

# ISLA – Board of Directors Meeting

January 12, 2010, 6:30 p.m.

ISLA School Building - 12007 Excelsior Blvd, Minnetonka, MN – **Room#121**

## Minutes

**Present:** Sonia Miller-Van Oort, Mark Mathison, Steve Semler, Eric Peterson, Kerry Krawczyk-LeMieux, Michael Valley, Kate Shablott, Melody Brombacher, Briana Boeser, Vanessa Bera, Karen Terhaar, Ximena Rayo

**Others Present:** Theresa Aleckson, Teri Policy, Pam Landsteinder-deLooze, Trent Schaffler, Heather Copps, Shelly Rothstein, Charlie Firth

The meeting was called to order at 6:35pm.

The agenda was adopted into record.

The minutes from the last Board Meeting were adopted into record with no changes.

Steve read the mission.

Michael and Josh reported for the Finance Committee. Two documents were reviewed. The new document is a cash flow model, the second document is our financial statement through November. Format has changed since Rhonda left and Josh took over reporting. At last board retreat we anticipated having significant deficit, and we'd need line of credit. Instead, our cash flow is good and we may not need the line of credit BUT we will get it just in case we need it later. Prime plus 2 percent is rate. Need guarantors, though. Michael is okay to do this but wants another person to do so, too. Board needs to adopt resolution for \$100,000 line of credit and name guarantors to appease bank.

November financials are as expected. Eric clarified the difference between a deferral (holdback) and a shift. Potential that the current holdback will be changed from deferral to shift, but it is currently a shift which means it is not guaranteed and it is possible we will not receive all of the funds that have been allocated to us.

Cash flow model – the rules changed. The new form tracks cash flow as accurately as possible to predict the entire year. We're at \$169,797 on 1/4/10 and were projected to be at \$175,127 on 12/31/09. Josh says ISLA is more fiscally ahead and has a bigger cash balance than any other school he works with. This is good. It's only because of well-managed resources that we're in this position: we had \$216,025 in bank on 7/1/09. The \$72,632 includes all reserves at the end of the year.

Mark moved to approve the financials. Steve seconded. Motion passed unanimously.

Michael moved that the board direct the Finance Committee to apply for a 100K line of credit from USBank in Hopkins, with two guarantors who are Board Members for the loan to be

determined by the finance committee. Steve seconded. Discussion ensued. There is concern that a Board Member can not be a guarantor, as they would have a financial interest and would also have a fiduciary role. This would be an apparent conflict of interest. Could we find an authorizer, a non-profit, a landlord, to be the guarantor? Would that be acceptable to the bank? There was also discussion that the bank is trying to fit square peg in round hole and fill out their standard forms and paperwork with a non-traditional lending partner. Non-Profit Assistance Fund may be able to help, the Finance Committee should explore the opportunity. They may not be in good shape to loan to ISLA at this time ... It is safe to wait until next month to vote on this with more information. Michael withdrew his motion.

Public Input began.

Terry Policy, parent of a student, wanted to know about the guarantors we're looking for. Michael clarified that they want at least two guarantors, but would be willing to have more. May be possible to split the amount. Will explore that option.

Heather Copps has two kids at ISLA. She asked whether there have been conversations about Hopkins absorbing our school or ISLA becoming part of the Hopkins district, and what the pros and cons of that would be. Heather feels that Mark seems very familiar with the new legislation – she would like to know more about the autonomous school portion of the legislation. She talked about it with Yvonne Selcer a little bit (Hopkins School Board Chair) ... but don't know more. Sonia explained that HSD has asked this question every year since ISLA became an idea, before it was even a school. Each year HSD asks if we would be interested in discussing such an issue, and we always say yes. Sonia, Karen, and Michael sat down with HSD last week and asked what they were proposing. They weren't sure, other than to say maybe sometime in the future HSD would be interested in something like that. Very vague. If ISLA were to be an autonomous school within the district there would be an Advisory Council at school but HSD Board would be ISLA's board. Financially, ISLA would be under HSD. Staffing would be under HSD. ISLA told HSD that everything is still very vague and speculative, but if they have a proposal please we would be happy to look at it. At this time we are not leaning in any direction as a Board because we don't know how it would work, any of the specifics, the mission, etc. We are IB ... and a successful charter school, in addition to offering Spanish Immersion. We bring a lot to the table and have a lot to offer. Karen Terhaar is meeting with Superintendent John Schultz next week and will bring this up again. She reminded everyone that, before ISLA was ever sponsored by HSD, John Schulz asked this question. Parent surveys consistently show they want immersion, mostly Spanish, but they don't have the money to pay for it. They are looking at options for elementary level in 2011.

Pam Lostiner Deloser. Parent of first grader. She has concerns about the locations being explored and sees Minnetonka as a problem because she lives in Maple Grove. It's already hard to manage. Putting ISLA further away makes it even more difficult. Since they live out of district, they currently leave the house at 7:30 and get home at 5:00. Moving ISLA further south is very concerning to her and her family. There are no immersion options in NW suburbs.

Trent Schaffler. Parent of a second grader. Finance questions. Does ISLA have a five year financial plan? No. Current student count is 172. Forecast for next year – 222. Currently have 10

licensed educators. Will add two – next year (2<sup>nd</sup> and 6<sup>th</sup>). Total enrollment will be capped at 350 (50 per grade level).

Shelly Rothstein has a 1<sup>st</sup> grader and two younger kids. Another comment about south end of town. They live in Champlin. 18.5 miles. Every day I say to myself that this is worth it. Closest to get into besides RSI, which is hard to get in. Anoka Hennepin does not have immersion school. We are committed to ISLA and willing to drive but would rather have a temporary solution to see if long term plan could bring school closer to center of district. Kate explained the leasing situation with zoning, availability, location preference, etc. Eric updated about leads aid changes, rules changes, Beacon's move from an old (but real) school to church basement.

Charlie Firth, K parent. Comment – Have questions about future viability of ISLA. Yes, ISLA can find a new authorizer and new space, but still concerned. As parents we're not instilled with confidence. It's a time of flux, but a lot of parents are in the same boat. If students choose to leave, what will be done to address loss of funding. Sonia said we will talk about that during HSD authorizer status discussion under New Business.

Theresa presented the PTO report. There has not been a PTO general meeting since November, as they skipped the December meeting. The Board did meet, however. Considered request (\$3600 fund for teachers) for \$3500 to go to training that the teachers were on board with, and it sounded like a great opportunity. But the Board didn't feel comfortable allotting the full amount of money so the whole PTO will meet to discuss. The Board did fund \$1700 to this for now. Jan 26 will be next PTO Board meeting. All ISLA Board members are invited. Theresa will try to make it like last time – start with ISLA Board issues and then go to regular meeting. Also note that PTO voted to sponsor a 4H group. We haven't been able to meet but the intent is to do so. There was a 4H club flyer that went home to parents. The PTO never voted to disband the ISLA 4H club, and we have people willing to take it on and it just hasn't happened to date. *Action Item: Steve needs someone to attend the next PTO meeting in his place.*

Karen Terhaar presented the Director's Report. The PTO request was from ISLA staff to do on-site training with a nationally known expert in IB Inquiry. It's similar to the training that Vanessa and Karen Speich did. John Burrell will be in MSP going to Lakeview in Robbinsdale. Staff asked to tap PTO funds. There are three elements to IB that are specific and different: international, IB profile/character, and inquiry which is what really sets it apart from other programs. If ISLA want to do this right, this is what we need to do. John Burrell will come into each classroom and teach a ½ hour unit to each class. Then he will meet individually with each teacher. This is something that is not possible to get anywhere else. The school will move forward with this, at least minimally, and see if additional funding can be provided or found. Separately, enrollment is good. Last year at this time we had 41 applications. This year we have 39, with more for all day than for half day (24 full, 13 half, and 2 uncommitted). We also have official applications for 1<sup>st</sup> and 2<sup>nd</sup> grade. Karen T. has been getting calls from parents of students in neighboring districts as well as some moving from further away into the Twin Cities next year. Nice number of people interested in the school who are seeking more information before making decisions. Lottery is February 16, and there are informational meetings this Thursday and also February 4.

The Board took a break at 8:00, and reconvened at 8:14.

The Chair gave her report.

Several parents and Board members from ISLA attended the December HSD Board Meeting. They talked to the Board during the public input session as well as during breaks.

As for the Open Meeting law, the Board needs to be aware that this applies to our Board. Mark says it clearly has an impact on ISLA's Board. It applies to meetings of Board and Board committees. This was not necessarily case before the Charter law was amended last summer. In particular, a recent advisory opinion on Open Meeting Law. Relative to emailing on Metro Gang Strike Force, which should have been subject to Open Meeting Law. There was a document that was emailed back and forth to create a prepared statement. A quorum responded by email, which was then held to constitute a meeting, under Open Meeting Law. There was a quorum and discussion occurred and action was taken, and this was a violation of the Open Meeting Law. In our infancy we've had to conduct a lot of communication by email. Governance will propose policy in future to deal with this. Board can not act that way via email without noticing and complying with Open Meeting Law – can deliver information, but not respond to it. Okay to receive but not discuss. Also true of phone calls. Serial communication is not compliant with Open Meeting Law. At end of this opinion, the agency giving the opinion reached out to the legislature to provide guidance on email and phone calls, to clarify what is permissible. Also, to clarify, an agency opinion not the force of law, but is still guiding direction. We've been abiding to date – please keep doing so.

State of school address will be in March. Goal is to bring ISLA community together, educate and inform. Join session with PTO Board. Communication is key. Disseminating information and sharing academics and setting up town hall including possible public input opportunities. Will discuss sponsorship issue, facility, etc. Want to have information to provide so the meeting will be useful.

Kate gave an update on our search for a new facility. Still considering two properties in Minnetonka. Looking for suitable investor. Back up remains Faith.

Eric talked about lease aid and issues regarding other schools' problems (fire safety, affiliated building companies, etc.). Many schools were represented at the committee meeting he attended. Explained that affiliated building company is too cumbersome. Next meeting is January 25 at 3pm. They will discuss Incentivizing districts to allow charters.

Eric reported for the Communications and Marketing committee. Everyone on the Board who does not have an islacad email will be getting one soon. Board members should refrain from using personal emails for school correspondence. Next committee meeting is Tuesday at 6pm. Communications calendar will be framed in. Website manager is Emily. People with web experience are planning to build parallel site and then convert current site to parallel one.

Mark reported for the Personnel Committee. Administrative contracts are ready for signature, ED contract signed, AD in process.

Melody will chair the Nominating Committee.

New business discussion.

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HSD Contract. The current contract was signed for three years. Karen T. contacted MDE. Talked to a couple of people in the charter school department. David Hartman and Stephanie Olson. New authorizers need to apply by July 1, 2011. If they don't apply and get approved, they are no longer certified to be an authorizer. Stephanie did suggest we dispute the cancellation of contract, citing just cause (sub. 23b4 – "just cause" clause). She also suggested that we contact Commissioner Seagren and/or legislators to push for grandfathering-in law. Since our contract is through 2012, we should continue with our current document through the end date. This would be a temporary fix, giving us an additional year. It would be easy for legislation to fix this issue. So far there has been no communication from HSD. This is not termination for cause. Our contract states they need good cause, and notice would be required. Also in the statute it states that if non-renewal occurs and there is no sponsor, the school still gets a year before closing. Also, if the contract is not renewed the contract states that we have another year with HSD as our authorizer while we find a replacement. Good to note that MDE was authorizer for 10 schools and did not renew their contract, yet MDE continues to act as authorizer for some. No school has ever closed because of not having an authorizer. LILA is in similar position – MDE was sponsor, their contract is up this June, and they're looking for a new authorizer. Both LILA and ISLA are examples of successful charter schools that MDE is proud of. HSD didn't analyze the contract at the meeting, they didn't review the contract. They simply voted to cancel it. HSD was one of the first districts to sponsor a charter school. They were proactive, had policy, John Schultz wrote it prior to being superintendent. MSSPA was before us. We first talked to John in 2005 – a lot has happened in HSD since then. Curren closed, statutory operating debt, they see ISLA as a competitive threat. Charter schools were designed to create competition and raise bar for everybody, and ISLA is doing this. Mark would be surprised if HSD doesn't honor their commitment to us. What HSD did was change their policy. By honoring the contract they have to go through 2012 and then an extra year of cushion through 2013. Plus a potential year from the MDE.

Sonia moves that the Executive Director and Executive Committee address HSD regarding honoring the existing contract. Melody seconded. Karen T. has meeting with John to talk about this. She will try to involve the Executive Committee. The motion passed unanimously.

Eric reported on the LAC meeting. Hopkins' Legislative Action Committee is an independent association that talks about schools. They present planks, then open the floor to questions. Unallotment, guarantee money were hot topics. The legislators present said they can't promise anything. ISLA was very well represented by parents, Board, and staff (Emily Helgerson). ISLA hoped to have questions answered but really didn't get a chance. Did talk to each legislator about the authorizer situation and what had happened with that. Later when Eric attended the Lease Aid meeting at the capitol the Chair of the Charter School Subcommittee asked where Eric was from. When he said ISLA, and said "and you just lost your sponsor". They are aware of ISLA's situation! Sen Bonoff was very clear, too. She sees the law had unintended consequences and perhaps could be changed this year.

Authorizer options include single purpose non-profits. New law allows for three single purpose non-profits who can act as authorizers for charter schools. Haven't been created yet – a number of schools will be able to use these organizations or create one themselves. Hasn't yet been defined ... but could be. Stephanie also indicated to Karen T. that this sponsor would not need a \$2M budget.

Further information – contacted by ISLA parent with a connection to Innovative Quality Schools, started by Education Evolving. Bob Wheedle was helpful originally, very involved in development of ISLA initially, helping us get HSD and Audobon Society of the North Woods and Mike Link. Bob was Commissioner of Education years ago. Not sure how involved he still is in Education Evolving. **Action Item: Karen T. will contact Bob.**

Another parent knows Exec Director of CLUES, a Latino non-profit organization. ISLA contacted them when creating the school and they were undergoing major changes so it was a bad timing. Sonia also has a contact there as member of Hispanic Bar Association. **Action Item: Karen T. and Sonia to check with contacts and explore possibility.**

Ximena works at Hamline as adjunct faculty. Hamline is an authorizer of charter schools, and they just established a charter school committee. Person in charge is someone Ximena knows. Will contact her really fast and see where they are at. Probably moving towards more, not less, since they just formed a committee. Also have a contact at Bethel. Bethel is another authorizer and they offer an IB certificate for teachers that they just began offering this fall. They may be interested, too, in sponsoring ISLA. It would be a very good move for them. They are looking for people who want to do their certificate. Both Hamline and Bethel are clients of Mark's firm. **Action Item: Ximena will follow up with both Bethel and Hamline.**

Melody reminded everyone that ISLA is in a much better situation today than we were 4-5 years ago to find an authorizer. Very optimistic to find at least one who want to authorize our school. Found two when ISLA was just an idea on paper. Now ISLA is a successful Charter School that offers both Spanish Immersion and IB. Hopefully we'll be in a position to **choose** someone to sponsor us – not just to find someone willing to do so.

Eric reported that an initial letter went out to parents, and a newsletter is going out next week. ISLA needs to send an email regarding this Board meeting, what was discussed, and that ISLA is not in danger of imminent closure. Need to communicate with parents about minimum time, ideas for sponsors, opportunities for input, etc. Karen T. says no charter school in MN has yet to closed for lack of authorizer (once they've been open). A school newsletter will go out to parents this week. More information will follow after Schultz meeting.

Summer camp – no update yet, will come at next Board Meeting. Working on structure, timing, revenue source, location, staffing, communication, before/after care, etc.

Governance moved to next meeting

Eric moved that we move into closed session pursuant to Minn. Stat. 13D.05, subdivision 2(3) to protect private educational data. Steve seconded. Motion passed unanimously. The meeting was closed at 9:40 after an 8 minute break.

The meeting was re-opened at 11:21pm.

Eric moved to adjourn at 11:22. Kate seconded. Motion passed unanimously.