

Beacon Academy Charter District 4124
 Regular Board Meeting Minutes, August 18, 2022, 6:30 p.m.
 3415 Louisiana Ave N, Crystal, MN 55427
Beacon Academy is authorized by Innovative Quality Schools
P.O Box 580, Hutchinson, MN 55350

I. Call to Order: Wendy Terry called the meeting to order to at 6:35 p.m.

Roll Call: present at time of meeting unless otherwise noted

Name	Role	Present	Absent
Wendy Terry	Board Member - President	x	
Kris Gapinski	Board Member – Vice President	x	
Aaron Price	Board Member - Treasurer		x
Matheu Weidenbach	Board Member - Secretary	x	
Elizabeth Brobeck	Board Member	x	
Joanna Pederson	Board Member	x	
Elizabeth Warpinski	Board Member	x	
Jamarcus Walker	Board Member		x
Melanie Spall	Board Member	x	
Sean Koster	Ex-Officio	x	
Mike Reeder	Ex-Officio	x	
Bridget Peterson	Ex-Officio		x
Miscellaneous Attendees:			

II. Pledge of Allegiance

III. Choral Reading of Beacon Academy Mission Statement

IV. Approval of Agenda

Motion: Motion to approve the agenda								
Made by: Kris Gapinski			Seconded by: Elizabeth Brobeck					
Discussion:								
Vote:	Member	Yea	Nay	Abstain	Member	Yea	Nay	Abstain
	Aaron Price			X - absent	Elizabeth Brobeck	x		
	Wendy Terry	x			Elizabeth Warpinski	x		
	Matheu Weidenbach	x			Jamarcus Walker			X - absent
	Joanna Pederson	x						
	Kris Gapinski	x						
Decision: Passes								
Notes:								

V. Open Board Position

a. Review/Approve Seating of New Teacher Member

Motion: Motion for Melanie Spall to replace Paige Roth as teacher member for school board								
Made by: Kris Gapinski			Seconded by: Elizabeth Warpinski					
Discussion: Comment from Wendy: the term will be nearly a full term to complete								
Vote:	Member	Yea	Nay	Abstain	Member	Yea	Nay	Abstain
	Aaron Price			X - absent	Elizabeth Brobeck	x		

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	Wendy Terry	x			Elizabeth Warpinski	x		
	Matheu Weidenbach	x			Jamarcus Walker			X - absent
	Joanna Pederson	x						
	Kris Gapinski	x						
Decision:	Passes							
Notes:								

VI. Public Comment: *The board will recognize anyone from the public who wants to speak at this time. The board reserves the right to limit the time of the public comment. The public will not have the opportunity to speak or comment on any agenda item after the public comment time has passed.*

Notes: No public comments made

VII. Declaration of Conflict of Interest: *Board members read the agenda and disclose if they have any real or perceived conflict of interest with any agenda items.*

Notes: No conflicts of interest noted

VIII. Approval of Consent Agenda: *Consent Agenda items are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion of these items unless a board member or meeting attendee so requests, in which event the item will be removed as a Consent Agenda item and addressed.*

a. Approval of Minutes

i. Regular Board Meeting— July 21, 2022

b. Personnel/Staffing

Motion:	Motion to approve the consent agenda							
Made by:	Matheu Weidenbach				Seconded by:	Joanna Pederson		
Discussion:	None							
Vote:	Member	Yea	Nay	Abstain	Member	Yea	Nay	Abstain
	Aaron Price			X - absent	Elizabeth Brobeck	x		
	Wendy Terry	x			Elizabeth Warpinski	x		
	Matheu Weidenbach	x			Jamarcus Walker			X - absent
	Joanna Pederson	x			Melanie Spall	x		
	Kris Gapinski	x						
Decision:	Passes							
Notes:								

IX. Board Reports

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a. Finance Committee

i. Review/Approve June Finance Report

Motion:	Motion to approve the June financial reports with a correction to financial highlights for June 2022 - Income Statement section on page 3 of the June financial report							
Made by:	Matheu Weidenbach			Seconded by:		Joanna Pederson		
Discussion:	<ul style="list-style-type: none"> • The June budget was reviewed two months by finance committee as there were some questions and additional research in the numbers that needed to occur. • Investigation and additional questions from finance uncovered a few issues in financials: <ul style="list-style-type: none"> ○ Declining enrollment was incorporated into the budget, but was not accurately reflected (accounting error) ○ A change in special education funding; was budgeted for over \$500K, but declining enrollment dropped costs to ~\$300K. However, revenues were not changed to reflect the lower amount. ○ Benefits also increased in Summer of 2022 but the increase to benefits were not reflected in the adopted budget • Executive committee and finance were made aware of the error prior to the board meeting. • TAG is putting steps in place to ensure we prevent errors in the future. It is important that the board take the finance oversight role to heart and understand/review financials. If the board has ideas on how to keep an eye on finances, they are encouraged to reach out to finance committee. • Sean will be sitting down with the partners at TAG and talking through the situation that occurred, and asking for their approach to handling when the finance manager is not available and other individuals at TAG may be involved in updates to the financial statements in their absence. • Question from Elizabeth Warpinski: what is the liability of the accounting firm when they make a mistake? Response from Wendy: there isn't anything in the contract that would cover this scenario, absent of fraud or malicious intent. • We do feel we can rebuild confidence in TAG and we will put additional oversight actions in place with both finance committee and TAG • Ultimately we would have known our deficit earlier but it wouldn't have changed anything and there was no material impact. We may have had some earlier discussions on the staffing changes. And FY23 budget would have reflected differently. • Going forward a formula will be used in the budget documents to ensure we don't carry forward last year's amounts. • Deficit is coming in higher than projected; projected at \$685K but now \$991K 							
Vote:	Member	Yea	Nay	Abstain	Member	Yea	Nay	Abstain
	Aaron Price			X - absent	Elizabeth Brobeck	x		
	Wendy Terry	x			Elizabeth Warpinski	x		
	Matheu Weidenbach	x			Jamarcus Walker			X - absent
	Joanna Pederson	x			Melanie Spall	x		
	Kris Gapinski	x						
Decision:	Passes							
Notes:	<ul style="list-style-type: none"> • Overall spend was lower than budgeted amount. • Various updates to the June financials have been made and the audit is anticipated to come in slightly better than \$911K deficit, but do not anticipate significant improvement. 							

ii. Review/Approve July Finance Report

Motion:	Motion to approve the July financials as presented							
Made by:	Elizabeth Warpinski			Seconded by:		Joanna Pederson		
Discussion:	None							

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Vote:	Member	Yea	Nay	Abstain	Member	Yea	Nay	Abstain
	Aaron Price			X - absent	Elizabeth Brobeck	x		
	Wendy Terry	x			Elizabeth Warpinski	x		
	Matheu Weidenbach	x			Jamarcus Walker			X - absent
	Joanna Pederson	x			Melanie Spall	x		
	Kris Gapinski	x						

Decision: Passes

Notes:

- 8% complete for the school year
- Except for 12 month payroll, don't have items taken out for July
- Given how early we are in the school year there isn't significant expenditure
- In October a revised budget will be brought to the school board. Finance will be working on this budget for the next 2 months. Draft of updates in September with finance committee in preparation for October.
- Cash balance projection for FY23 shows a decline throughout the year with a negative cash flow continuing to June 2023, at which point the fund balance does not support expenses.
- To mitigate the declining cash balance is we need to consider a bridge loan. Bridgette is bringing numbers to Choice bank and another financial institution to gain approval for the bridge loan. We do not need to take the bridge loan immediately but want to have the option in the event it is needed. That decision is entirely structured around enrollment.
- Enrollment is key to resolving the budget issue.
- Beacon has grown by 18% since last December when at the low water mark for enrollment.

b. Executive Director, Sean Koster

i. Enrollment Report (informational)

Notes:

- Details have been added to the enrollment report to show change from last month to this month
- 1st grade doesn't have enough students for a second section
- Additional discussion on staffing updates due to enrollment in grades to come later in executive director report
- Transient population has solidified further
- Nice increase to Kindergarten enrollment
- Most new families are hearing about Beacon via word of mouth from existing parents
- The table at the bottom for newly accepted by city needs to be updated, Sean will have updated
- Sean to look at if there's a cut off that could be implemented for new enrollments inside the year; however, not necessarily advocating for that, information gathering only

ii. Review/Approve Food Service Costs

Motion:	Motion to approve suggested food service costs							
Made by:	Kris Gapinski				Seconded by:	Elizabeth Brobeck		
Discussion:	Question from Wendy: If food costs change over the next year, the provider will not increase our costs? Response from Sean: correct							
Vote:	Member	Yea	Nay	Abstain	Member	Yea	Nay	Abstain
	Aaron Price			X - absent	Elizabeth Brobeck	x		
	Wendy Terry	x			Elizabeth Warpinski	x		

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	Matheu Weidenbach	x			Jamarcus Walker			X - absent
	Joanna Pederson	x			Melanie Spall	x		
	Kris Gapinski	x						

Decision: Passes

Notes:

- See packet for cost increases
- Increases are to put us closer to a wash for lunch prices

iii. Benefits (informational)

Notes:

- Last year premiums went up 15% (quoted) but went up for staff at 12% when compared
- Beacon pays 75% of employee benefits and 25% for dependents
- Beacon collected \$19K from employees per month for benefits and paid \$60K per month, so paying approx. \$40K per month
- NOTE: remove second paragraph from benefits updates in board packet materials (doesn't account correctly)
- Premiums are up 29% for next year
- Health Partners will not take a loss on benefits, they will look at usage, and increase premiums.
- Question for Beacon: what can we do as an organization to reduce costs? Can further promote cost saving usage approaches like avoiding ER or urgent care and using Minute Clinics/NICE program where it makes sense.
- Beacon pays \$15K for NICE program to lower insurance premiums so staff can use it
- How can the School Board help? Task ERCC to come up with a long-term plan to help lower insurance costs for the employees and adjust the percent of premiums we pay for our staff. Likely not a way to do that this year but ERCC should start looking at this.
- Health partners did submit evidence of the increase in usage
- Will put information out for new and existing teachers for NICE program.

iv. PTO Payout (informational)

Notes:

- PTO payout for non covid years saved approx. \$3K
- Goal is to put money back in the pocket of staff
- Total budget impact for last year is \$33K, budgeted \$60K
- Will continue to budget \$60K for PTO payout

v. Review/Approve Staffing Update

Motion: Motion to:

- Cut one 1st grade section
- Cut one middle school science teacher and re-work the schedule
- Do not backfill office position while current staff member is on leave

Made by: Matheu Weidenbach

Seconded by: Kris Gapinski

Discussion:

- Other districts are increasing class sizes and sliding office staff into classrooms, not a unique problem to Beacon.
- Budget issues including additional deficit amount uncovered in financial reviews require some action; many other options already exhausted.
- Staffing cut options for 2022-2023:
 - Cut a 1st grade section and go to 2 sections; move the new 1st grade teacher to 5th grade to replace open position
 - Cut a section of science and re-work the schedule (don't hire open position)
 - When office staff member going on FMLA leaves (do not backfill the position)

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- Concerns raised by teacher board members regarding impacts to remaining staff, and future retention of teaching staff given cuts. Other options (for example stipends) are being looked at to also help with the impact.
- Prep time and loaded schedules are a major focal point for administrative staff, with a mind to minimizing the impact to staff especially for prep time.
- Cuts and the impacts are not something that the administration team wants to be permanent. Recognizes that we are short people and desire is to find ways to minimize the impact – staff are greatly appreciated and what staff has done the last couple of years is greatly appreciated. Administration wants to be very transparent on what it looks like and how long it will last.
- Need to consider the future plans for re-building the staffing when future grade levels reach impacted cuts

Vote:	Member	Yea	Nay	Abstain	Member	Yea	Nay	Abstain
	Aaron Price			X – absent	Elizabeth Brobeck	x		
	Wendy Terry	x			Elizabeth Warpinski	x		
	Matheu Weidenbach	x			Jamarcus Walker			X – absent
	Joanna Pederson	x			Melanie Spall	x		
	Kris Gapinski	x						

Decision: Passes

Notes:

- Budget cuts proposed for last spring are included at the top of the document in the board packet for visibility; were reviewed again by admin this summer
- See packet for details; did not include cuts that impacted individuals

Recess called at 8:35PM

Called back to order at 8:46PM

c. Principal, Mike Reeder

i. Technology Update (informational)

Notes:

- Contract with AIS has been renewed for 5 years
- Upgraded equipment will be provided
- Currently overages are charged quarterly, but they will now be charged annually
- \$650/month savings

d. Board Training

i. School Board Roles and Responsibilities

Notes:

- See board packet for details
- Note: several corrections to slides to be made to align slides to current structure

e. Fund Development Task Force

Notes:

- Working on a number of grants and getting information out to teach for some of the opportunities
- Additional proposals to come in future months
- One member was sent to a 1.5 day training session on grant writing, which includes access to sample grants and other

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resources

f. Curriculum Committee

Notes:

- All curriculum ordered has been received and distributed to staff
- New character education materials also came in today and will be handled next week
- Kris and Elizabeth working on a sharepoint site for whole-school use

g. Governance Committee ~~Executive Committee~~

i. Review/Approve Policy 506 Student Discipline

Motion: To immediately approve the policy 506 without a second reading

Made by: Elizabeth Warpinski

Seconded by: Elizabeth Brobeck

Discussion:

- Wanted to ensure practice better matched policy and make policy specific enough without forcing micromanagement

Vote:	Member	Yea	Nay	Abstain	Member	Yea	Nay	Abstain
	Aaron Price			X - absent	Elizabeth Brobeck	x		
	Wendy Terry	x			Elizabeth Warpinski	x		
	Matheu Weidenbach	x			Jamarcus Walker			X - absent
	Joanna Pederson	x			Melanie Spall	x		
	Kris Gapinski	x						

Decision: Passes

Notes:

- Need this approved before the 1st day of the school, so requesting deviation from the 1st reading/2nd reading policy
- Updates were intended to match procedures better

h. Employee Retention and Compensation Committee

Notes:

- No updates

i. Executive Committee

i. Board Training Opportunities (informational)

Notes:

- Board members should sign up for training options from our authorizer
- Wendy can forward trainings done recently over zoom (will cover state mandated training) for finance and governance (training is free)
- Online learning portal is available from IQS
- MACS also offers board training 3 times per year
- Board members have 6 months to get started and must finish within 1 year

ii. Board Planning Calendar (informational)

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- See packet for details
- Calendar to be used in agenda setting
- Policies are available on the website

iii. By-laws Review Plan (informational)

Notes:

- Executive committee is handling a by-law review after questions were asked, and a review was offered
- Hopefully will have something to the board by beginning of 2023 to finalize by-laws

iv. Board Retreat Preparation (informational)

Notes:

- Board retreat agenda:
 - Reflections on the past year – personal questions are for self reflection, others to be discussed at retreat
 - Expectations for the coming year
 - Strategic Planning : Mission

X. Adjournment

MOTION TO ADJOURN

Motion to adjourn at 9:08 pm forwarded by Elizabeth Warpinski seconded by Joanna Pederson. Approved unanimously.
Meeting adjourned at 9:09 pm.

Next regular meeting: September 15, 2022 at 6:30PM

Board Retreat: August 23, 2022 at 6:00PM

Approved on _____

Matheu Weidenbach, Secretary
Beacon Academy School Board