

**Nova Classical Academy
Board of Directors Meeting Minutes
Regular Meeting
November 17, 2008**

Directors Present: Damon Fraser, Dianne Krizan, Simon Fung, Becky Lund, Jason Belter, Diane Cossairt, Ken Silver, Robert Kreischer, Brandon Foat, Tom Blindt, John Bujan

Advisors Present: Wendy Swanson-Choi, Brian Bloomfield, Miranda Morton, Dawn Ellerd (PTO representative), Jim Eichten (auditor)

Others in Attendance: Nova parents and faculty

I. Call to Order

The meeting was called to order at 6:02 PM. Damon Fraser led the meeting. Mr. Fraser gave a brief introduction of the agenda and a summary of the financial training from November 17, 2008. Mr. Fung arrived at 6:03 PM. Mrs. Cossairt arrived at 6:04 PM. There was a discussion of some examples of things we do as classical school. Mr. Fraser discussed his commitment to establishing a productive public comment procedure.

II. Public Comment:

A letter from the Mathews family was received that the school administration is reviewing. There was public comment.

III. Consent Agenda

- i. Regular Meeting Minutes for October 20, 2008-- Removed
- ii. Special Meeting Minutes on November 15, 2008—Tabled
- iii. Add John Bujan to Accountability Committee
- iv. Development Report
- v. Curriculum Report
- vi. HOS search team Report
- vii. Accountability Report
- viii. NPTO Report
- ix. Budget and Finance Report

Approval of the special meeting minutes from November 15th were tabled, so that everyone had sufficient time to review them. Regular meeting minutes were pulled from the consent agenda. Mr. Bujan wished to abstain from the consent agenda because he did not want to vote on his own appointment. Mrs. Krizan move to approve the amended consent agenda. Ms. Lund seconded. Ms. Lund, Mrs. Krizan, Mr. Blindt, Mrs. Cossairt, Mr. Foat, Mr. Belter, Mr. Fraser, Mr. Kreischer, Mr. Silver, and Mr. Fung voted for the motion. Mr. Bujan abstained. The motion passed.

In discussion over the October minutes, Mr. Fraser indicated he had voted for the appropriation of funds to the HOS search team. Mrs. Lund moved to approve minutes as corrected. Mrs. Krizan seconded. Ms. Lund, Mrs. Krizan, Mr. Blindt, Mr. Bujan, Mr. Foat, Mr. Belter, Mr. Fraser, Mr. Kreischer, Mr. Silver, and Mr. Fung voted for the motion. Mrs. Cossairt abstained. The motion passed.

IV. Approval of Agenda

A resolution to modify our check signing procedure was added to action items. Ms. Lund moved to approve the agenda as modified. Mr. Blindt seconded. The motion passed unanimously.

V. Treasurer Finance Update

Mr. Jim Eichten (from MMKR) gave an overview of the auditor's management report. He explained that new auditing standards were applied this year. The administrative transition caused some delay in the audit, but less than usual for a transition situation. There was an audit finding in regards to segregation of duties (which happens frequently in charter schools due to their small size). There was inadequate documenting of internal financial controls. There was also a finding in regards to timely payment of invoices (which need to be paid within 45 days of receipt). There was 1 payment that did not meet this standard. There was a decrease in the unreserved fund balance last year of \$68,070. The year end fund balance for 2008 is \$206,661. The primary reason for this was that last year's expense projections were too low by \$97,344, and enrollment was lower than expected throughout the year.

Mrs. Baumann gave a budget update. She noted that the original 2008-2009 school year budget did not include a lot of underlying supporting calculations. One of her goals is to create a budget system that projects the budget for each part of the program and includes the supporting calculations. The original budget did not include a number of the included benefits such as workers compensation, HSA funding. As a result the revised budget will have higher costs for this school year. She also gave a breakdown of the busing costs. Despite the falling fuel costs, the fuel adjustment depends on diesel costs which have not fallen as much as regular fuel. Mr. Blindt asked if we would be getting this sort of financial detail in the future. Mrs. Baumann stated that for next year's budget she was planning on this level of detail to be provided to the board. She also mentioned Dr. Speiker's recommendation that financial questions be given to the Treasurer first so he can collect the questions and discuss them with Mrs. Baumann in one meeting. There was discussion about the lack of formal collection on bus fees for last year vs. our efforts for this year. Mrs. Baumann said that they had billed families early this year, and would not begin considering accounts past due until late in December.

Mrs. Swanson-Choi showed the board a draft of a financial calendar that lists the prominent reporting deadlines the school needs to make.

VI. Administration Update and Q&A

Mr. Bloomfield gave a brief overview of the teacher observation program to help keep the mission focus of the school.

Mrs. Swanson-Choi discussed next steps on facility questions. Specifically, the board needs to make some recommendations to Friends of Nova Classical Academy, so that they can continue to pursue a new facility. Mrs. Swanson-Choi mentioned that Park Midway bank has given Nova a \$200,000 line of credit to use in the facilities acquisition process if needed.

VII. Action Items

Mr. Blindt "be it resolved that Nova Classical Academy approves and recommends the use of DLR by Friends of Nova to complete all approved architectural and permit process work." Mrs. Krizan seconded. Mr. Fung pointed out that there was solicitation of 7 architectural firms initially. Mr. Blindt stated that the proposals were all of high quality, but DLR's combination of experience with charter schools and flexibility in working with us at different locations. The motion passed unanimously.

Ms. Swanson-Choi explained that legal counsel clarified that only Friends of Nova signs the reimbursement resolution because Friends of Nova makes the expenditures related to the facility acquisition that will be reimbursed. Mr. Fraser "be it resolved that Nova recommends that Friends of Nova approve and sign the reimbursement Resolution so that expenditures related to the facility acquisition can be reimbursed with the bond proceeds." Mr. Blindt seconded. The motion passed unanimously.

Mr. Fraser stated that a number of options for our facility have been explored so far without a lot of upfront costs (only about \$1300 so far). However, to keep the possibilities open

right now more expenditures are needed. Mrs. Swanson-Choi noted that approving the purchase agreement for the Smyth does not mean we are choosing only the Smyth site. There was discussion over the need to move forward with architects to make a more informed decision on the viability of the different sites (Smyth or Lilydale). This expense did not appear in Nova's original budget for the 2008-2009 school year.

Mr. Fraser's amended motion: "be it resolved that Nova Classical Academy authorizes and recommends to the Friends of Nova board to approve and execute the attached Sale-Purchase Agreement along with language allowing for the transfer of the agreement to the CSDC. Upon Execution, Nova Classical Academy will loan to Friends of Nova for the sole purpose of placing into escrow, \$ 100,000 as Initial Earnest Money which will be refunded to Nova Classical Academy at any point during Due Diligence if for any reason the Smyth Premises are not acceptable to Nova Classical Academy. Further, to begin the environmental investigation, initial permitting and planning, and architect/construction manager work required for due diligence on potential sites, Nova Classical Academy authorizes up to \$20,000 to be loaned to Friends of Nova to be spent only upon written approval of Nova Classical Academy's Executive Director." Mr. Blindt seconded. Ms. Swanson-Choi explained that she will continue to obtain legal counsel to ensure that Nova Classical Academy is following proper procedure in working with Friends of Nova. If there is any concern, she will notify the boards of Friends of Nova and of Nova Classical Academy.

There was discussion of the relationship between Nova and Friends of Nova Classical Academy in terms of governance. Mr. Bujan recommended two friendly amendments which were incorporated into the motion. Mrs. Cossairt expressed concern with the Smyth building as a potential future site. Ms. Lund, Mrs. Krizan, Mr. Blindt, Mr. Bujan, Mr. Fraser, Mr. Belter, Mr. Silver, Mr. Foat, and Mr. Fung voted for the motion. Mr. Kreischer and Mrs. Cossairt voted against the motion. The motion passed.

Mr. Belter moved to adjourn. Mr. Foat seconded. There was discussion of remaining time on the agenda. Mr. Belter and Mr. Foat voted for adjournment. Mrs. Lund, Mrs. Krizan, Mr. Blindt, Mr. Bujan, Mr. Fraser, Mr. Kreischer, Mr. Silver, Mrs. Cossairt, and Mr. Fung voted against the motion. The motion was defeated.

Mr. Fung introduced the Search team's recommendation not to move forward this year on the HOS search due to lack of appropriated funds and having missed the next window of opportunity (advertising now to conduct interviews in January). Mr. Blindt supported the notion that we needed to have a better understanding of our needs before proceeding further. Mr. Blindt suggested changing the charge to the search team. There was discussion about the charge for the search team.

Mr. Fraser moved that the HOS search team charge shall be modified to create a performance review system, to determine percentage of salary to allocate for administration, and review the duties and responsibilities for the individuals of administration by September of 2009 for the purpose of finding a Head of School by July of 2010. Mr. Silver second. Mrs. Cossairt commented that the search process has been backwards, and that we need to start at the top in determining our administrative needs. She noted that we told Nova families last May that we would begin a HOS search this fall, and we could still do a good search if we started advertising in December. Mr. Fraser stated that he felt the current administrative team has given him confidence for starting the high school next year and locating permanent facilities. Mr. Kreischer felt it was potentially unfair to the current administration to keep the Executive Director as a part time person. Mrs. Ellerd said that not having a permanent HOS causes her some concern, but that she was also happy with the current staff and happy to see that the search was being done carefully. Mr. Blindt felt that the current administration is doing a great job and that we need to have a clear picture of our next step before we take it. Ms. Lund, Mrs. Krizan,

Mr. Foat, Mr. Blindt, Mr. Fraser, Mr. Silver, Mr. Belter, and Mr. Fung voted for the motion to amend the Head of school Search Team charge. Mrs. Cossairt voted against the motion. Mr. Bujan and Mr. Kreischer abstained. The motion passed.

Mr. Fung stated that he wanted to have more data for comparison on the issue of teacher salaries. Mr. Fraser moved that in light of Nova's decision to fund fully the HSA accounts for employee health care, and based on the current 2008-09 budget, the committee recommends no further increase to the salary scale for the current academic year. There was discussion. Mr. Fraser withdrew his motion.

Mr. Belter moved that in light of this year's budget revisions a further increase in teacher salaries to match or exceed inflation is unfeasible. Mr. Fraser seconded. Mrs. Krizan, Mr. Blindt, Mr. Fraser, Mr. Silver, Mr. Belter, Mrs. Cossairt, Mr. Kreischer, Mr. Bujan, and Mr. Fung voted for the motion. Ms. Lund and Mr. Foat abstained. The motion passed.

There was the first reading of the Historical Dating conventions policy recommendations from the Curriculum Committee. There was no discussion.

There was discussion on modifying the resolution from the November 15th 2008 special meeting on check signers. Mrs. Krizan moved that all checks shall require two signatures. The authorized signers on the account shall be the Chair, Chair-elect, and the Treasurer. Ms. Lund seconded. Mrs. Krizan, Mr. Blindt, Mr. Fraser, Mr. Silver, Mr. Belter, Ms. Lund, Mr. Foat, Mr. Kreischer, Mr. Bujan, and Mr. Fung voted for the motion. Mrs. Cossairt abstained. The motion passed.

VIII. Public Comment

Mrs. Tetmeyer commented on a well run meeting.

IX. Adjournment

Mr. Fraser moved to adjourn. Mr. Silver seconded. Mrs. Krizan, Mr. Blindt, Mr. Fraser, Mr. Silver, Mr. Belter, Ms. Lund, Mr. Foat, Mr. Kreischer, Mr. Bujan, and Mr. Fung voted for the motion. Mrs. Cossairt voted against the motion, stating that no one else was given an opportunity for public comment first. The motion passed. The meeting adjourned at 8:54 PM.

Minutes submitted by Jason Belter.