

Northern Lights Building Company

Meeting Minutes

December 11, 2018

- 1) Call to order: Northern Lights Building Company's December 11th board meeting was called to order by Board Chair Vickie K.

Members present: Vickie, Mike M., Ellen, Gail, Toby, Norm, and Dave

Non-voting: Art, as NLCS School Board Representative; Karen, filling in for Mike H.; Torie, Fort & Company Auditor; and Amy

- 2) Pledge of Allegiance: Vickie led the board in the Pledge of Allegiance.
- 3) Agenda Approval: Ellen made the motion to approve the agenda; Gail second. All approved.
- 4) Approval of minutes from September meeting: Tobie made the motion to approve the minutes from the September board meeting. Ellen second. All approved.
- 5) Financial Reports/Approval and Spot checks: Amy gave a brief summary of the financial reports. \$25,450 was paid for our in-kind portion of the grant. This was for the pass-thru window in the kitchen and the remounting of the cameras after the tuckpointing. A check was voided as it was written to the wrong person. Ellen did a spot-check of the purchase orders. Dave made the motion to approve the financial reports, Mike M. second. All approved.
 - a) Audit Report by Torie: Torie from Fort & Company gave a presentation of our audit. After the audit, Fort & Company has determined that our books are clean. While they don't audit our internal controls, they do, as required, communicate to us any weaknesses they find. Weaknesses found this year included how we perform our spot checks as well as how the grant money paid by Kootasca was being entered into QuickBooks. Torie and Amy have discussed how to make appropriate changes.

Torie also informed the board that there are new standards that have been made by FASB (Financial Accounting Standards Board) for nonprofits. These new standards include net assets with donor restrictions and assets with non-donor restrictions. Also, to determine if nonprofits have internal controls in place and if they do, how do they operate and if they operate, can they be tested. Fort & Company will be putting together a checklist. Torie will be in communication with Vickie and Amy as more information becomes available.

- 6) Old business:
 - a) Update on grant: Vickie gave an update on the grant: There were a few delays in the completion of the tuckpointing due to some problems with checks being sent in a timely manner thru Kootasca/Warba. There was also miscommunication with Gary thru Hawk Construction. At this point, there are a few things that still need to be changed in the spring: a second set of flashing will be added to the roof, the windows will be redone with white flashing. Nelson Roofing and Hawk

Construction have agreed to fix this on their dime and not through the grant money. Both parties want the work done correctly. There is no risk of damage through the winter.

With the remaining grant money, NLBC/NLCS will look into a new communication system for the school to reduce security risks. Vickie will look into getting bids for this. Also, to reduce security risk, additional cameras may be needed as there are blind spots. NLBC will approve/disapprove via email as more information becomes available.

- b) Youth Build Update: Karen brought an update from Mike H. who is in a finance meeting. the Youth Build program has changed hands from AEOA Hibbing to AEOA Grand Rapids. NLCS is working with Grand Rapids to get the program running. Currently three students are working with Youth Build with a fourth student having applied. AEOA has hired a former contractor who will be working with the students from NLCS. NLCS is helping them develop curriculum (i.e. construction math). Youth Build is hoping to expand in the future but is starting small this year with 6 students (NLCS and GR ALC). The students will be building a gaga ball pit and a wall for the fish tank. The goal is that the students would eventually help build a house. Currently there is no house to build and liability insurance is a big hurdle. Gail brought up the question of whether they would consider building a building for a nonprofit rather than a house.
- c) Presbyterian Church in Warba: The Presbyterian Church has not gotten back to NLBC as far as donating the building. The building is not in good condition and would take extensive work and money to get it usable. NLBC does not foresee any further development nor has any interest in pursuing the church building.
- d) NLCS ADM is currently 89.21, the budget was set for 95 leaving NLCS short roughly \$45,000. According to Karen ADM's are low throughout many districts. According to MDE, the lease amount cannot be changed to lower the lease amount paid to NLBC. Vickie inquired as to whether NLBC could give \$1000 to each advisory for field trips, projects, etc. to help NLCS trim their budget. Mike M. was concerned of the feasibility of this within NLBC's budget. Mike H. said that they have made progress on their budget. Dave suggested that grant requests could be a back-up for NLCS advisories.

Norm brought up the concern of the psychological needs that kids have. While NLCS does have staff in place to help kids who may be facing trauma, it is something that we all need to be aware of.

7) New business:

- a) Grant Request from NLCS
 - i) Hydration Station: A request for a hydration station for the downstairs classrooms. The hydration station would be installed by Chuck so the only cost would be the purchase of the fountain. Dave made the motion to purchase an additional fountain with the condition that it has the ability to both fill water bottles and drink from. Mike M. second. All approved.
 - ii) Water Bottles: The Yes! Club has requested money to purchase additional water bottles to sell for their club. There was concern for students unable to afford water bottles. After further discussion, Ellen made the motion to grant the request. Mike M. second. All approved.

- iii) Emergency Response Radio: After a walk-thru several years ago, Homeland Security suggested that NLCS have radios with direct access to 911. These radios generally cost around \$3000. NLCS was able to get a used radio for a much lower price. Mike H. is inquiring if NLBC would purchase an additional radio for downstairs. Mike H. will find out how much the used radios cost. NLBC will do an electronic vote regarding an additional purchase when Mike H. receives the bill.
- iv) Student Kitchen Range Hood: In our June 2017 meeting, it was approved to install a range hood in the student kitchen. However, a range hood would need to be vented through the roof. Due to cost and potential roof leaks, Vickie has suggested tabling this. There were no objections.
- b) Painting during Christmas & February break: At September meeting, NLBC board approved \$500 to finish painting classrooms. As there are still a few rooms and stairwells that need to be painted, Vickie has suggested hiring CJ again to do some painting with Chuck during the Christmas and February break. Mike M. made the motion to not exceed \$2000 for painting. Dave second. All approved.
- c) School water test: The building's water was tested for lead. All of the fountains and sinks tested fine except for the handwashing sink in the kitchen. This is likely due to old pipes and/or this sink not being used often. The sink has been shut off for now.
- d) Insurance
 - i) Walk thru: the school had an insurance walk through that was done by a state employee. All of the systems passed.
 - ii) Policy: Vickie read a letter from Greater Insurance regarding our board insurance policy stating that it does not cover anything "arising out of, directly or indirectly resulting from or in consequence of, the activities or operation of the following related party: Northern Lights Community School." It appears that our policy as several items that are not necessary. It also appears to cover decisions that NLBC board makes but not decisions that are made by the school regarding projects. NLBC also pays for half of the schools building insurance. As such, the question was raised as to whether NLBC would be held liable for anything that might happen with NLCS. Vickie will bring the following questions to our insurance agent at Greater Insurance: is there a way to get it all covered? Can you give me an example of as it is written now how we would be liable? Can you give me a case example? Dave is also wondering if there is anyone neutral, perhaps Nonprofit Assistance Fund or Propel Nonprofit, that would be able to advice NLBC on this issue. Mike H. will also talk with the school's insurance people.
- e) Boys Bathroom/Staff Bathroom: There was discussion as to whether changes could be made to the boys bathroom so that there are two individual stalls with two individual doors so that the boys bathroom is not a "hangout". As well, could the staff bathroom have two stalls. Can we do some changes so that there is 2 individual stalls with 2 doors. Vickie will get some plans further drawn up and bids in place for this project to move further.
- f) East Range Academy - Charter School Building: NLBC has been approached by East Range Academy to purchase their building as the current owner would like to sell. It is doubtful that

MDE would even approve of this request. Vickie, as board chair, said that she would not be able to manage another building and therefore an additional person would need to be hired. This led the board to ask what advantage NLBC would see from this venture. Toby made the motion that it is not feasible for NLBC to enter this venture. Gail second. All approved. Vickie will email East Range Academy to inform them of this decision.

8) Next meeting dates: March 26, June 4th

Gail made the motion to adjourn the meeting. Mike M. second. All approved. Meeting adjourned at 5:10pm.

Minutes submitted by Amy Chung