

## Metro Schools

**BOARD MEETING MINUTES**Friday, November 22<sup>nd</sup>, 2013 from 2:00 – 3:30pm

Location of Meeting: Metro Schools

**Call to order:** The Board Chair, Abdulkadir Abdalla, called to order the meeting at 2:00 PM on Friday, November 22nd, 2013.

**Board Members/Director Present or Absent:**

Name	Present/Absent
Abdulkadir Abdalla (Board Chair & Community Member)	P
Justine Bjergo (Secretary & Teacher)	P
Abdinor Warfa (Community Member and Parent)	P
Mohamed Mohamud (Community Member)	P
Abraham Gadalla (Board Treasury)	P

**Guests and Community Members Present:**

Name	Position/Role
Robert Procaccini, CPA	Representative, School Business Solutions
Ahmed Elmi	Metro Schools Director
Matt Mayer, CPA	Auditor for KDV
Shane Weinand	Representative from Audubon

**Metro Schools' Mission**

Metro Schools College Prep is committed to academic excellence and closing the achievement gap by establishing rigorous goals for students, parents, teachers and the school. Metro Schools College Prep values cultural, religious, ethnic, and socioeconomic diversity as central elements of a college preparatory education and provides a caring learning community that prepares students and staff to be responsible world citizens.

**Metro Schools' Vision**

The vision of Metro Schools is for our students to have a steadfast belief in their worth as human beings and that they will be prepared socially and academically to fulfill their aspirations in a changing, challenging world community. We aim to be widely recognized as the most

effective model for closing the achievement gap and preparing students for careers in the 21st century.

## Call to Order

### 1. Agenda & Minutes:

<b>Subject</b>	Agenda for November 2013					
<b>Motion</b>	Motion to approve the Agenda for November 2013					
<b>Made by</b>	Gadalla			<b>Seconded by</b>	Warfa	
<b>Discussion</b>	<ul style="list-style-type: none"> <li>Board members individually reviewed the agenda and minutes for the meeting</li> </ul>					
<b>Vote</b>		<b>Yea</b>	5	<b>Nay</b>	0	<b>Abstain</b> NA
<b>Decision</b>	Approval of October minutes and November meeting agenda					

### 2. Bills and Financials:

<b>Subject</b>	Financials and Enrollment					
<b>Motion</b>	Approve bills and financials for October					
<b>Discussion</b>	<ul style="list-style-type: none"> <li>Board members individually review the financial dashboard and payment register for the month</li> <li>Actual ADM has been raised by 20 students, it is now at about 270</li> <li>Our projected ADM is 250, so we are able to raise the fund balance using the funding for the extra 20 students</li> <li>If we're able to stay in line with our targeted budget, our fund balance will increase</li> <li>We will need to change the terminology on our registers from 'recruitment' to 'outreach'</li> </ul>					
<b>Made by</b>	Gadalla			<b>Seconded by</b>	Abdalla	
<b>Vote</b>		<b>Yea</b>	5	<b>Nay</b>	0	<b>Abstain</b> NA
<b>Decision</b>	Approval of bills and financials for October					

### 3. Revised Budget Update

<b>Subject</b>	Updates on the budget					
<b>Motion</b>	Approve the revised budget					
<b>Discussion</b>	<ul style="list-style-type: none"> <li>Our goal with the revised budget is to increase our fund balance</li> <li>We owe the state of MN \$217,503 because we had a lower ADM than was projected last year. This money should be garnished from state funding</li> </ul>					

	checks throughout the 2013-2014 school year.					
	<ul style="list-style-type: none"> <li>The federal payments to the school will be delayed until about January, 2014.</li> </ul>					
Made by	Gadalla			Seconded by	Abdalla	
Vote		Yea	5	Nay	0	Abstain NA
Decision	Approval of the revised budget					

## Director's Report

### 1. MARSS update

Subject	MARSS update
Discussion	<ul style="list-style-type: none"> <li>Our ADM is currently between 268-271, an increase of about 20 students since the beginning of the school year.</li> <li>Metro Schools should continue to have an extensive outreach program and try to increase enrollment by 10-20 students this school year.</li> <li>Metro Schools is on the brink of renewal with our authorizer. The renewal will be much more difficult if enrollment declines.</li> <li>There will be new standards set for charter schools in terms of academics and financing as new legislation is being passed in the state of MN.</li> </ul>

## Old Business

### 1. Transportation Updates

Subject	Updates on the transportation of the school
Discussion	<ul style="list-style-type: none"> <li>Metro Schools purchased another mini-van to be used for student transportation. We now have 2 mini-vans to use in case of emergency or to transport students who live outside of our bussing routes. These vans can also be very useful if we have mechanical issues with a bus.</li> <li>Metro Schools has now added a backup bus driver who is currently being trained in. On days when the new bus driver is not needed, he will also be available to drive one of the mini-vans, if need be.</li> </ul>

### 2. Line of Credit/Banking Updates

Subject	Updates on progress with opening the line of credit and changing banks
Discussion	<ul style="list-style-type: none"> <li>Metro Schools was approved for a \$165,000 line of credit through BMO Harris Bank. Although the line of credit should not be necessary, it is there in case of emergency, as a backup plan.</li> <li>We can increase the line of credit if necessary, but we do pay 1% even if we do not use the line of credit, so keeping it at \$165,000 for now is recommended.</li> <li>Metro Schools administration has started switching all of the school</li> </ul>

banking accounts from Sunrise Bank to BMO Harris Bank. BMO Harris Bank has been much more flexible and responsive than Sunrise Bank.

### 3. Audit

<b>Subject</b>	Updates on the audit of the school
<b>Motion</b>	Approve the school audit report
<b>Discussion</b>	<ul style="list-style-type: none"> <li>• Matt Mayer, the school auditor, explains the audit report for the school. He reports that: <ul style="list-style-type: none"> <li>○ The audit report came back clear.</li> <li>○ He will report to the state of MN that Metro Schools is working towards increasing the fund balance, has acceptable internal control, and school administration has passed a legal compliance check.</li> <li>○ Last year Metro Schools had a ‘break even’ year. There was an even fund balance from the start of the 2012-2013 school to the end of the 2012-2013 school year.</li> <li>○ Compensatory money is lagged a year, which hurt the budget last year, as there was such an increase in enrollment from the 2011-2012 school year to the 2012-2013 school year. Metro Schools should have a budget surplus this fiscal year, because the ADM from the 2012-2013 school year is just slightly less than it is for the 2013-2014 school year.</li> <li>○ There has been a 91% increase in enrollment from the 2011-2012 school year to the 2012-2013 school year. There will only be a 77% increase in revenue because schools do not get paid as much for 5-6<sup>th</sup> graders, and a portion of the new enrollment are students in 5<sup>th</sup> and 6<sup>th</sup> grades.</li> <li>○ Metro Schools spent about \$18,000 per pupil in the 2011-2012 and 2012-2013 school years. This school year (2013-2014), Metro Schools has averaged about \$13,000 per pupil. This is on par with other public schools in the area (specifically Minneapolis Public School District). This shift in spending is much more sustainable and will help to increase the fund balance.</li> <li>○ Because the state is at a better place financially than they were in previous school years, they will not hold back as much on payments to schools. They will pay schools about \$0.90 for each \$1.00 instead of holding back \$0.65-\$0.85 for each dollar, like they had in previous school years. This will also contribute to a budget surplus at Metro Schools for the 2013 fiscal year.</li> <li>○ Last year Metro Schools was at an 8.4% fund balance. The current goal that Metro Schools is working towards is having a 20% fund balance. The state average for fund balances at charter schools is about 23%.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ The anticipated fund balance at the end of the 2013-2014 school year is 14%. If Metro Schools sticks with their current budget plan, the fund balance will reach the 20% goal in two years.</li> <li>○ The Metro Schools general fund has been over compensating for the food service budget. This has been planned in the budget, as it is important that all students get a meal.</li> </ul>					
Made by	Abdalla			Seconded by		Gadalla
Vote		Yea	5	Nay	0	Abstain NA
Decision	Approval of the school's audit report					

## New Business

### 1. New Policies (Conflict of Interest/Purchasing Policy/Lottery Policy)

Subject	New conflict of interest, purchasing, and lottery policies					
Motion	Approve each of the following: <ul style="list-style-type: none"> <li>• Conflict of interest policy</li> <li>• Purchasing policy</li> <li>• Lottery policy</li> </ul>					
Discussion	<ul style="list-style-type: none"> <li>• There will be a new lottery style enrollment policy. This policy rules/procedures will be made public and posted on the school's website.</li> <li>• There will be a new purchasing policy. This will be that the board of directors at Metro Schools needs to approve all large purchases before they are able to happen. The proposed policy was edited so that the board should have to approve all purchases of \$15,000 or more. The proposed policy originally said that the board should have to approve all purchases of \$25,000 or more. This policy will be made public and posted on the school's website.</li> <li>• There will be a new conflict of interest policy. This policy will be made public and posted on the school's website.</li> </ul>					
Made by	Abdalla			Seconded by		Gadalla
Vote		Yea	5	Nay	0	Abstain NA
Decision	Approval of the new conflict of interest, purchasing, and lottery policies.					

### 2. Board Training

Subject	Board Member training sessions					
Discussion	<ul style="list-style-type: none"> <li>• All board members need to be trained in school governance, finance, and personnel within 6 months of joining the board of directors.</li> <li>• So far all of the board members are up to date on this training except Bjergo, as she is a new board member. Bjergo will attend a board training with the MN Department of Education in December of 2013.</li> </ul>					

	<ul style="list-style-type: none"> <li>• Board members need to have ongoing training, even after getting the initial training in school governance, finance, and personnel. Audubon, the school authorizer, recommends that there be outside sources that come in to educate all board members on school governance, finance, and personnel.</li> <li>• There will be an outside source that will come in to start this ongoing training with the board. This will happen on the same day as the next board meeting, 1 hour before the meeting starts.</li> </ul>
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### 3. Board Schedule

<b>Subject</b>	An updated board meeting schedule
<b>Discussion</b>	<ul style="list-style-type: none"> <li>• The school administration team would like to create a detailed calendar so that the board meeting agenda is more detailed, yet concise.</li> <li>• The board recommends that the school administration team create this proposed updated calendar and present it to the board for approval at the next board meeting.</li> </ul>

**The meeting was adjourned at 3:30 by Abdulkadir Abdalla, the board chair.**