

**Quest Academy**  
District #4182  
Board Meeting Minutes – Special Meeting  
Wednesday, June 1, 2011 - 6:30 p.m.  
Most Holy Trinity Catholic Church  
3946 Wooddale Avenue S, St. Louis Park, MN 55416

**Members Present:** Shannon Seaver, Tracey Peterson, Maija Freivalds, Marie Williams, Vickie Evans-Nash, Laura Porter-Jones (Ex-Officio)

**Guests Present:** Leisa Irwin, several parents, 2 members of Most Holy Trinity, Jimmy Engler, Dr. Neil Nickerson, Margaret Glasch(Director Elect), Kathy Marson(Director Elect)

1. Call to order: Board roll call and meditation
2. Approval of the agenda - add report from Shannon Seaver regarding MCA scores (5). Pull Pre-Enrollment (d) and make it number 4.

MF moved to accept agenda as discussed, it was seconded by MW.

Quick Summary by Vickie Evans-Nash of why we are having the Special Meeting for the visitors and members of the audience:

- Main reason – a couple of weeks ago, the board determined it was not financially viable enough to continue. In order to continue to next year we needed:
  1. Lease amendment – Most Holy Trinity revised the lease but required two payments in May and June that we could not do. Since then Laura has been having discussion with several people to determine: Can we make it through that and can we make financially viable through next year.
  2. Enrollment - Increase the enrollment to at least 85 students for next

3. Lease Amendment with Most Holy Trinity

- a. Charter School Capital
- b. Decision to Keep QA Open
- c. Proposal from MHT – 18<sup>th</sup> of May response: They met our request for Lease Aid plus 10% multiplied by 70%. MHT wants to be paid for the amounts for May and June, a considerable sum that we do not have at this time.
  - i. Laura was referred to Larson Allen, our auditors, and who then referred us to Leisa Irwin.
  - ii. Leisa worked with Charter Schools since 1996, has been CFO for a number of schools. She has seen schools in far worse financial situations than Quest, but have managed to pulled themselves out. She is here as a volunteer. She believes that Quest is in a situation that requires some pretty serious commitment from the board and leadership here at the school. She and Laura discussed it and believe that we are tired but we can do this.

Our budget leaves us in the black at the end of the year. That is different than the cash flow situation. The state is holding a bunch of our money until next fall. We are operating at 70%. We have done a few things to address the cash flow situation: working with Charter School Capital, Working on loan with CSDC, and a line of credit.

Reconfiguration of state aid – State reconfigured our IDEAS based on current enrollment in terms of lease aid. The cash crunch is significant.

She went over what the Hold Back was for the audience members and how we get the 30% held by the state in three payments: August, September and October the following year.

Good News is Quest Budget is in the black and we are not in danger of being in Statutory Operating Debt.

We could expand our use of Charter School Capital. We already sold a share of our hold back to them. They will also purchase a base aid payment for Fiscal Year 2012. This means that we have to verify that we will be open and that we have a financial plan that will work for our school. Need about \$75,000 of new money. We can get an additional \$40,000-\$60,000 in hold back dollars.

We can survive on 65 students, not recommended for long term but survivable.

Numerous parents spoke in support of our school.

- d. Pre-Enrollment as of Today – 62 students
- e. Proposed FY12 Budget and Cash Flow
  - i. Made three tiered based on enrollment of 85, 100 and 123
  - ii. See attached

Maija motioned to keep the school open, keep a long term relation with CSC as part of that, and approve the lease amendment with MHT. Tracey 2<sup>nd</sup>. APPROVED

- f. 88% of our 5-8<sup>th</sup> grade student met or exceeded the standards in MCA Reading exam, a more than 100% increase from last year. 72% of 10<sup>th</sup> grade met or exceeded the state standards on the MCA exam.

#### 4. Regular Board Meeting Date for June 2011

The board meeting was postponed to Friday, June 17<sup>th</sup> at 1:00 pm.

Vickie motioned to approve the proposed FY 12 Budget and Cash flow for 85 students. Tracey seconded. APPROVED

5. Motion to adjourn was made by Vickie and was seconded by Tracey. APPROVED.