 2010 SAC meeting.

- Appreciate all the work Dr. Zila has done in a very short amount of time
- Superintendents received information at their meeting regarding the EARSS Grant
- Aims staff (John Dixon and Steven Kahla) reported on the Aims/BOCES High School Diploma Program
- Dr. Don Saul was a guest the June 4<sup>th</sup> SAC Meeting. Dr. Zila introduced Dr. Saul and announced that Dr. Saul would be conducting a financial / organizational review of the CBOCES

**2.0 CONSENT AGENDA**

- 2.1 Approve Personnel Items
  - Staff Renewal List
  - Change in Personnel
    - Non Renewals
    - New Hires & Summer Staff
    - Resignations / Releases
- 2.2 Approve Revised Benefit Schedules A,B,C (See Memorandum 2.2 for details)
- 2.3 Approve Special Ed Agreements
- 2.4 Approve Supplemental Appropriations
- 2.5 Approve Revised Policy JFABD on Second Reading

**Mr. Don Wilson moved to approve the Consent Agenda as presented, including the two revisions of 2.1 Personnel Items. Seconded by Mr. Nolan Troudt.**

**The motion passed by a unanimous roll call vote: [John Cordova, yes; Mike Dixon, yes; Josh Fox, yes; Sheryl Groves, yes; Kelly Johnston, yes; Tony Paglia, yes; Rod Schmidt, yes; Mike Steinbach, yes; Tim Swain, yes; Nolan Troudt, yes; Don Wilson, yes]**

### **3.0 BROADBAND GRANT DISCUSSION / REVIEW**

Dr. Randy Zila reported on recent activity around the Broadband Grant process. Mr. Ken Fellman was in attendance for this discussion and responded to questions and concerns. Following is a summary of recent activity, comments and recommendations:

- CBOCES is currently in the due diligence phase of the grant process and responding to 21 questions, many of which were environmental concerns
- Due diligence process should take approximately 3 weeks
- Conference, calls including many stakeholders, are taking place – several a week
- Broadband Task Force has had one meeting – Attorney Dick Bump was in attendance, another meeting is scheduled for June 22<sup>nd</sup>
- IBM is playing a huge role in the due diligence process
- More letters of support have been received
- Mr. Dick Bump is working on re-wording the IGA
- A tentative Special Board Meeting was set for July 15<sup>th</sup>. If CBOCES is notified prior to July 15<sup>th</sup> that they did not receive the Grant, this meeting will not be necessary
- Recommend no action be taken at this meeting. Dick Bump will provide additional guidance and recommendations when the Task Force meets on June 22<sup>nd</sup>

#### **Discussion:**

- If the Grant is awarded – who will be the CEO – CBOCES needs to maintain control
- CBOCES does not currently have the necessary Tech staff to move the process forward if the Grant is awarded
- Requests for Dr. Zila to further investigate CBOCES staff time devoted toward the Broadband Grant, both past and present

### **4.0 REPORTS**

#### **4.1 Program Director Reports**

- Mary Ellen Good – Federal Programs / Learning Services Director
  - Recently awarded a 3 year - \$45,000 per year - Homeless Education Grant
  - Migrant Regional Grant was submitted for \$2.4 million
  - Consolidated Application will be submitted the end of June
- Terry Buswell – CFO / HR Director
  - Finalizing Perkins Grant
  - Finalizing End of Year
  - All other reports will come later on the Agenda under Financial Reports
- Becky Minnis – Special Education & Gifted/Talented Director
  - Special Education:
    - When CDE conducted a review of our December 1, 2009 special education count data, it triggered a red flag that we possibly had “disproportionate representation” of students with disabilities who are Hispanic with an eligibility of Specific Learning Disability (SLD). When that occurs, CDE is required by the Office of Special Education Programs (OSEP) to conduct a review of the District’s policies, procedures and practices related to special education eligibility determination to determine whether the disproportionate representation is a result of inappropriate identification. This review occurred on June 10, 2010

- Although we do not have the official report back yet, the CDE team did debrief with me and the special education coordinators. The great news was that they did not find us to be out of compliance; in fact, they shared many compliments:
  - \*They commented that they saw evidence of good collaboration between special education staff and English Language Acquisition teachers
  - \*They noted evidence that our BOCES has moved from use of the old discrepancy model of SLD determination of eligibility to the new criteria
  - \*They noted good focused assessments and good integrated reports
  - \*They observed good documentation in the eligibility reports; and
  - \*They said that we had the best “Prior Written Notices” that they had seen
  - \*They especially liked a SUDS (Student Underachievement Documentation Summary) form developed by Janelle Bierdeman, School Psychologist, and asked to take a copy of it to share
- They had a few recommendations to help improve some of the paperwork for a few specific students, but nothing that put us out of compliance. We will take that information and incorporate it into our training plan in the fall
- Gifted Education:
  - I met with Christine Muldoon today to brief her on the Gifted and Talented program, reports, budget, and other related items so that she can take over that responsibility as the G/T Coordinator as of July 1
  - I submitted our G/T Program Plan for 2010-2011 prior to the due date of May 28. I also sent out a data collection form this week to district G/T contacts to begin collecting data for the G/T End-of-Year report due on September 30, and I submitted our G/T Improvement Plan today. Our G/T Improvement Plan, a result of our audit in January, targeted goals involving better communication with gifted students and their parents, and programming goals aligning curriculum with goals on Advanced Learning Plans
- Randy Zila, Executive Director
  - Working a lot on the Broadband Grant – many conference calls and special meetings have taken place over the past several weeks
  - Special Ed Director Interviews took place earlier today, there are 3 semi-finalists
  - Thanks to Becky Minnis for her year of Service to Centennial BOCES. Dr. Zila wished her much success in her job as Superintendent at Fairplay RE-2 School District

Dr. Zila introduced Dr. Don Saul to the group, outlining Dr. Saul’s impressive list of qualifications and capabilities in the area of educational leadership and finance. Dr. Saul has completed an independent, financial review of Centennial BOCES over the past several weeks and summed up his findings as follows:

- It is important to look at the financial history of the organization to determine what led to the loss of liquidity and what can be done to regain financial stability. The two largest reasons for the financial decline are:
  - Overall expenses involved with the Broadband Grant project
  - CVA funds received on behalf of Weld Opportunity High School whereby \$375,000 was earmarked as an overpayment and had to be refunded
- With those two one-time events set aside, the revenues are now pretty well aligned with the budget
- This is an organization with all the capacity for sustained solvency; the upcoming year will be tight, but it is possible to move forward and regain liquidity
- Following is a copy of Dr. Saul’s letter to Dr. Zila that was shared with the Board:

Don Saul, Ph.D.  
2105 Ponderosa Drive  
Loveland, CO 80538  
970-213-4568

Randy Zila  
Executive Director  
Centennial BOCES  
Greeley, Colorado

June 16, 2010

Randy,

I am writing in response to your request for me to review and analyze financial documents and other information related to the overall financial condition of the Centennial BOCES. Over the last few weeks, I've been provided with the necessary data and have participated in related discussions in order to do so. I've also worked extensively with Terry Buswell, Director of Financial Services and Human Resources for the BOCES to review budget proposals and future financial pressure points in order to project the likelihood of continued solvency for the organization. As a result, I am prepared to share the following findings and would be happy to attend the BOCES Board meeting tomorrow and share those with Board members.

Overall, concerns regarding the direction of the organization's financial condition during the current budget year are justified. Clearly, during 2009-2010, the BOCES experienced difficult financial and organizational challenges. Most of those, however, represented onetime events. Over the course of the year, liquidity, in the form of cash and investments, declined to the extent that, not surprisingly, Board members raised questions as to the ability to sustain operations. I estimate that the decline will approach nearly 50%. However, an examination of the proposed 2010-2011 budget, along with an analysis of annual cash flow patterns, revenue levels from program grants and district assessments, proposed and actual staff reductions, changes in design of core services delivery, including technology and special education services, shows adequate liquidity to assure the continued solvency of the organization. In fact, with the exception of two notable deficit driving circumstances, the 2009-2010 budget experience will likely show a positive outcome.

At the end of the 2008-2009 budget year, the audited financial statement showed cash and investments of approximately \$1.475m, while the equivalent figure for the end of the current year is estimated to range between \$700K and \$850K. Given my review of likely revenue and expenditure numbers, as well as past years' patterns of grant funding, I believe that estimate to be conservative and sensible. The change reflects the 50% decline mentioned above and stems from what appears to reflect the failure of technology services project billing expectations, originally budgeted as \$374K of local revenues and to BOCES' requirement to repay \$375K of state revenue for Vocational Education funding. Combined, that magnitude of revenue shortfall and unanticipated expense resulted in substantial reduction of liquidity between this year and last. At the same time, a review of revenues and expenditures projected as of the end of May demonstrates that, other than the \$749K lost to project billing and VocEd repayment along with budgeted fund balance use, overall revenues will align with expenditures for the year.

As I indicated before, I'll be happy to share my findings and the process used to reach these conclusions with Board members on Thursday. I appreciate your faith in my ability to provide help for an organization with which I was associated for many years and which I feel provide important services to its member districts.

Sincerely,

Don Saul, Ph.D.

#### **4.2 Financial Reports – Terry Buswell**

- Board Notes for 6.17.10 Meeting
- Investment Report through 5.31.10
- 2 Page Financial Report Summary through 5.31.10
- 16 Page Expense Detail Report through 5.31.10
- Cash Flow Analysis Report through 5.31.10
- Cash Flow Chart through 5.31.10

**Mr. Buswell reviewed each document and responded to questions. A PowerPoint presentation was also delivered titled “2010 – 2011 Budget & Financial Issues Report”**

#### **5.0 ACTION ITEMS**

- 5.1 Approve Centennial BOCES 2010 – 2011 Budget and Budget Appropriation Resolution in the amount of \$13,085,361.00

**Mr. Rod Schmidt moved to approve the CBOCES 2010 – 2011 Budget and Budget Appropriation Resolution in the amount of \$13,085,361.00 as presented. Seconded by Mr. Tony Paglia.**

**The motion passed by a unanimous roll call vote: [John Cordova, yes; Mike Dixon, yes; Josh Fox, yes; Sheryl Groves, yes; Marsha Harris, yes; Kelly Johnston, yes; Tony Paglia, yes; Rod Schmidt, yes; Mike Steinbach, yes; Tim Swain, yes; Nolan Troudt, yes; Don Wilson, yes]**

- 5.2 Approve authorizing the use of a portion of the FY 2010-11 Beginning Fund Balance in the amount of \$346,436.00

**Mr. Tony Paglia moved to approve authorizing the use of a portion of the FY 2010 – 2011 Beginning Fund Balance in the amount of \$346,436.00 as presented. Seconded by Mr. Mike Dixon.**

**The motion passed by a unanimous roll call vote: [John Cordova, yes; Mike Dixon, yes; Josh Fox, yes; Sheryl Groves, yes; Marsha Harris, yes; Kelly Johnston, yes; Tony Paglia, yes; Rod Schmidt, yes; Mike Steinbach, yes; Tim Swain, yes; Nolan Troudt, yes; Don Wilson, yes]**

#### **6.0 FUTURE AGENDA ITEMS**

**A Special Meeting was scheduled for July 15, 2010 to deal specifically with the Broadband Grant process. If Centennial BOCES is notified prior to July 15<sup>th</sup> that we have not received the Grant, this Special Meeting will not be necessary.**

#### **ADJOURNMENT**

Mr. Tim Swain adjourned the meeting at 8:00 pm.

Respectfully Submitted,

Melony Sandquist  
Executive Administrative Assistant  
Centennial BOCES