

**Minutes of Great River School Board Meeting**  
**June 20, 2011**  
**6:30 pm – 8:30pm**

**Board Members Present:** Elizabeth Childs, Kira Donnelly, Michael Flood, John Haine, Leigh Hansen, Nelson Inz, Sarah Lawrence-Lupton, Neal McMahon, Cory Olson, Deborah Schlick, Brad Wildman, Christina Beck (ex officio)

**Board Members Absent:** Aaron Shackle

**Others Present:** Marjie Carroll, Dean Walczak

**Agenda**

**1. Welcome.**

**2. Consent Agenda.** The consent agenda items were:

- a. Approval of minutes of the Board's meeting on May 24, 2011.
- b. Approval of minutes of the Annual Meeting on May 24, 2011.
- c. Approval of designation of Como Woodlands and Outdoor Classroom as a GRS School Forest under the Minnesota Department of Natural Resources School Forest Program.

**Motion 01-2011-06-20:** To approve the consent agenda items.

Offered by Neal McMahon, seconded by Brad Wildman

Unanimously approved

**3. Update: Financial Report.** The finance report was presented by Cory Olson and Dean Walczak. They noted that the income statement indicates higher than expected expenses and that this was attributable to a variety of items, including a budgeting error which resulted in two individuals being budgeted as part-time for a portion of 2010 when they were actually employed and paid for full-time work. Other items included expenses for supplies, building repairs and maintenance, copiers, and communications equipment. The higher expenses reduced but did not eliminate growth in the School's fund balance. Board members asked questions regarding the various expense items and requested additional information.

**4. Update: Head of School Report.** Christina Beck presented her report as Head of School and provided additional information on some subjects discussed in prior meetings. In connection with the School's hot lunch program for 2011-2012, she reported that the maximum charge for school lunches for students who qualify for reduced cost lunch could not exceed 40 cents. Following up on an earlier discussion regarding graduation, she noted that the 9 graduating students who did not receive their diplomas all needed 2 credits or less.

**5. Updates: Meaning of Possible State Government Shutdown for GRS.** Christina Beck and Dean Walczak discussed the potential effects of a state government shutdown on the School. They noted that the School spends approximately \$225,000 per month, reviewed expected receipts from the state and from the GRS Foundation, and explained the School's current borrowing level and limits. The Board discussed the possible consequences of a shutdown and alternative responses given the lack of information about the extent to which charter school funding would be affected. As an initial step, it was suggested that the Board increase the amount of its line of credit with University Bank, which Christina indicated would likely agree to such an increase.

**Motion 02-2011-06-20:** To authorize Christina Beck, as Head of School, to increase the School's line of credit by the amount \$450,000, such additional amount to be used only in the event of a government shutdown.

Offered by Kira Donnelly, seconded by Michael Flood

Unanimously approved

**6. Old Business: Review of Discussion Regarding Adding Grades.** Christina Beck and Deborah Schlick reported on a meeting that was held by the faculty on June 17 to discuss adding lower grades to the School. Board members were invited to that meeting but only a few were able to attend. It was noted that the faculty showed great interest in expanding but that expansion raised many questions, including whether the School will lose students if it does not add grades, whether bringing in students earlier will give some a better chance to succeed, and whether it will help increase the School's diversity. The Board discussed Ben Moudry's recommendation to start an elementary level and what additional analysis of the proposal might be necessary, in light of other major issues facing the School, including concerns regarding the possible school funding consequences of the state's budget problems and ongoing efforts to plan for the School's future building needs. Christina noted that, rather than add only a 6<sup>th</sup> grade, the school would most likely add grades 4-6. She noted that the expansion has been discussed with our new authorizer. After some discussion, the Board asked Christina Beck to solicit additional questions and input regarding the proposal to add grades, with the expectation that the matter will be discussed again at the July Board meeting.

**7. Old Business: Building Committee Report.** This report was deferred.

**8. New Business: Fiscal Year 2011-2012 Budget.** Christina Beck and Dean Walczak presented a proposed budget for the 2011-2012 fiscal year for the School. They noted that the proposed budget is based on enrollment of 270 students. Currently the school has 280 enrolled, so similar numbers in 2011-2012 would create a budget cushion of approximately \$70,000. They noted that instructional costs are budgeted to increase due to some salary increases, increased benefit costs, moving one faculty member from 80% to full-time employment, and to correct for the budgeting error in the 2010-2011 budget. The budget also reflects anticipating savings in current lease costs, coupled with an expense for additional space. The Board discussed the effect the proposed budget would have on growth in the School's fund balance and measures that could be taken to assure continued growth of that balance consistent with our strategic goals.

**Motion 03-2011-06-20:** That the proposed budget for fiscal year 2011-2012 be accepted subject to the following changes: first, that budgeted income be increased by increasing enrollment by five students, and second, that the budget be revised to reduce expenses by at least \$8,000.

Offered by Cory Olson, seconded by Michael Flood  
Unanimously approved

**9. New Business: Approve Authorizer Contract with Novation.** Christina Beck asked for the Board's approval of the proposed authorizer contract with Novation. In response to questions from the Board, she noted that the amount included in the proposed budget included the authorizer's fee and did not assume the receipt of any possible rebates that are possible under the contract.

**Motion 04-2011-06-20:** That the proposed contract with Novation is approved.

Offered by Nelson Inz, seconded by Sarah Lawrence-Lupton  
Unanimously approved

**10. New Business: Recommendation to Make GRS Foundation Inactive.** The Board was notified that the GRS Foundation intends to become inactive. In practice, the Foundation has complicated administration of fundraising for the School, and the Foundation has not gotten the volunteer support it needs. Board members raised questions about what would be required as a minimum to keep the Foundation available for use at a later time, and what might need to be done with respect to the memorandum of understanding between the Foundation and the School. John Haine was asked to investigate what action might be required by the GRS Board regarding the memorandum.

**11. New Business: Policy on Health/Fitness.** Christina Beck described a proposed to roll health class into the School's Community Action Service (CAS) program for 2011-2012, with the result that the

School would cease to require fitness. This would offer flexibility, making it easier for students to fit health into their schedules. She noted that CAS already emphasizes physical activity.

**Motion 05-2011-06-20:** That only one half credit in health be required for graduation.  
Offered by Michael Flood, seconded by Elizabeth Childs  
Unanimously approved

**Motion to Adjourn.**

Offered by Sarah Lawrence-Lupton, seconded by Michael Flood  
Unanimously approved