

Special Meeting of the Yinghua Academy School Board

1616 Buchanan Street NE, Minneapolis, MN, Cafeteria

Saturday, November 3, 2012, 12:00 PM

FINAL

Board Members in Attendance: Lou Bender, Denny Grubish (Treasurer), Ruth Hansen, De Hanuman, Scott Jax, Rosemary Lawrence, Karen Lu (Secretary), Jen Shadowens (Chair)

Board Members not in Attendance: Joel O'Malley, Seth Werner

Executive Director in Attendance: Mrs. Sue Berg

YACA Chair not in Attendance: Christopher Brooks

Public in Attendance: Ann Meier

I. CALL TO ORDER

Ms. Shadowens called the meeting to order at 12:07 p.m.

II. APPROVAL OF 11/03/12 AGENDA

The MOTION by Ms. Bender to approve the agenda was seconded and passed.

III. FINANCE COMMITTEE UPDATE

a. Five Year Budget Model Overview

Ms. Shadowens presented the fund balance as projected by the long-range budget model, which was revised by BKDA for the October 24 Finance Committee meeting (see Board Packet for review). Mark Beltz indicated that financially, in general, a bigger school is better to allow for fixed costs to be spread among more students. Even with the upcoming expansion, Yinghua's surplus will continue to grow as enrollment grows.

b. Profitability by Grade

Ms. Shadowens reviewed the Profitability by Grade analysis (see Board Packet for details). The continued loss per student in kindergarten is expected. Mrs. Berg and Ms. Lu will follow up on the unanticipated losses occurring in 5th grade. Questions and discussion followed.

IV. FACILITIES COMMITTEE

a. Letter of Intent with CSDC

Ms. Shadowens presented the Facilities Committee Expansion Plans to the board. Although CSDC will make the final decision whether to pursue Plan A, which includes bond financing, or Plan B, which uses a construction bridge loan to finance the project, Ms. Shadowens noted that the process has been a collaborative effort. Plan A is the best option for Yinghua given the

current low bond rates. With Plan B, interest rates are higher, resulting in a lower project cost. Questions and discussion followed.

Ms. Shadowens also reviewed the contingency plan for expansion given the tight time frame, since there may be unexpected delays with financing, design, or construction. Depending on the nature of the delay, Yinghua will optimize any progress that can be made during the year, without impacting student or staff outcomes.

The letter of intent with CSDC outlines CSDC's commitment to finance the project so that Yinghua Building Corporation can purchase the building when eligible by law. CSDC will maintain ultimate oversight of the project. Management of the project is delegated to Yinghua's chosen representative, JB Realty. Yinghua will also select the architect and contractor.

The MOTION made by Dr. Lawrence to approve the Facilities Committee to finalize and sign the Letter of Intent with CSDC was seconded and passed.

b. Architect Recommendation

Mr. Jax reviewed the architect selection process which included interviewing four firms. The Facilities Committee recommends Yinghua engage Kodet Architectural Group for the remodeling and addition project due to their experience with charter schools, overall project vision, and the capacity to manage a tight timeline. Questions and discussion followed.

The MOTION made by Dr. Lawrence to approve the Facilities Committee to engage Kodet Architectural Group pending reference checks was seconded and passed.

V. ADJOURN

The MOTION made by Ms. Bender to adjourn at 1:07 p.m. was seconded and passed.

Minutes drafted by Karen Lu, Secretary.

Approved by vote of Board on: December 10th, 2012