

Special Meeting of the Yinghua Academy School Board

1616 Buchanan Street NE, Minneapolis, MN, Room 201

Monday, May 12, 2014

Board Members in Attendance: Denny Grubish (Treasurer), Emily Hanson, Scott Jax , Jan Kleinman (Secretary), Karen Lu (Chair), Suzanne Reider, Jen Shadowens, Sarah Whiting

Board Members not in Attendance: Walt Graff, Rosemary Lawrence, Seth Werner

Executive Director in Attendance: Ms. Sue Berg

Auditor in attendance: Nichole Schmidt, BKDA

I. CALL TO ORDER

Ms. Lu called the meeting to order at 6:07 pm.

II. PUBLIC COMMENT

None.

III. FY 2015 BUDGET DISCUSSION PRESENTATION AND DISCUSSION

Ms. Lu offered background information. Although budget was due on May1, 2014, an extension was requested and granted until May 20. Basic dilemma is that the lease Yinghua Academy negotiated and agreed to requires a fixed monthly payment which is dependent on a certain level of student enrollment. Since Yinghua has not met its enrollment goal, the extra lease money will have to come out of general funds. Tonight's discussion centered on how to resolve this dilemma.

3 budget scenarios were offered for consideration. All involve combinations of decreasing expenses and/or increasing enrollment.

Discussion ensued. Topics included:

- The opportunity to maximize fund balance is not when school reaches stable enrollment, but while school enrollment is growing.
- Adding a 5th kindergarten class. Rather than every year having a 5th class, add the 5th class each 2 years.
- Enlarging Yinghua's school community—advantages and drawbacks.
- Focus on salaries and benefits, Yinghua's largest expenses, rather than relatively much smaller expenses. Adding monthly, or at least more regular, salary/benefits expenditures to financial dashboard.
- Alternative funding sources: targeted fundraising campaigns, review contracted services (already underway or completed), spending freeze, fee-for-service summer camps (already underway for 2014, though limited by space during construction).

- Adding non-immersion Middle School track.
- Retention issues: number of Northeast families increased in 2014-15 Kindergarten class may impact retention positively?
- What is a realistic fund balance goal?
- If Yinghua adds a 5th kindergarten class, what is the break-even number of students we need to enroll so we do not lose money?
- Number of students on waiting list for kindergarten is more than enough to fill another section. Since families are making plans now, the earlier we decide to offer 5th section, the more securely we can rely on family interest.

Several advantages of adding a 5th kindergarten class for 2014-15 school year emerged:

- The school's expected fall enrollment will not fill the newly built and renovated space. In short, there is room for a 5th kindergarten.
- An excellent former Yinghua Kindergarten teacher is excited to return to Yinghua.
- This idea was written into the application for Yinghua's bond. The bond allows the Board to activate this option.
- Since the school year is still underway, and the wait list has 45 children, the remaining month of school plus the entire summer ahead allow enough time to set up a 5th kindergarten.
- A fifth kindergarten class would increase enrollment, and thus generate more income. That income would help pay the fixed-rate monthly payments, and would mean fewer dollars would need to come from general funds to cover that monthly expense.

The MOTION made by Ms. Reider to add a 5th kindergarten section for 2014-15 was seconded and passed.

IV. ADJOURN

The MOTION made by Ms. Reider to adjourn at 8:52 pm was seconded and passed.

Minutes completed by Jan Kleinman, Secretary.
Approved by vote of Board on June 25, 2014.