

**Quest Academy**  
District #4182  
Board Meeting Agenda – Regular Meeting  
Thursday, February 10, 2011 - 5:30 p.m.  
Most Holy Trinity Catholic Church  
3946 Wooddale Avenue S, St. Louis Park, MN 55416

**Members present**

Vickie Evans-Nash  
Lee Wignall  
Tracey Peterson

**Guests Present**

Shannon Seaver  
Ben Maxa  
Morgan Jones  
Melody Herbst  
Crystal Williams  
Marie Williams  
Jana Thorson

1. Call to order: Board roll call and meditation
2. Approval of the agenda – removal of statement by Lee Wignall, add treasurer’s report, switch order of budget and directors report

*Motion made by Vickie to approve the agenda, second by Tracey. **APPROVED***

3. Board Membership – John Cairns said we have to reach 5 members on the board, majority of them being teachers.
  - a. Appoint New Teacher Members

*Motion made by Tracey to approve Shannon Seaver as a board member, second by Vickie.*

**APPROVED**

*Motion made by Tracey to approve Marie Williams as a board member, second by Vickie.*

**APPROVED**

- b. Elect Officers – Chair, Vice Chair, Treasurer, Secretary

*Motion made by Shannon to nominate Vickie as Chair, second by Marie. **APPROVED***

*Motion made by Tracey to nominate Shannon as Secretary, second by Lee. **APPROVED***

*Motion made by Marie to nominate Lee as Treasurer, second by Tracey. **APPROVED***

*Motion made by Vickie to nominate Tracey as Vice Chair, second by Shannon. **APPROVED***

- c. Appoint Ex-Officio Board Members

*Motion made by Vickie to nominate Laura as Ex-Officio, second by Tracey. **APPROVED***

*Motion made by Shannon to nominate Robbie as Ex-Officio, second by Marie. APPROVED*

- d. Appoint Assistant Secretary

*Motion made by Vickie to nominate Robbie as Assistant Secretary, second by Marie. APPROVED*

- 4. Approval of previous board minutes – members need additional time to review board minutes so these will be approved at the next board meeting.
  - a. January 20 Special Meeting
  - b. January 30 Emergency Meeting
  - c. February 2 Special Meeting – added Nancy Ramler as a guest
  
- 5. CSC “Go-To Meeting” Presentation
  - a. CSC will purchase the obligation from the state of MN. The state sends money to the bank and sends it directly to CSC; we can work with our local bank. If the amount is \$150,000 and CSC purchased \$100,000, the bank sends \$100,000 to CSC and the difference goes to the school. All payments will go to the bank and the bank will administer the funds per the bill of sale. If no bill of sale exists, then the funds will be wired directly to the school.
    - i. If we receive less money than expected due to an ADM error, it is the school’s responsibility. They work with the school if this situation occurs.
  - b. Funding Estimate – program fee is 2%. Special Ed adjustment hasn’t been factored in yet because it needs to be confirmed with MDE, which should happen next week. CSC will be purchasing our holdback. CSC is valuing the holdback at this time at 80% for a total of \$230,000. They are only purchasing holdback that has already been earned; we’ve earned about ½ of the holdback at this time. CSC still doesn’t know what the State of MN is doing; believe holdback will be distributed as promised but no guarantee as of yet. Purchased for funding date of 2/22.
  - c. CSC Resolution – recommend asking for \$500,000, which doesn’t obligate us to use it all.

*Motion made by Lee to approve the resolution, second by Vickie. APPROVED*

6. Financials and Governance

- a. Treasurers Report – The Executive Director did not wish to make this a closed Board meeting.
  - i. How did the crisis occur – projected enrollment in June of 124 for the year and we were paid on that until January. Our enrollment was submitted in January at 87. January 11 MDE put out a report that they were going to reduce ADM to 87. We are missing one full payment and 2/3 of our next payment. We are over spending \$12,000 per month at a minimum. Our accounting firm didn’t code sped correctly and that was just a portion of the problem. The major problem should’ve been known, which was getting overpaid for ADM.
  - ii. Sped Para Designations – cash crunch at the beginning of the year led to Sped Para designations. Treasure believes in order to be classified as that, you need to be providing services exclusively to Sped students. Our Sped Paras are working in classrooms with sped and regular ed students. We are balancing our budget based on Sped Para designation. Once we’ve reported an amount for Sped Paras for maintenance of effort, it is hard to go under that amount.

- iii. Budget – three disbursements for \$70,220 for sped payments in the budget, ERDC didn't have the copy of the budget with these numbers, our sped director didn't know about the amounts either. At the board meeting ED stated that BKDA put those in as place holders so we removed them. Later ED stated she put those numbers in there because there was additional sped money that we should've been receiving.
  - iv. Misstatements given to the Board and staff regarding our finances.
  - v. ED increasing personal salary without knowledge or approval of the board – don't remember approving or discussing \$70,000 at 1.0, there was a discussion of a continuation of a contract from last year.
- b. Directors Response: fully admit that we overestimated general ed aid. Didn't see it coming and should have and relied on ERDC to heavily. ERDC provides monthly state reports to discuss numbers. Robbie submitted enrollment information to the state and assumed the state had made the changes. ED will not rely on ERDC as much as previously. MDE has adjusted the sped aid, which will adjust our Feb 15<sup>th</sup> payment to the positive. We send directly to George at his request, time samplings down to the percentage of each person who functions as a teacher and para and he has signed off on them. At this time George is okay with it and the state is not going to ding us or take funds from us. In almost all districts sped paras work in mixed classrooms. It is important to set the maintenance of effort and meet that. We had 28 sped students last year and 37 this year. The existing FY11 budget cashflow worksheet had numbers we were supposed to receive for the year and was created by BKDA and was an estimated number based on early September. Used it as a place marker as a number for what Quest would receive for special education funding. The budget gets passed back and forth between ERDC and the ED and the ED added those place holders back in at some point. There is sped money that is missing; the state admitted they had not reviewed any sped numbers since September 1. We've come under close scrutiny in the last three weeks and MDE hasn't said no, you can't do that in regards to the sped para. MDE wants us to serve our sped students in the classroom. In regards to the ED salary, it is clear in what was requested for compensation and benefits and was signed by two board members and nothing has been hidden. ED is getting paid the same hourly rate as her contracted rate. If you want to negotiate this salary or think it is not affordable, it is up for discussion. The board has to agree to the budget and approves the budget.
- c. Approval of check register

*Motion made by Tracey to approve check register, second by Shannon. **APPROVED***

- d. Update on Emergency Funding from State of MN – could be forwarded to us as soon as tomorrow which would be Feb 15 and Feb 28 payments. Anticipated funding date of 2/22 from CSC.
- e. PUC Reauthorization – incomplete reauthorization was sent to PUC on 1/31 because it was the due date. Several schools hadn't completed the application but we are ok as long as we got something to them. Vickie is trying to finish it by the end of this week.
- f. MHT – unable to make rent payment and they've requested a meeting on 2/15. They want more information on CSC funding to be assured that they will receive funds. Vickie and Laura will be meeting with them.

7. Human Resources

- a. Proposed Staffing Cuts – MDE is requesting a reduction of \$47,000 in our budget.
  - i. Lee and Laura provided possible options to reduce the budget
    1. Lee proposed eliminating 3.0 FTE, reduce contracted services, staff wide salary reduction of 3%, 5.745%, 8.04%, eliminate ED position.
    2. Laura proposed eliminating 1.0 FTE, reduction of ED salary by 15%, reduction of staff wide salary by 5%, reduce contracted services.
  - ii. Looking at cutting positions based on licensure requirements
- b. We need to modify the employee agreements to state the agreement is teacher days vs calendar days.

Moved into closed session: board approved Lee Wignall's resolution for staff reduction (his position will be eliminated as of February 11) and the decision was based on financial reasons and was not based on performance or conduct. Lee will resign from the board as well.

*Motion made by Shannon to approve reduction of contracted services by \$7,000, second by Tracey. **Approved***

*Motion made by Tracey to approve reduction of ED salary by 15% for the balance of the Employment Agreement and reduction of 5% for all salaried staff for the balance of Employment Agreements starting February 16 made by Tracey, second by Vickie. **Approved***

8. Director's Report

- a. Re-enrollment Letter – sending to currently enrolled families within the next few days and giving them 30 days to respond.
- b. Climate Survey – have a sample climate survey, which was suggested at previous board meeting. This can be sent via online survey program. If you have any suggestions, changes, etc. please have them to Laura or Maija by February 16.
- c. Transportation Issues – have had a lot of complaints regarding transportation. We should have a meeting with them to discuss this. Looking at a new transportation service for next year.
- d. Proposed 2011-2012 Calendar

*Motion made by Marie to approve the 2011-2012 calendar, second by Lee. **Approved***

- e. NWEA Mid-Year Scores – we saw an increase in test scores for MS and scores decreased for HS.

9. Marketing and Fundraising Development

- a. Meeting with Paul on Monday of next week regarding marketing proposal.

*Motion made by Vickie to make Tracey treasurer, second by Lee. **Approved***

10. Motion to adjourn and closing meditation