

**Regular Meeting of the Yinghua Academy School Board**  
1616 Buchanan Street NE, Minneapolis, MN, Music Room  
Monday, January 14, 2013, 6:00 PM  
FINAL

**Board Members in Attendance:** Lou Bender, Walt Graff, Denny Grubish (Treasurer), Ruth Hansen, Scott Jax, Rosemary Lawrence, Karen Lu (Secretary), Jen Shadowens (Chair), Seth Werner

**Board Members not in Attendance:** Joel O'Malley

**Executive Director in Attendance:** Mrs. Sue Berg

**Board Guests in Attendance:** Nichole Schmidt (BKDA), Jennifer Vanyo

**Public in Attendance:** Susan Peterson

I. CALL TO ORDER

Ms. Shadowens called the meeting to order at 6:09 p.m.

II. INTRODUCTION OF WALT GRAFF

Ms. Shadowens introduced Mr. Graff to the board.

Ms. Shadowens informed the board that, according to Friends of Education, Mr. Hanuman is "ineligible to continue to serve as a board member" since he did "not begin the required training within six months of being seated" as stated in Minnesota Charter School Law. Mrs. Berg read a written statement by Mr. Hanuman.

III. APPROVALS

a. 1/14/13 Agenda

Ms. Shadowens removed V. Academics.

**The MOTION by Mr. Jax to approve the agenda as amended was seconded and passed.**

b. 12/10/12 Minutes

Mr. Jax made a minor edit.

**The MOTION by Ms. Bender to approve the minutes as amended was seconded and passed.**

c. Cash Investment Policy

Mr. Grubish noted the change to "investment officers" as well as minor edits (see Board Packet for details). Mr. Grubish called for questions from the board. The policy number is yet to be determined.

**The MOTION by Mr. Jax to approve the Cash Investment Policy as amended was seconded and passed.**

d. Recovery of Moneys Owed Policy

Mr. Grubish called for questions from the board (see Board Packet for details). Discussion followed. The policy number is yet to be determined.

**The MOTION by Mr. Jax to approve the Recovery of Moneys Owed Policy was seconded and passed.**

IV. PUBLIC COMMENT

None.

V. OPERATIONS

a. Finances

Mr. Grubish presented the December financials (see Board Packet for details). Ms. Schmidt noted that the "Average for End of Year ADM" of 505 was a good number given current enrollment of 518. Questions and discussion followed. Ms. Lu enquired about Before/After Care revenue. Ms. Schmidt noted that future reports will list Music Conservatory and Enrichment revenues and expenditures as separate line items. In addition, kindergarten-related salaries are being allocated monthly rather than in a lump sum at the end of the year as before.

Mr. Grubish reported that a line of credit in the amount \$350,000 has been secured from Drake Bank with a \$250 origination fee and variable APR with a minimum of 6.5%. The variable APR is based on the prime rate. By comparison, the line of credit offered by Nonprofits Assistance Fund included a 1% origination fee and 7% fixed APR. Given the historic low interest rates, the short amount of time that Yinghua would carry a balance (approximately two months), and the lower initial costs, Mr. Grubish felt that the Drake offer was most favorable for Yinghua.

Ms. Shadowens presented the quarterly dashboard. Ms. Shadowens noted that the projected fund balance of 10.6% for the end of FY 2014 will not meet Friends' contract goal of 20% by June 2014. Questions and discussion followed. It was noted that both Friends and Piper Jaffray are aware of Yinghua's current and projected fund balance. Ms. Shadowens confirmed that Yinghua's charter school contract is up for renewal this coming fall, requiring materials to be assembled and written beginning this spring.

b. Enrollment

Ms. Shadowens presented the proposed Enrollment Capacity for school year 2013-2014 (see Board Packet for details). Mrs. Berg affirmed the proposed Enrollment Capacity and noted that teachers expressed preference for beginning the school year with 112 students rather than adding extra students later in the year if necessary. Questions and discussion followed. Dr.

Lawrence suggested gathering data on the shift to larger class sizes. The 8<sup>th</sup> grade capacity was amended to 10 seats.

**The MOTION by Mr. Jax to approve the 2013/14 Enrollment Capacity by Grade as follows: K-112, 1-112, 2-60, 3-45, 4-45, 5-45, 6-30, 7-15, and 8-10, was seconded and passed.**

Mr. Werner inquired about the status of the Han Ban teacher. Mrs. Berg noted that having the Han Ban teacher has been particularly helpful for acclimating students as well as for serving as substitute for Chinese-speaking homeroom teachers when necessary.

Mrs. Berg asked the board to consider enrolling middle school students that could study Chinese as a second language as well as establishing a probationary period for those students that have left the school to return. Yinghua looked into the possibility of a probationary period with attorney Amy Mace this past September and it was determined that it was not allowed. Ms. Shadowens suggested a small group review Mrs. Berg's request for Chinese as a second language at the middle school and provide a recommendation to the board.

Mrs. Berg and Dr. Lien revised projected enrollment numbers based on kindergarten and 1<sup>st</sup> grade class sizes of 112 through school year 2016-2017 as well as adjusted attrition rates. Mr. Jax would like BKDA to run budget numbers for the bond financing based on two scenarios: a 112 class-size for kindergarten and 1<sup>st</sup> grade for the school years 2012-2013 and 2013-2014 only, and an ongoing shift to a 112 class-size.

c. Facilities

Mrs. Berg provided an update on school safety and security work. Mrs. Berg and members of the administration met with police officers over winter break to review the school buildings and procedures with respect to safety and security. In response, window locks and an alarm have been installed, and new entrance/exit policies have been implemented. Mr. Waldoch is currently researching larger expense items including monitoring systems. The Kinder Campus received an unexpected inspection from the City of Minneapolis and is required to have its own institutional food service license by February 1<sup>st</sup>. Mrs. Berg noted that a roof leak was recently discovered at the Main Campus.

Mr. Jax provided an update on Facilities Committee work (see Board Packet for minutes). Ms. Shadowens presented current drawings to the Northeast Park Neighborhood Association (NEPNA) on January 8th. Kodet Architectural Group led presentations to the staff and parent community on January 9<sup>th</sup> and 10<sup>th</sup> respectively. Ms. Shadowens, Mr. Jax, Mr. Grubish, and Mr. Kepler attended a kick-off meeting with Piper Jaffray on January 9<sup>th</sup> which outlined the bond underwriting process and provided Yinghua and CSDC with a list of required due diligence documents. Mr. Vang will be meeting with Kodet to review pricing this week. Mr. Jax also provided an outline of the expansion schedule with the goals of a signed GMP contract in mid-March and bond closing in April. Questions and discussion followed.

d. Governance

Ms. Shadowens presented results from the board survey and advised board members to review the overall results in comparison with their own responses. CSP will review this information in preparation for the ongoing governance training scheduled for March. The board was asked to

provide feedback regarding job description and performance expectations (see Board Packet for details). Ms. Shadowens also expressed a desire for work to be spread out evenly among all board members to prevent vulnerability due to shifts in composition. The board reviewed the meeting calendar for 2013.

#### VI. BOARD OFFICER ELECTION

Ms. Shadowens indicated that the incumbents expressed interest in continuing to serve as officers. No other board members expressed interest prior to the meeting.

**The MOTION made by Ms. Bender to elect Ms. Lu as Secretary and Mr. Grubish as Treasurer was seconded and passed.**

Ms. Shadowens shared ideas for succession planning and board member orientation, and noted that all board members are responsible for cultivating future leadership. Discussion followed. Mr. Jax would like the board to pursue a Vice Chair officer position to foster succession. Mrs. Berg expressed her preference for a two-year Chair position. Ms. Bender will assist Ms. Shadowens in outlining chair tasks to determine those that can be delegated. Ms. Shadowens also noted that a regularly meeting governance committee would make the role of chair more manageable.

**The MOTION made by Dr. Lawrence to elect Ms. Shadowens as Chair was seconded and passed.**

All board members were asked to sign the Board Member Agreement.

The board reviewed a draft calendar for the 2013-2014 school year.

The board expressed their appreciation for Mrs. Berg upon her one-year anniversary at Yinghua.

#### XIII. ADJOURN

**The MOTION made by Mr. Grubish to adjourn at 8:44 p.m. was seconded and passed.**

Minutes drafted by Karen Lu, Secretary.

Approved by vote of Board on: February 11<sup>th</sup>, 2013