

**New City School, Inc.**  
**Board Meeting October 13, 2015**  
**New City School**

**Present:** Linda Crawford, Vince Esades, Marcy Myers, Melissa Johnson

**Absent:** Gary Crawford, Barbara Glaser

**Also Present:** Jitendrapal Kundan, Director, New City School and ex-officio member of Board; Todd Bartholomay, Principal, New City School, Blair Jedinak, Teacher, New City School; Jim Eichten, Auditor; Damon Fraser, NEO

The meeting convened at 5:00 p.m. with a quorum of 4.

**Agenda**

The agenda of this meeting: Budget, Board Training, Director Evaluation, State of the School – Board Report, State of the School - Director’s Report, Gifts/Donations/Fundraising, Partnerships, and Board Meeting Calendar for SY 15-16. The agenda was unanimously approved. (Vince Esades moved approval; Melissa Johnson seconded.)

**Minutes from Previous Meeting**

The minutes from the August 11, 2015 Board meeting were unanimously approved as written. (Marcy Myers moved approval; Melissa Johnson seconded.)

**FINANCIALS**

**Annual Management Report and Financial Statements**

Jim Eichten, NCS auditor from MMKR, presented the Management Report and Financial Statements for the SY ended June 30, 2015. Both were complete and approved, according to the audit. The only finding was the same as in previous years: that MMKR is both the preparer of the financials and the auditor. There was no instance of noncompliance with reporting and regulations.

Student population increase: the school experienced an increase of 25 ADMs (average daily memberships) last year, a 13.5% increase from the prior year.

Revenues increased 34.5% compared to the previous year due mostly to increases in the state funding formula from increased ADMs. Expenditures increased 35.8% compared to the previous year due to additional staff hired to serve the increased pupil numbers.

The General Fund balance increase was \$129,177 which brought the total fund balance to \$534,218 by 6/30/15. This amount equals 21.9% of annual expenditures. New City School is maintaining a higher than required fund balance as we anticipate extra expenditures needed for our planned move to a larger site. The balance of cash and temporary investments at the end of SY2015 was \$418,760. This includes an expenditure of \$37,629 for investment in our current property when we anticipated growth at our current site.

As it has in the past, food service costs exceeded revenues by \$12,739.

There was a change in accounting last year in reporting participation in public employees' and teachers' pension plans. The change reduced beginning net position in the government-wide statements by \$858,331. Pension plans at the state are funded to only an 80% level which means that our total net position for pensions is (\$81,034).

A motion to accept the auditor's report was made by Vince Esades, seconded by Marcy Myers, and passed unanimously.

### **Budget Updates**

Revised budget: based on 229 ADMs

Revenues: \$2,290,748.

Expenditures: 2,286,465

Change in fund balance: 4,283

A motion was made by Vince Esades and seconded by Melissa Johnson to approve the revised budget. The motion was unanimously approved.

### Balance Sheet as of 10/13/15:

Total assets are \$876,687.98, which includes \$504,286.59 in cash and receivables of 76,452.82. Total liabilities are \$25,326.31. Ending fund balance is \$684,880.81, which includes a current year increase of \$150,662.58. (Current year budget projected fund balance increase is \$4283.)

Student count is 241. (Current year budget was based on 229.)

### Check register

Checks written since last Board meeting (August 11, 2015) were reviewed.

Total amount of checks issued: \$257,517.54

Vince Esades moved approval of the checks written 8-11-15 to 10-13-15. Marcy Myers seconded. Unanimously approved.

### Journal entries

Grand total of entries: \$19,337.05. A motion was made to approve the journal entries from 8/11-10/13/15 by Melissa Johnson and seconded by Vince Esades. Unanimously passed.

### Appointment of Board Secretary

A motion was made to appoint Melissa Johnson as Board secretary. Motion made by Marcy Myers, seconded by Vince Esades, and unanimously approved.

### Line of Credit

The Board seeks to continue the NCS line of credit of \$220,000. The Certificate of Incumbency and Corporate Authority was read aloud by Vince Esades. Approval of the certificate was moved by Marcy Myers, seconded by Vince Esades, and unanimously approved.

### Additional motions approved

A motion was made to authorize Jackie Paradis to move New City School dollars when necessary from one account to another. Motion made by Melissa Johnson, seconded by Vince Esades, and unanimously approved.

A motion was made to authorize the expenditure of \$166.75 to pay bank fees for the establishment of a line of credit. Motion made by Vince Esades, seconded by Melissa Johnson, and unanimously approved.

A motion was made to approve adoption of a Premium Only Plan (#520) for the calendar year January 1 - December 31, 2016. Motion was made by Marcy Myers, seconded by Melissa Johnson, and unanimously approved.

A motion was made by Vince Esades to approve the Minnesota Legislature's update on the 125 Plan. The update was read aloud. Melissa Johnson seconded, and the motion was unanimously approved.

A motion was made by Vince Esades to approve NCS applying for Q Comp for this year. Motion was seconded by Marcy Myers and unanimously approved. Q Comp will provide additional revenues of \$43,000-52,000. the amount will be added onto teachers' salaries as a stipend on top of their base pay.

### State of the School

Testing:

We are switching our math test from AIMS Web to ANet (Achievement Net). Grades 2-8 will use the new test to locate gaps in understanding in order to improve our instruction.

We will be using Fountas & Pinnell testing to determine reading levels grades K through 8.

### Facilities

A motion was made to authorize Director Kundan to explore options for expansion of New City School that include partnerships with other schools. Motion made by Vince Esades, seconded by Melissa Johnson, and unanimously approved.

### Contracts

A motion was made by Vince Esades to approve the following new hires:

Kevin Bottiger	full time SpEd
Nick Pierce	full time ELL
Dave Pearson	full time middle school math

Margaret (Peg) Pavsek      part time 4-8 art teacher  
TBD                              Dean of students

The motion was seconded by Marcy Myers and unanimously approved.

### **Board Training**

Damon Fraser, a NEO lawyer specializing in real estate instructed the Board on the law and procedures governing the need for a full slate of Board officers when seeking a bank line of credit.

### **Gifts and Donations**

Allison A/AT&T - \$20.20

Wells Fargo/Sarah&Todd Olson 195.12

Announcement: All reports that are due to the MN Department of Education in December have already been sent in.

Next meeting: Tuesday, December 8, 2015    5 p.m.

Motion to adjourn was made by Vince Esades, seconded by Melissa Johnson, and unanimously approved. The meeting was adjourned at 7:30 p.m.

Respectfully submitted,  
Linda Crawford, Board Chair  
10/14/15