

MSA November Finance Committee Meeting Minutes

November 2023 Finance Committee Meeting

Monday, November 20th, 2023

4:15 PM

Building/Room: Building A Room 16 (Leonhardi's Classroom)

Finance Committee

Committee Members: Isaac Leonhardi- Board Treasurer, Kate Hinton- Executive Director, Shauni Holt- Business Assistant, Dustin Reeves- Contracted Business Manager, Wendell Sletten - Teacher/Board, Noah Langseth - Teacher, Jaidev Balchandani- Parent, Courtenay Dugas- Parent, Jennifer Stieve- Parent, Yohannes Ghebru- Parent, Alicia Lerum- Parent

Members Present:

Isaac Leonhardi	Chair of Committee, BOD Treasurer	Present
Wendell Sletten	Board Member, Teacher	Absent
Dustin Reeves	Contracted Business Manager	Absent
Kate Hinton	Administration	Present
Justin Gehring	Staff/Parent	Present
Shauni Holt	Staff	Present
Jaidev Balchandani	Parent	Present
Courtenay Dugas	Parent	Present
Jennifer Stieve	Parent	Present
Yohannes Ghebru	Parent	Present
Alicia Lerum	Parent	Present
Noah Langseth	Teacher	Absent

Community Members: None present

Agenda:

1. Finance Reports/ Current Year Financials (Leonhardi)

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- a. Original budget ADM was 598. Actual ADM is currently 569.18, working budget ADM is 569.
 - i. ADM was 573 at September month end.
- b. Current working budget surplus at October month end was \$37,559
 - i. September month end had a deficit of \$152,267.30
- c. Projected cash on hand is 113 days at October month end, meeting the 60 days required
- d. Debt service coverage ratio is 1.05 at October month end, meeting the 1.00 required
 - i. September month end was 0.86
- e. Revenue Adjustments
 - i. ADM Reduction- \$31,505
 - ii. School Library Aid \$20,000
 - iii. Student Personnel Support \$20,000
 - iv. Interest earned- \$25,000
 - v. Miscellaneous revenue- \$2,100
 - vi. School Library Aid and Student Personnel Support are new revenue that passed in the State legislature. We will need additional information from the contracted financial manager, Reeves. Leonhardi and Hinton will reach out to Reeves for clarification.
- f. Expenditure Adjustments
 - i. Payroll Adjustments- \$139,247
 - 1. operating with one less administrator for the remainder of the fiscal year.
 - ii. Furniture savings- \$10,000
 - 1. large furniture donations came in from a business that was downsizing, reducing our purchase need this fiscal year.
 - iii. Reduced Expenditures based on ADM- \$1,526
 - iv. Technology Grant (Net Savings)- \$3,457
- g. 33.33% of the fiscal year is complete at the end October.
 - i. Expenditures are conservative at 28.45%.
 - ii. Revenues received reflect at 34.54%

2. Audit Update (Reeves)

- a. *Contracted Financial Manager absent at this meeting for an update. Leonhardi will contact Reeves for an update to present at the next Board of Directors meeting.*

3. PSEO Update (Hinton)

- a. A majority of MSA students attend Century College for PSEO credits versus other institutions.
- b. How our current funding works is that we receive ADM funding for the minutes that the student is physically present in a class that earns credits at MSA. We do not receive funding for students attending study hall, lunch periods, or advisory.
 - i. Century College approached MSA about the opportunity to do PSEO by contract, as it will also create a financial benefit for Century College

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- ii. If we do PSEO by contract with this institution, we receive the students full ADM (\$8,600) and we then pay for the credits directly to Century College.
 - 1. Cost per credit billed to MSA would be \$251.30.
- iii. If we were on this plan last fiscal year, we would have saved \$86,000
- iv. Calculations on the conservative side would be approximately \$36,000 in revenue. We will not know the exact savings until all students finish registering for courses.
- v. Hinton has worked with the student data coordinator to pull historical data for the last 10 years to confirm that we would see a savings in the contract each year, had we approached this model with Century College
- vi. Hinton will need Board of Directors approval to move forward with the contract with Century College, but anticipates that it will generate \$30-50k in revenue for MSA for this fiscal year.
- vii. 95 out of our 138 PSEO students are taking PSEO at Century College this year.

4. Expansion Update (Hinton)


Expansion

- a. We are able to build a school within our budget constraints that will fit 1,300 students.
 - i. Once we build the new school, we have three years to hit our expansion goal of 1,300 students in the new school (300 students added every year)
 - ii. New building would potentially be ready July 2026- unfortunately that means that we would need to stay at the current location for 2 more years
 - iii. 4 properties have been identified. All are within current District 833 boundaries.
 - iv. Work to time our bonding and construction company together due to interest rates to lessen the accumulation of interest
 - v. Building A and B would be kept and transitioned to an Elementary School (Buildings C and D are not owned).
 - 1. Renovations would need to be done to transition A and B to an elementary school (toilets, furniture, other needs)
 - vi. Projections show that we would have to hire 9 teachers next year
 - vii. At the next Board of Directors meeting, Dr. Hinton will request a Town Hall meeting in January to provide an expansion update for the MSA community.

Sublease

- b. A building has been found approximately 3 miles from the current MSA location that is within our budget for a sublease for 2 years (outside of District 833) that allows us to grow while the new site is being built. Building includes most furniture, classroom space.
 - i. Would need to contract buses (approximately 4 buses based on current enrollment) to transport students from home to school and vice versa.
 - 1. Potential to contract a bus to transport students to the current MSA site for activities.

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2. Legally, MSA would be required to bus the students that are in the other district to the new site in the sublease
 - ii. Sublease location would bring the students in grades 10-12 (approximately 300 students) to the new campus) and continue to grow the current site.
 1. More success has been found with students coming in as a group in 6th and 9th grade and following the pathway.
- 5. Fundraising/ AFC Committee / Donations (Hinton/ Gehring/ Holt)**
- Give to The Max- approximately \$40,000 raised (some of the funds were designated specifically to certain clubs/activities).
 - A question came at the last Board of Directors meeting on why MSA did not solicit printer paper donations this year. The reasoning behind this is due to the copier/printers that we use requiring a specific copier paper to not “jam” the printers. Unfortunately, recycled/store brand products result in frequent jams and service calls for the copier/printers on contract for the school. As a result, office and Administrative staff made the decision to not ask for paper donations this year to alleviate the space to store products that could not be utilized (some leftovers from last year are still stored for individual printers usage only.)
- 6. 24/25 Budget Planning Timeline (Hinton)  Budget Planning 2024-25 (Draft)**
- Overview provided of Budget Planning for the next fiscal year
 - Confirmation that the ERC funds will be used to continue investing in the staff pay scales with the goal to be approximately 90% in line with the 833 school district

Additional notes:

Due to contracted financial manager being absent for this meeting, Leonhardi will reach out to them separately for the following to provide more information and clarification to the Board of Directors:

- Audit update
- School Library Aid (new revenue)
- Student Personnel Support (new revenue)

No Finance Committee meeting in December due to time constraints in turnaround for financials and earlier than usual Board of Directors meeting.