

Regular Meeting of the Yinghua Academy School Board
1616 Buchanan Street NE, Minneapolis, MN, Board Room
Monday, October 20, 2014, 6:00 PM
FINAL

Board Members in Attendance: Walt Graff, Denny Grubish (Treasurer), Emily Hanson, Scott Jax, Jan Kleinman (Secretary), Karen Lu (Chair), Suzanne Reider (arrived 6:09), Jen Shadowens, Seth Werner, Sarah Whiting

Board Members not in Attendance: Rosemary Lawrence

Executive Director in Attendance: Sue Berg

YACA Chair in Attendance: Dina Nash

Public in Attendance: Matt Mayer (KDV), Liz Wynne (Friends of Education)

I. CALL TO ORDER

Ms. Lu called the meeting to order at 6:08 pm.

II. APPROVALS (7 min)

a. 10/20/14 Agenda

An additional approval, a Finance Update, and a closed meeting to review a letter to Black Dew were added to the agenda.

The MOTION by Ms. Kleinman to approve the agenda as amended was seconded and passed.

b. 9/15/14 Regular Meeting Minutes

One edit in wording was offered.

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

c. Leave of Absence Request

Ms. Berg outlined that a grade 2 family has requested a 23 day leave, and the steps they have taken to keep their child up to date during the absence. Discussion followed.

The MOTION by Ms. Lu to approve the leave request was seconded and passed.

III. PUBLIC COMMENT

None.

IV. AUDIT PRESENTATION (32 min)

Mr. Mayer of KDV presented a "clean audit." He highlighted that 90% of Yinghua Academy's revenue comes from the State of Minnesota. He commented that due to state law, this year base funding will increase, while per pupil percentages will change. The fund balance, a variable over which the Board has control, is growing; such growth is desirable. The amount of cash in

Yinghua's possession is not in the Board's control, since it depends on timing of state payments. 2014-15 promises to have earlier state payments than recent years. He noted the strong performance by the Community Fund and the Food Service Fund. Mr. Mayer further pointed out that although legally, the Building Company and the Academy are separate entities; the Building Company exists for the sole purpose of serving the Academy. Therefore, for accounting purposes, the two entities must be included in Yinghua's audit.

V. FINANCE UPDATE (7 min)

Mr. Grubish and the Finance Committee are working on an updated budget. After much committee consideration, the updated budget will use a conservative number of students: 645 (rather than the actual current number of 667). The lease aid application will be sent on 10/21/14. Mr. Grubish acknowledged that our fund balance goal continues to be 20%, yet given new challenges, he doubts that 20% will be reached this academic year.

VI. FACILITIES UPDATE (53 min)

Mr. Jax outlined a current dispute between Black Dew Construction Company and Yinghua. A construction cost shortfall of \$15,000 - \$20,000 in August has ballooned to \$184,000 shortfall. The Facilities Committee strongly disagrees with part of this figure. \$85,000 is not in dispute. The main items in dispute are heating units and their installation for the existing building. Black Dew waited an excessive amount of time before ordering the units, and therefore incurred unbudgeted expense. Remedies were discussed by the Finance Committee, and a "Construction Change Directive" was presented to Black Dew. The goal of this Directive is to get the work completed, and postpone negotiation of the costs and payment. A meeting between Black Dew representatives and Yinghua representatives (Mrs. Berg, Mr. Francois, Mr. Jax, Ms. Lu, and Ms. Shadowens) will take place on 10/21/14. Discussion ensued.

VII. CLOSED MEETING (21 min)

A draft letter to Black Dew from Educational Properties Yinghua, written by Craig Kepler, Yinghua's attorney, was reviewed.

VIII. EXECUTIVE DIRECTOR'S REPORT (8 min)

Ms. Berg updated the Board about the janitor situation. She explained that a cleaning service had been contracted to clean the entire building twice weekly, and that has proven to be insufficient to keep premises acceptably tidy. The cleaning service has now been hired to clean the entire building three times weekly. Even with that increase, the daily maintenance work needs three full-time janitors (excluding the Facilities Manager, who oversees the janitors). At the moment, Yinghua employs two.

IX. ADJOURN

The MOTION by Ms. Kleinman to adjourn at 8:16 pm was seconded and passed.

Minutes drafted by Jan Kleinman.

Approved by vote of Board on: November 17, 2014.