

MNIC ELA Campus
300 Industrial Blvd.
Minneapolis, Minnesota 55413

Minutes

MEETING OF THE BOARD OF EDUCATION

Tuesday August 18, 2009

10:00 AM

Held at 2705 Fremont Ave. N., Minneapolis, MN (Unity Site)

Membership: Kat Anthony-Wigle, Ali Egaale, Jama Farah, Omar Fiqi, Susan Knittel, Kathy Reamer, Takara Spaulding, Oliver White, Reggie Womack

Ex officio: Kevin Byrne, Chanda Baker (Smith)

Note: All votes were unanimous unless otherwise stated.

Items distributed at the meeting include: Agenda, unapproved board minutes from July 21, 2009, approved board minutes from June 16, 2009, Special Report to the Board (August 10, 2009), MNIC Cash Flow projection (7/2009-10/2010), Insurance Proposal Summary (American Agency), Memorandum of Understanding with People's Center Medical Clinic.

I. CALL TO ORDER:

Ms. Knittel called the regular meeting to order at 10:20 AM.

Members Present: Jama Farah, Susan Knittel, Kathy Reamer, Reggie Womack; Oliver White (tardy), Kat Anthony-Wigle; Absent: Ali Egaale, Omar Fiqi, Takara Spaulding.

Others Present: Katie Boe, Kevin Byrne, Samone Derks, Sue Francis, Nicole Harris, Gertrude Hoskins, Melissa Kappenman, Amy Libman, Don Link, Susan Natala, Kate Oliver, Kristin Quinn, George Sand, Janet White, Stephen Bosacker (Designs for Learning)

II. APPROVAL OF THE AGENDA

Additions: Retaliation Issue in Other Business

Mrs. Reamer moved to approve the agenda as amended. Jama seconded. Passed

III. REVIEW BOARD MINUTES FROM 7-21-09

Add Kat Anthony Wigle as attending

Ms. Anthony-Wigle moved to accept the minutes of 7/21/2009 as amended. Mr. Womack seconded. Passed.

IV. CALENDAR AMENDMENTS W/175 TEACHER DAYS AND 167 STUDENT DAYS (Kevin/Susan)

Proposal to reduce teacher days from 180 to 175 and student days from 171 to 167.

Ms. Reamer moved to amend the MNIC calendar to 175 teacher days and 167 student days. Jama seconded.

Discussion: This change was partly to reduce costs for the school due to the 27% holdback. Some school days will be half days for students to allow staff to have necessary meetings. There will be no extra week of teacher work shop days as in previous years; only a few days will be planned this year. This change will save 5.8% in the budget.

Vote: Passed.

V. BOARD TRAINING (Attorney John Cairns)

A. Board Bylaws

John Cairns could not attend today. Mr. Byrne explained discussion is about changing the bylaws and holding an election for 3 of the 9 positions. MNIC Bylaws need to be revised to comply with new statutory requirements. There would need to be a separate board meeting to address this topic. Questions were raised about what the new statutes require and what is the sequence of events to approve new bylaws.

VI. INSURANCE ISSUES

A. General School Liability And Workman's Compensation Insurance Bid (Kevin Byrne)

MNIC must annually renewal liability insurance. The MN School Board Association no longer provides insurance to charter schools. Another company, River Port, submitted a favorable bid. This bid covers insurance for loss of income and nearly full replacement of damaged/lost MNIC property. River Port requires MNIC to join the MN School Board Association. [Mr. White arrived] A bid for workman's comp also just came in, at a discount. Total cost is about the same as last year with better coverage.

Ms. Reamer moved to approve the River Port insurance company bid for MNIC insurance. Ms. Anthony-Wigle seconded. Passed.

B. Health Insurance Bid/Discussion (Health Insurance Task Force)

Ms. Knittel reported that administration asked every employee to fill out a survey for health insurance. The goal is to reduce insurance costs by hopefully 20% after fees. Meeting this goal will help further reduce costs due to the 27% Holdback. One bid came in with a 17% reduction. Delays in timing to implement lower cost insurance can increase school costs and harm the MNIC budget. Ms. Knittel requested everyone to respond to the survey. The goal is to complete bidding by Sept 1. Discussion about features. As soon as bids are available the Health Insurance Task Force will analyze these and then pass on a recommendation to the Board for action.

C. Insurance to Cover Domestic Partners (Susan Knittel)

Ms. Knittel requested the Board to take first steps to provide insurance for employees with a domestic partner. Insurance for this coverage would be the same as coverage for families. Insurance would be the same as a family plan with the same procedures and requirements. Criteria are available to define a domestic partnership.

Mr. White moved to accept insurance coverage for domestic partners of MNIC employees. Ms. Anthony-Wigle seconded. Passed.

VII. FINANCE AND BUDGET

A. Finance and budget report (George Sand)

Mr. Sand submitted a new cash flow plan from the Finance Committee based on a 27% holdback and 400 ADM students. Ms. Knittel read the Special Report to the Board letter from Susan Airhart, MNIC's financial manager. Mr. Sand reviewed the cash flow document. Timing of reimbursement for the 8.7% income reduction has not been determined yet so cash flow projections cannot place that income in the plan. The finance committee developed a plan to reduce costs as much as possible without harming education of students. With the projected likely income and expenses, the monthly cash position hovers close to or below \$0.00 starting in October. Serious deficits would start in June 2010. Increasing enrollment above 400 would help significantly, as would finding sufficient loans or line/s of credit.

B. Loan update (Kevin Byrne)

MNIC is pursuing an increased line of credit and loans.

C. 27% Holdback (Kevin Byrne)

About 70 Independent School districts are preparing for referendums due to the 27% holdback. Charter schools do not have as many options for financing. The new Charter School Coalition developed a number of strategies and approaches to help solve the hold back challenge. MNIC lessors have verbally agreed to receive deferred payments to match the 27% holdback schedule. Other actions are being pursued.

D. Plan for Financial Survival (George Sand)

The problem of the current holdback creates a longer term problem to fund the school. MNIC must figure out how to operate on a 20+% holdback for many years. Increasing the MNIC fund balance is an important step to manage that scenario. MNIC is seeking additional \$200,000 line of credit. A loan for \$150,000 may be available after MNIC meets specific conditions (demonstrated cost cutting and savings). Discussion about which loans and line of credit are in the cash flow document. Some loan money is not included in this document. Discussion about how to operate the school and increase enrollment.

An important step to solve the current crisis is to implement a 10% salary cut for all employees. Mr. Byrne recommends this cut. Do not depend on a "magic bullet" to solve this financial challenge.

Discussion of other steps to reduce costs:

Reducing student days means classes end before Memorial Day, giving students an edge for employment and allowing summer school to start sooner and run longer.

Ms. Reamer presented a collection of school supplies she was able to purchase for significantly lower costs. She explained to teachers how to get this benefit.

Field Trip costs can be reduced by charging a small transportation fee. There will be no field trip bus service without supplementing with fees.

Ms. Reamer moved that MNIC make a 10% wage cut for one year for all employees, due to the financial situation. Mr. White seconded.

Discussion: If other ideas come to save money, some of this salary cut could be restored. A 10% pay cut saves about \$260,000 in a year. Other options to cut this amount of money are to make cuts in transportation or lay off staff people. These don't preserve a quality education. This level of cut is necessary to qualify for the \$150,000 loan. Mr. Byrne established pay rates prior to the funding un-allotment (27% holdback). There is a possibility to restore the pay rates next year. (Board paused to move to Item VIII)

Discussion continued: The plan is to restore wages as other savings are found. A forum to explore savings options will be held in late August. A concern was raised that staff may criticize buying or not buying things for the school in view of the salary cuts. Keeping staff informed will help with this.

Vote: Passed with Ms. Anthony-Wigle abstaining.

E. Shiloh Issue (Kevin Byrne and Reggie Womack)

The MDE is not returning Mr. Byrne's calls and emails regarding the Shiloh site. This fits a pattern of MDE communications with other schools. Mr. Byrne does not think MDE people are actually ignoring him. An appeal is being prepared.

Mr. Womack reported on work being done to retain students who attended at Shiloh. He requested ideas on how to do this. A letter will be sent to the students explaining the situation. Child care will still be available for students' children at that location.

F. Grant Announcement/ Acceptance (Lisa Cooney)

Lisa Cooney was awarded a math manipulatives grant from the Math Association for teaching mathematics in MNIC.

Ms. Anthony-Wigle moved to accept this math grant from the Math Association. Ms. Reamer seconded. Passed.

G. Other Grant and Donation News

Mr. White and Ms. Spaulding are preparing donations requests and grant proposals.

VIII. HEALTH-CARE CLINIC COLLABORATION WITH CEDAR-RIVERSIDE PEOPLE'S CENTER AND MNIC (Peggy Metzger, Executive Director of The People's Center) 11:30 A.M.

Peggy Metzger, Director, Patricia Kelly, Board Chair, and Betsy David, Chief Operations and Financial Officer of Cedar Riverside People's Center, Inc. (CRPC) were introduced to the MNIC Board.

Ms. Kelly expressed how happy CRPC is to partner with MNIC to address MNIC students' health needs. Students of this age group often fall through the cracks in getting sufficient health care. Ms. Metzger thanked everyone for the work to create this partnership. They are very enthused about this opportunity. Ms. Metzger explained how CRPC provides primary care services and chronic care management in their clinic primarily at the Cedar-Riverside location. "Primary care" includes most common health needs and prevention of health problems. They have programs for: hepatitis, diabetes, hypertension, HIV/AIDS, guidance on medications use and issues, sports physicals, hearing and vision screening. CRPC will start oral health services in January with a mobile dentistry unit, which may be available at MNIC sites. Service will be open to everyone – students, children of students, families, and MNIC staff. A pediatric nurse practitioner will provide service to students. A doctor can be available for adults. Will accept most insurance and public health plans. Service location will be at ELA Thursdays from 10 AM to 2 PM in the north part of the building. Translator services are available. Costs are paid by insurance or a sliding fee scale . No one will be turned away because of inability to pay.

Ms. Reamer moved to accept the partnership with Cedar Riverside People's Center, Inc. according to the presented Memorandum of Agreement. Jama seconded. Passed.

IX. OTHER BUSINESS

A. Retaliation Issue

Several former ELA teachers sent a letter to the MDE and to the Sponsor complaining about MNIC. Some at the MDE met with some of these former teachers. Mr. Byrne will have a meeting with some people at the MDE about this matter.

B. Other matters

Mr. Womack requested reports be submitted to the Board informing on compliance for MNIC sites and other matters.

X. ADJOURNMENT

The next Regular Board Meeting will be held September 15th at the UTEC site at 4:30 PM

Mr. Womack moved to adjourn the meeting. Mr. White seconded. Passed.

Meeting adjourned at 12:13 PM.

Submitted by Stephen C. Bosacker