



Members Present: K. Denzer, N. Donnay, J. Gottschalk, D. Keyes, R. Hajlo, J. Markoe, S. Mueller, K. Pleticha, A. Schumacher

Members Absent:

Board Advisors Present: J. Gutierrez, K. Gutierrez, W. Renner

Guest: Terri Smith

Call to Order

S. Mueller called the board meeting to order at 6:03 pm.

Open Forum

There were no requests to speak at the Open Forum.

Consent Agenda

J. Gutierrez reviewed the consent agenda. This included the March board minutes, the Executive Director Report, correction to the board calendar for the board retreat on Saturday, October 26 instead of Friday, October 25, and the first reading of the Family Medical Leave Policy and the Crisis Management Policy. In addition, the 990 Form was presented. This annual return prepared by CliftonAllenLarson is a compilation of the audit report; informational purposes only.

Motion to approve the Consent Agenda: A. Schumacher

Second: J. Markoe

Approved: All

Health Benefit Bid Review and Recommendation – T. Smith, HR Director

St. Croix Prep complies with HITA and this compliance is included in the annual review of the benefits for the staff. The school received seven closed bids from medical insurance providers, including Preferred One who is the school's current provider. The lowest bid came from HealthPartners which includes similar plan designs that is currently offered with Preferred One, in addition to offering Mayo Clinic as a network option. The premium costs would be reduced by 3.2% with a rate cap of 9% for the 2020-2021 renewal. Based on extensive evaluation of the bids, St. Croix Prep's administration recommends switching health benefit carrier from Preferred One to Health Partners.

Based on reasonable dental insurance renewal rates received from Health Partners (3.07% increase, with a two-year rate lock), St. Croix Prep's administration recommends renewing with Health Partners.

Based on reasonable life insurance renewal rates received from Principal (\$.01 per \$1000 coverage with an overall impact to the group of \$67/month) St. Croix Prep's administration recommends renewing with Principal.

Based on flat long-term disability renewal rates received from Principal, St. Croix Prep's administration recommends renewing with Principal.



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Based on a decrease in vision insurance premium (ranging from 9%-17% decrease) and more rich benefits, St. Croix Prep's administration recommends renewing with VSP.

Motion to approve the recommended insurance plans: D. Keyes
Second: A. Schumacher
Approved: All

Update on Board Elections – N. Donnay

Vacancies on the board are for Bob Hajlo, Deb Keyes and Jim Markoe. They will be running for another term. Announcement of board candidates will be posted in the Parent Update; volunteers are being recruited to volunteer for the election and J. Gutierrez will be sending an email to candidates to fill out a questionnaire for the Voter's Guide.

Weather Related Closings in 2019-2020

Governor Walz signed the snow day relief bill allowing for waiving the statutory requirements for adding instructional hours due to weather related cancellations. Administration has updated the school calendar and there will be no impact to the calendar going forward. Administration is currently working on establishing E-Learning days for grades 7-12 next year.

Motion to authorize the administration to proceed and comply with legislation, minimize financial implications and reporting requirements for school related closings: K. Denzer
Second: J. Gottschalk
Approved: All

Prep Gala Update

The event was a success. There were 315 guests in attendance which was 72 more than last year. The number of silent auction items increased and the number of guests who participated in the live fund-a-need increased from 56 donors to 86. Received feedback that the school community appreciated that the event was held back on school property.

Lease Aid Application Approval

Board of directors required to fill out Conflict of Interest Form, Related Party Questionnaire and Charter Lease Aid Certification Form.

Friends of Education Networking Event

All board of directors are invited to Friends of Education networking event on May 16 at 6:00 pm at Parnassus.

Building Expansion

Further discussions still need to take place regarding building expansion. We need to finish this school year and will continue conversations at a future time.

Preliminary FY20 Budget – K. Gutierrez

FY20 budget numbers are in comparison to reforecasted FY19 budget numbers. FY19 reforecast will be presented at the May 21 board meeting.

School wide total revenues \$14,334,000 vs. \$13,727,000 for a variance of \$607K. School wide total expenses \$14,044,000 vs. \$13,807,000 for a variance of \$237K. Total surplus is \$290K vs. -\$80,000 in FY19.



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Variance from PY excluding the stadium lighting expenditures is \$115K. Projected fund balance will be \$3,988,000 which is 27% of annual expense vs. 25% in FY19. Target fund balance is greater than 20%. All other ratios are in line with bond covenants: debt service coverage is 1.37 (target of 1.2) and days cash on hand is budgeted at 84 (target of +60).

FY20 enrollment is projected at 1205. This is attributed to a 2%/24 student budgeted growth in the Upper school. All-school waitlist remains strong at 675.

General fund revenue is projected at \$13,677,000 which is a variance of \$587K from PY. Major factors are: projected increase of state aid per pupil funding increase of \$341K (gen ed formula increase of 2%), \$172K for 3 additional State Special Ed FTEs (offset by state special ed expenditures) and \$25K in extra-curricular fees due to projected growth in athletic participation.

General fund expenditures are projected at \$13,442,000 which is a variance from PY of \$174K including the \$255K allocation for the stadium lighting or \$429K excluding the stadium lighting allocation. Major variances attributed to: \$131K reduction in salaries (net of staff pay increase of 2%; however this increase in expense is offset by \$294K reallocation of salaries to ADSIS program), \$104K increase in repairs and maintenance expense (which is consistent with SCPA's 30 year facility life cycle replacement schedule), \$33K increase in instructional supplies due to reclassification of software expenses from prior year, \$60K reduction in building improvements, \$201K reduction in furniture and other equipment (PY exceptionally high due to stadium lighting), \$96K reduction in tech equipment (PY high due to replacement of LCD projectors and security cameras) and a \$187K increase in State Special Ed expenses due to the additional 3.0 FTE in Sped positions (this expense is offset by the additional \$187K in State Special Ed revenue).

ADSI is a bi-annual grant used to provide learning instruction to students who need additional academic or emotional support before they need special education. Payroll costs for lower school educational assistants, and math/reading specialists have been allocated to this program. If awarded, St. Croix Prep would receive 55% of program costs in the year following expenditures (FY21 and FY22).

General fund surplus is projected at \$235K.

Food service fund balance is projected at \$311K with an annual surplus of \$39K. These funds will be used for future food service program costs.

Community service fund balance is projected at \$90K with an annual surplus of \$15K. These funds must be expended for a community purpose. The board may allocate at any point.

Final FY20 budget approval at May 21 board meeting.

Motion to adjourn at 7:34 pm: A. Schumacher
Second: B. Hajlo
Approved: All

Submitted by S. Peterson, Board Clerk, St. Croix Preparatory Academy