

The Elmwood Village Charter School

Board of Trustees Meeting

Wednesday, October 15, 2014

Trustees Present: Mimi Barnes-Coppola, Andrew Mouw, Roy Clay, Kathy Franklin-Adams, Natalie Stoyanoff, Jennifer Bernacki-Smith, Matthew Ryan, Ingrid Johnson-Jacobs

Trustees Excused: Pam Pollock, Marguerite Battaglia

Trustees Absent: None

Others Present: John Sheffield, EVCS Director; Thomas Burns, Lumsden McCormick

Mimi Barnes-Coppola called the meeting to order at 6:04 pm

1. Mimi presented the meeting agenda. No changes. **Kathy moved and Andrew seconded that the agenda be accepted as presented. Approved unanimously**
2. Minutes from the Board of Trustees meeting held on September 17, 2014 were presented. **Kathy moved and Andrew seconded that the 9/17/2014 minutes be accepted as presented. Approved unanimously**
3. ANNUAL AUDIT:

Thomas Burns, CPA from Lumsden McCormick presented the Audit for FY 2014 (ending 6/30/2014). Copies distributed to the Board. Thomas stated:

- Another good year. In good financial standing
- All items received timely. Accountants and school managers executing as expected facilitating info.
- No material weaknesses.
- Auditors had discussion with treasurer Andrew as part of the audit to ensure he was aware of his duties. They were happy with his knowledge of the treasurer's responsibilities.
- Tested all cash flow mechanisms, including bank transactions, credit card transactions, etc. All passed.
- Recommendations:
 - o Tom suggested: with large cash balance in bank, consider investment policy and/or using cash to pay down debt. Mimi voiced question about whether investment was wise. Matt indicated that it would be wise to wait until construction is complete and budget back to normal before considering what to do with liquidity and it might be wise to have the finance committee look at a liquidity strategy to ensure we will have attractive options when the loan balloon payment comes due.
 - o Tom suggested: a more visible whistle blower policy. John Sheffield announced that this policy is easily found in the distributed manual.
 - o Tom suggested the board review the 'Nonprofit Revitalization Act 7/1/2014' for best practices.
- Ratio last year was 4.63%, now 2.8%. Still good. But shows the effect of the construction on our overall balance sheet.

- Form 990 draft will go to the CPA shortly. Will need to be reviewed by us and approved. Deadline for filing is 11/15. However, if needed, we can put on extension without issue.
- Q/A with Tom:
 - o Matt indicated all looked good and asked Tom if there is anything he thought we were missing. Tom said no. All looks as good as reflected in the report. Confident we are well informed.
 - o Mimi asked if anything in the audit pertinent to our recent State Ed review. John indicated, no but they will get a copy.

Jen motioned and Natalie seconded to approve the Audit as presented. Approved unanimously

4. FACILITIES UPDATE:

Matt reported: committee met on 9/26/2014. Committee members Jen and Matt met with Colby Smith, Owners Rep; Liz Evans, EVCS Operations Manager; Ken, onsite supervisor with R&P; Matt, construction manager R&P.

- Steel to go up to the second story on the West side next week.
- West end should be enclosed by early Nov.
- Compressor up to roof mid Nov
- Punch list down to 16 from 23
- Looking to have construction complete by end Jan. Optimistic they will finish sooner.
- Update to the neighbors sent by Matt Ryan on 10/13
- Jenn reported the school's front sign was taken down and seemingly forgotten about. Will be put back up ASAP.
- John alerted the Board that the three bay sink was scraped. This sink is mandatory for the cafeteria prep work and was brand new. Colby working to have that replaced at expense of the construction company.

5. FINANCE COMMITTEE:

- Andrew presented draft financial statements for June and July. He indicated that these were just received from our accounting firm today. Although he only had time to briefly review, he indicated they looked in good order. A couple minor variances between budget and actual, but nothing that appeared concerning.

Andrew motioned, Roy seconded to approve the June and July financial statements. Approved unanimously

- Andrew asked the Board what the typical time line was for FSs to be provided. Noting, this was tabled from last meeting. Now we have just June and July, which were only today provided. Still waiting on Aug and Sept.
 - o John indicated he was aware that the accounting firm had lost an employee putting additional work on the remaining and thus put them behind.
 - o Natalie expressed concern about our ability to govern if reports are not executed on a timely basis.
 - o Mimi stated that the expectation should be that the financial statements be to the treasurer no later than 1 week before the meeting date.
 - o Andrew will convey our expectation to the accounting firm
- Matt reported on the finance committee meeting held 10/11/2014. Present were Matt and Andrew.
 - o Reviewed the EVCS bank accounts. Noted \$530k in M&T savings earning less than .1%, also \$27k at M&T in a checking account. Apx \$200k at First Niagara earning apx .1%. NWSB savings is at apx \$729k earning .4%. We also have an escrow account with

NWSB of about \$500k, restricted based on our agreement for the pending final financing of the construction being done now.

- Suggested we keep \$75k at M&T as our 'closure fund'. Keeping this away from our primary banking/lending institution is prudent.
- Suggested moving the residual \$482k from M&T to NWSB
- Suggested closing our First Niagara banking, moving this balance to NWSB.
- Made the Board aware that by doing this, we will have balances at NWSB well over the limit of FDIC coverage. Suggested this be revisited in 2015 after construction financing is complete, budgets are settled and the finance committee reviews how to proceed with cash balances; as brought up under the audit report, possibly an investment policy or strategy to pay down debt.

Ingrid moved and Kathy seconded to approve the suggested bank balance consolidation plan as described above. Approved unanimously

- Presented side by side summary of 403b provider proposals. We need an advisor, a TPA and a provider. Went over side by side on the options presented along with the stated services, expenses and measures for ongoing review.
 - P&A cost of \$1,400 up front was a bit higher than the others, but the ongoing cost of \$640/year was lower. Natalie commented that she knew this company to do a good job.
 - Fiduciary : Northwest was the only one to present full fiduciary. Went over fiduciary warranty available through Principal. Also made board aware of what fiduciary responsibilities the Board and trustee on the plan has. We need to decide whether to hire, warranty or be sure to execute on our own. Jen asked if we could set up so the finance committee goes through that checklist annually. Matt indicated, that was within the committee's capacity. Mimi noted that it would be prudent to re-RFP the plan in several years if/when our plan balance and participation rate was higher.
 - American Funds had the best cost/value proposition. Only weakness was the one fund family set up. Natalie asked if that should be a concern. Matt indicated the funds available were well rounded, thus not difficult to provide a robust and prudent investment list.
 - Advisor Shane McCormick from AXA has been working with the employees for a number of years. John indicated he perceived the service to be good and the employees satisfied with this advisor.

Jen moved and Natalie seconded to approve the use of AXA as advisor, P&A as TPA and American Funds as provider. Approved unanimously

6. DIRECTORS REPORT:

- Report on the status of teachers on medical leave and long-term substitute teachers
- Report of Academic Intervention Services
 - How the AIS needs are determined
 - How AIS is provided
 - Number of students receiving AIS in ELA and mathematics and how AIS is delivered
 - AIS and transfer students
- Students with an IEP, Section 504 Plan, or Limited English Proficiency
 - Definition of IEP and Section 504 Plan
 - Differences between an IEP and Section 504 Plan
 - How a child qualifies for a Section 504 Plan

- Academic and medical 504 Plans
- The CSE referral process
- How Response to Intervention (RTI) is used and how it relates to the referral process
- How special education billing is determined
- Explanation of special education services provided to students currently enrolled at EVCS
- Breakdown of special education services by minutes for each grade level
- How students are identified as limited English proficient (LEP)
- Explanation of how ESL teacher develops and delivers lessons that that develop each student's ability to read, write, speak, and listen in all instructional areas.
- Announcement of the Charter Renewal Public Hearing before the Buffalo Board of Education
- Impressions of the Charter Renewal Visit

Kathy moved and Ingrid seconded to accept the resignation of Yvonne Annarino, part time custodian. Approved unanimously

7. REPLICATION TASK FORCE:
 - Report submitted by Liz Evans, chair of the task force
8. Community Association:
 - Ingrid and Roy reported:
 - 30 people attended the recent CA meeting
 -
 - Room parents in place
 - CA leadership in place and aware of their roles and responsibilities
 - Family night is being set up
 - Evening in Days Park, 10/25, is coming together. Fund raising is going well.
9. Strategic Planning Session:
 - Mimi reported that the session is set for Saturday 11/1 at 37 Franklin St, suite 700.
 - Natalie reported that she will get with the committee to prepare an outline to lead the session.
 - Mimi will work with Liz Evans to get the survey results gathered up for digest at the session.
10. Announcements:
 - None

Jen moved and Kathy seconded to adjourn. Approved unanimously

The meeting was adjourned 8:30pm

Respectfully submitted,

Matthew Ryan- meetings at 6pm: November 19, 2014; Dec 17, 2014; Jan 21, 2015; Feb 18, 2015; March 18, 2015; Apr 15, 2015; May 13, 2015; June 17, 2015; July 2015 no meeting; Aug 19, 2015