

**Twin Cities German Immersion School Board Meeting
Charter District 4152
December 19, 2006, 6:30 p.m.
1399 Eustis Street
Saint Paul, MN 55108**

A. Opening Remarks

Board Chair Michael Sampson called the meeting to order at 6:31 pm. Board members Dr. Michael Dorneich, Chris Eliassen, Dr. Kenneth Greener, Dr. Stefan Knep, Gretchen Nessel, James Pearson, Dr. Thekla Rura-Polley, and Scot Stephenson were present. TCGIS Director of Operations, Mary-Fred Bausman-Watkins, and TCGIS Director of Curriculum, Marcy Zachmeier-Ruh were also present. In addition, Evelyn Engle attended the meeting.

B. Approval of December 19, 2006 Agenda

Mr. Eliassen informed the board that since the cash flow report has not been updated from last month, there is no new report this meeting.

Mr. Pearson asked a follow-up question regarding full-day Kindergarten. Mr. Eliassen said it will be discussed in Finance Oversight section.

Mr. Sampson moved, Dr. Dorneich seconded, that the December 19, 2006 agenda be approved. The motion carried 8 - 0.

C. Consent Agenda

The proposed consent agenda for this month contained the following items:

- a. Approval of November 28, 2006 Minutes
- b. Treasurer's Report
- c. Budget Scorecard
- d. Donation Register
- e. Payment Register

Mr. Stephenson moved, Dr. Knep seconded, that the consent agenda be approved. The motion carried 8 - 0.

D. Financial Oversight

a. Facilities Update – Brief

Mr. Pearson gave an update on the work of the Facilities Committee. They held a meeting on the December 7, 2006, and met with Paul Donovan (St. Columba realtor) to

discuss options. The Committee concluded that TCGIS will work with Mr. Donovan to do a full market analysis. The Committee gave parameters of a five mile radius around the current location as a target location for a new site. The Committee listed important items and what items were negotiable. The Committee will write a letter about staying in our current location next year to landlords, which will include a portable unit in parking lot.

Columba is no longer an option since the first necessary step (an agreement to lease our current space) was not successful. So the school will prepare for a move in Year 4 (2008-2009). Mr. Donovan works with a lot of charter schools. Our new location needs to be close to major artery, close to center of metro area, or slightly east. It is foreseen that we should have an easier time securing a lease this time around (as when we were first starting up) since we will be bigger (i.e. more kids) and have a credit history. Mr. Donovan as our agent helps us because he is someone looking for us every day. His fee does not come out of our budget (landlord pays commission).

On the issues of Portable classrooms, \$30,000 of the costs is in the lease (i.e. the landlord pays) and that amount comes close to covering the total costs. Ms. Bausman-Watkins said we should probably budget for any overruns. Ms. Zachmeier-Ruh suggested Kinderstube could possibly take the portable classroom space. Ms. Bausman-Watkins raised licensing concerns. The Facilities Committee will look into the issues.

Action Item: Facilities Committee

Facilities Committee to look into licensing issues of having Kinderstube occupy the portable classroom space.

b. Enrollment/Recruiting Update – Brief

For Year 3 (2007-2208) TCGIS has received 21 enrollment forms (all but one is for Kindergarten). We also have an interest from a variety of other people. The Marketing Committee has not sent preschool or targeting mailing advertisement yet, nor have they done posters. So next year's current enrollment is the result of one information session, and attending the Minnesota Parent Fair and Minneapolis Fair, as well as word of mouth. This enrollment is ahead of last year's pace. Ms. Bausman-Watkins estimated that of the people who come to information sessions, 80% enroll. The mailings seems to be a first contact mechanism.

Our current enrollment is 82 children. This represents the (expected) loss of one student, whose family moved out of the country. Current enrollment is 33 in Kindergarten, 28 in 1st grade, and 21 in 2nd grade.

c. Role of Finance Committee

Today's meeting is the first of three months of discussion of finances by the board. Mr. Sampson read the bylaws about roles of committees. Mr. Sampson discussed information flow back and forth between committees and the board.

Mr. Eliasen discussed the role of the Finance Committee up until now. In the past its role has been cut and dry. The school started from scratch. There were no precedents - what is there today has been created by the committee. Ms. Bausman-Watkins thinks we are doing all the tasks needed, and the board concurred. Mr. Sampson noted that the first year budget effort was to balance it (there was no discretionary money). This year there is a bit of a reserve. Next year is pretty tight. But beyond Year 4-6, where administration overhead is a smaller percentage of the total budget, there will be more discretionary money. This raises the question of where to allocate budget. Our role as board will become more valuable. The question before the board is how do we as a board want to own the process and contribute to the process.

Dr. Rura-Polley remarked that the prevailing philosophy has been to let the hard discussions happen in the committees. This philosophy has served us well. She would like the board to think ahead of what assumptions to make when creating budget. That is an example of good direction from the board to the Finance Committee. The board should not be going through the budget line by line.

Mr. Pearson noted that as a non-finance committee member, he relies on the Finance Committee "to help full board understand finances" (last clause in the bylaws). That is a key provision. It is very appropriate to ask questions, and that the dialog continues. Mr. Pearson feels that communication has been good so far and would like to endure that we continue to communicate enough.

Mr. Sampson would appreciate more educational discussions about different line items. For example, so we can understand Q-comps.

Mr. Sampson would like to see best case, worst case, and expected case for the budget. We have only seen conservative case (which has served us well so far). But for next year he would like to see some sensitivity analysis on both the revenue and spending side. He asked whether this sort of analysis would be helpful, or is the worst case the best one with which to work.

Mr. Eliasen replied that the best/worst/expected case really hinges on number of students. We have made pretty good assumptions thus far. If we get less students, we must trim. If we get more students, we get more money.

Dr. Knep felt the board must set basic assumptions. Dr. Rura-Polley concurred and said that otherwise the board will be wasting the Finance Committee's time, and increasing the difficulty of communication.

Mr. Sampson congratulated the Finance Committee on all their hard work and their discipline and diligence. The board responded with applause.

Ms. Bausman-Watkins noted that the decisions the board makes in the next year will have long term affects. This will define how the school will look like in the years to come.

Mr. Sampson reminded the directors that the budget (once approved by the board) is marching orders for the directors and school administration to go forth and implement. As long as they stay within budget they don't need board approval.

Dr. Rura-Polley asked if we should revise this year's budget. Ms. Bausman-Watkins and Mr. Eliassen did not feel that it needs to be revised. Some things will be over budget since last year they were below budget.

Dr. Rura-Polley requested that when we start a new program, then we get a little more explanation of where money comes from and ramifications within budget. The Finance Committee agreed.

Mr. Eliassen noted that the bylaws we were considering were the wrong version.

E. Strategic Planning

a. Preliminary Discussion of 2007-2008 Budget

Mr. Eliassen handed out a budget. He discussed how the forecast has changed, and presented guidelines of what Year 3 will look like now that we have updated estimates. He warned that the Year 3 forecast was not a budget, but rather a forecast. It is based on what we know we spend, and looking at next year to see what will change.

Discussion agenda:

- Review of forecast
- Explanation of additional possible revenue sources
- Review of possible expenditure reductions
- Summarize directions...

Mr. Eliassen reviewed the forecast. The forecast is straight-line based on a PPU basis of expenditures. The state holdback was discussed. Mr. Sampson raised the possibility of raising a line of credit based on our holdback (for Year 3) to help with cash flow. The holdback is a considered a receivable (guaranteed payment from the state).

Mr. Eliassen informed the board that the Treasurer's report will start to track money in each grant.

On the Expenditures side, Year 3 represents the first year when we do not have start-up grants. So budget items previously funded by grants need to be covered by grants or general funds in Year 3. Mr. Sampson noted that some of those budget items are discretionary, but some are really not.

Mr. Pearson asked about the general outlook of Year 3. Mr. Eliassen noted that the first message of the forecast is that we will open our doors next year. Ms. Bausman-Watkins noted that we might get more revenue next year as well. The final budget decisions will be made in the March budget. The budget must be approved by June 30th.

Ms. Bausman-Watkins remarked that it is difficult to know what the actual revenue by July, due to the long legislative session this year. So we may have to revise the budget after that.

Dr. Rura-Polley asked about the possibility of balancing the Year 3 budget assuming no fundraising monies. Fundraising is treated as extra. She would rather balance on the budget on money we know is coming in. Ms. Bausman-Watkins replied that it could be a board directive to budget without relying on fundraising. But she felt that is not realistic. Dr. Greener noted that if word got out that you are balancing without fundraising, you will have a hard time raising money.

Mr. Sampson noted that the property insurance was over-budgeted last year, so the budget item will be reduced for next budget.

The board discussed possible changes in revenue sources. Ms. Bausman-Watkins discussed possible changes in the new legislative system. The Board recommended going with current numbers. Perspective grants and fundraising (donations) were discussed.

The board discussed possible state funding of a portion of teacher's salary under Q-comp program, funding available by state if you have a lead teacher serves as a mentor to other teachers. Ms. Bausman-Watkins noted that it is a lengthy application process which involves both teachers and administrator's time. She noted that it is hard for charters since there is so little release time. She noted that it can pay for teacher development and release time. Mr. Eliassen felt that it will only get more worth it as the school get bigger. Ms. Bausman-Watkins noted that the goal is to nurture teacher leaders to further education of students.

Ms. Bausman-Watkins asked if the board is directing the administrators to write the application. Dr. Greener felt that board does not know enough to make that decision. Mr. Pearson felt it was not a big enough tickets item at present. Ms. Bausman-Watkins would like to be educated so the school doesn't make decisions that preclude applying for Q-comp in the future. Dr. Greener suggested finding someone from other charter school who has gone through this. Mr. Eliassen summarized the direction from the board: find out about deadlines, and what resources we can consult to make decision.

Action Item: Ms. Nessel

Research Q-comp as a funding mechanism. Ask MDE for guidance.

The board started preliminary discussions of what priorities to convey to the Finance Committee to help shape their budget discussions. The discussions will be continued at the next board meeting.

b. Teacher Recruiting: Status and Plans -- Brief

This item not discussed.

F. Academic Oversight

a. Library Status Report – Brief

Ms. Bausman-Watkins gave a report on the current status of the library. Books keep arriving. Kids are now checking out books on paper system. On recommendation the school ordered an in-house library checkout software. Now they are recommending an externally-hosted system, with an annual fee of \$4000. Ms. Bausman-Watkins noted that we could pay 1 or 2 years out an existing grant.

No one felt that they had enough information to make a decision. Mr. Pearson suggested volunteers come in and discuss. Dr. Rura-Polley asked that the library be added to the agenda in January. Ms. Zachmeier-Ruh will get feedback from the teachers and discuss the pros/cons of stop-gap paper system.

G. Other Business

a. Review and Approve Proposed Bylaws

This agenda item was tabled until the next meeting. Mr. Sampson noted that the current set of changes were in regard to changes over voting bylaws. He asked that everyone look over the bylaws for any other needed changes.

Action item: Dr. Dorneich

Write next Quarterly Newsletter note from the board, the topic will be board nominations.

Agenda items for next meeting include Library, Nominating committee, Bylaws, and school leadership.

b. Mid-Year Reviews – Directors, Staff, and Board

Ms. Bausman-Watkins reported that All staff reviews are done, except janitorial staff (which started later in the year).

Mr. Sampson reported that feedback on the Directors is being gathered. The executive committee will meet to conduct the review.

Review of board is a discussion item for next meeting.

c. Need for Vice Chair/Additional Officers

The position of Vice Chair was discussed. The bylaws state that we can have from multiple Vice Chairs to none. One of their roles is to lead the board meetings when the Chair is absent (Dr. Rura-Polley has filled the role thus far).

H. Review Action Items

Dr. Greener passed around a policy of extra compensation for review.

Action Item: All Board members

Review Policy on Teacher extra-compensation for discussion.

I. Adjourn

Dr. Greener moved, Mr. Pearson seconded, that the meeting be adjourned. The motion carried 9 – 0.

The meeting was adjourned at 9:53 PM.

Twin Cities German Immersion School Board Secretary

Name: Michael Dorneich

Signed: _____

Date: _____

Date December 19, 2006 Minutes Approved by TCGIS Board: January 23, 2007

Date December 19, 2006 Minutes sent to MN Dept. Education: _____
