



Members Present: K. Denzer, N. Donnay, A. Galati, R. Hajlo, D. Keyes, A. Melendres, S. Mueller, K. Pleticha

Members Absent:

Board Advisor Present: K. Gutierrez

Call to Order

R. Hajlo called the board meeting to order at 6:07 pm.

Open Forum

There were no requests to speak at the Open Forum.

Consent Agenda

The consent agenda includes the minutes from the May 17 board meeting, Executive Director's Report, and the confirmation and approval of the FY22 Annual Designations for the appointment of members to the board of directors of Friends of St. Croix Preparatory Academy, Designation of Depositories, Authorized Signers at banks and Delegation of Authority to Make Electronic Funds Transfers.

Motion to approve the Consent Agenda: A. Galati

Second: S. Mueller

Approved: All

Approve Amended 2021-2022 Annual Budget – K. Gutierrez

With the fiscal year 83% completed most YTD revenues and expenditures line items are within 5% of 83% YTD complete, except for: federal revenue (67%) which is to be expected as federal revenue is reimbursed after eligible federal expenses have been expended, employee benefits (76%), and equipment expense (92%). Both of these expense line-item variances are due to timing differences, and do not require budget adjustment.

Most notable budget vs. reforecasted variances are *state revenues* (-\$158K) due to enrollment shortfall, *federal revenue* (+\$524K) which is primarily attributed to the receiving unbudgeted Covid-19 related federal grants (\$134K) and federal food service revenue originally budgeted in local revenue, but reclassified to federal revenue because federal government announced FY23 school meals subsidies after approval of FY23 budget (\$288K), and decrease in *local revenue* (-\$592K) which is attributed primarily to the reduction in local food service revenue (-\$288K) and a decrease in development/fundraising (-\$320K) which is primarily attributed to the suspension of Together We Stand Bleacher Campaign (\$200K). On the expense side, '*Equipment Expense*' is reduced \$101K because the PAC lighting project originally budgeted for FY22 has been moved to FY23. And '*Other Expenses*' are reduced \$504K primarily due

to delayed completion of Discovery Trail and Bleacher/Pressbox . These two projects were originally projected for FY22 completion but have been delayed to FY23.

Year End Projected Key Ratios and Balances:

- Debt service coverage ratio of 1.29 (> than the bond covenant 1.10 minimum).
 - Fund balance reserve as a % of annual expenditures will be 47% (> 20% SCPA fund balance policy).
 - Days cash on hand is 157 (target > 60).
- S. Mueller made a motion to adopt the 2021-2022 amended budget as follows:
- General Fund Revenues of \$14,216,588 and Expenditures of \$14,082,456
 - Food Service Fund Revenues of \$598,342 and Expenditures of \$507,728
 - Community Service Fund Revenues of \$132,000 and Expenditures of \$109,500.
- Second: D. Keyes
Approved: All

Motion to approve the Covid Coordinator double overload stipends paid out during the 2021-2022 school year: R. Hajlo
Second: N. Donnay
Approved: All

Compensation Increase for Kelly and Jon Gutierrez – T. Smith

Background - First, Kelly's compensation currently aligns with two of the principals' annual compensation so it is recommended there be an increase in Kelly's compensation to reflect the level and responsibilities of an Executive Director position. In addition, without a differentiation between an Executive Director and principal salary, there is no path for principals or other administrative staff to increase their compensation. Second, St. Croix Prep need to prepare for gradual retirements/succession planning, and these proposed compensation increases maintain founder mentality and engagement. All proposals are within the 2021-2022 and 2022-2023 budgets.

There was discussion.

Motion to pay K. Gutierrez the \$12K adjustment to her EDFO 2021-2022 salary: A. Galati
Second: A. Melendres
There was discussion.
Approved: All

Motion to calculate K. Gutierrez's 15% pay increase for 2022-2023 using the increased adjusted 2021-2022 salary: S. Mueller
Second: N. Donnay
Approved: All

Motion to make a one-time \$12K pay adjustment to J. Gutierrez for 2021-2022: K. Pleticha



Second: A. Galati
There was discussion.
Yes: R. Hajlo, A. Melendres, N. Donnay, D. Keyes
No: S. Mueller, K. Denzer, K. Pleticha
Motion passes.

Education Identity and Access Management Board Resolution Approval

Designate Jon Gutierrez as the designated authority to access the State of MN Education secure websites for St. Croix Prep.

Motion to approve as presented: S. Mueller
Second: N. Donnay
Approved: All

Board Resolution to Resolve Board Election Tie – N. Donnay

Christina Norman won the first parent board seat in the May election. Two other parent candidates, Robert Hajlo and Matthew Stiles tied. There are no statutes or bylaws in place to address the election tie situation.

There are two options the board can consider:

1. Hold a special election but would need to communicate to the school community in advance of having the election so it could not occur until late fall, or
2. Seat both Bob and Matthew which would increase the parent board members to five.

Notes: Deanna Thompson resigned her board seat effective June 28, 2022. Bob has recused himself from this discussion and from the vote.

Our legal counsel indicated a board composition of five parents, three teachers and one community member is ok, as long as the board is trying to find a new teacher board member to align with its “no clear majority” governance model.

There was discussion.

Motion to confirm the election of Christina Norman as a board of director and adopt the full election resolution as presented (option 2): K. Denzer
Second: D. Keyes
Approved: All

Reading Well by Third Grade – J. Karetov

This plan is created annually and hasn’t changed except for last year’s MCA data. Asking for current plan to be approved.

Motion to approve the Reading Well by Third Grade Plan as presented: A. Galati
Second: K. Pleticha



Approved: All

2022-2023 Family Handbook

Motion to approve the 2022-2023 Family Handbook: S. Mueller

Second: A. Galati

Approved: All

Teacher Compensation Plan Update

Clarification on the 15% staff compensation increase. The original proposed 15% increase did not include licensed and non-licensed staff moving a step in placement level. It was determined after approval of the FY23 budget, that instructional staff should advance placement levels on the salary schedules. This cost of this adjustment is \$35K, however this cost is offset by payroll savings due to staff turnover. Therefore, this adjustment has a net zero effect on the approved FY23 budget.

Prep for Success – Change the Lower School Calendar

Propose the Lower School students and families start the 2022-2023 school year differently with Prep for Success. Students will meet one on one with their classroom teacher and EA at a designated time to get to know one another, do reading assessments and help teachers better understand what the student knows before they enter the grade. These meetings will take place during the first week of school, Aug 29-Sep 1. These assessments will allow for students to receive earlier assessments and intervention during the school year.

Lower School’s first day of school will be Tuesday, September 6 (after Labor Day).

Motion to approve the Lower School Prep for Success proposal and change the Lower School first day of school to Tuesday, September 6: K. Pleticha

Second: A. Galati

Approved: All

Adjourn Meeting

Motion to adjourn at 8:18 pm: D. Keyes

Second: A. Galati

Approved: All

Submitted by S. Peterson, St. Croix Preparatory Academy