

Career Academy of South Bend, Inc.
Minutes of Meeting of Board of Directors
June 22, 2012

Directors Present: Larry Garatoni, Tracy Graham, Rob Staley, James Summers,
Suzanne Wiwi
Absent: Vivian Sallie
On Phone : Steve Hartz, Yolanda Turner-Smith
Also attending: Andrea Popielski, Bill Martindale, Charles Loeser

A meeting of the Board of Directors of Career Academy of South Bend was held at the offices of HQ Investments, 4100 Edison Lakes Pkwy, Suite 260, Mishawaka, Indiana, at 7:20 am on June 22, 2012.

- A. Call To Order: Larry Garatoni presided and called the meeting to order.
- B. Introduction Of Andrea Popielski. Larry introduced Andrea Popielski, who will be the marketing director for the Career Academy as well as president/manager of The Apprentice Academy, and asked Andrea to explain her background. Andrea explained she was trained as a school counselor but has spent much of her career in marketing and management, including 21 years with the Madison Center, where she was VP and marketing director. For the past two years she's been with Ivy Tech working with dual credit programs. Larry explained Andrea will be dealing with businesses for both SBCA and TAA. Rob suggested SBCA and TAA should coordinate with The Crossing as to internships.
- C. Minutes of Prior Meeting: The minutes and the memorandum of the prior (April 27) meeting were approved.
- D. Financial Management Report: Bill presented the April and May income statements, and explained that although the net earnings for the fiscal year to date (July 2011-May 2012) are shown as a loss of \$489,038, the school's cash flow, due to receipt of the Common School Loan of \$582,218 and TIF grants of \$268,750, is a gain of \$224,972 YTD. By generally accepted accounting principles (GAAP), the TIF grant is "income" (the CSL is not), but the statement shows the TIF grant as an adjustment rather than above-the-line earnings since the TIF funding is temporary (3 years) and Bill felt the "Net Earnings" line shouldn't include a temporary source. Bill explained not all of the \$127,488 interest expense shown in the statement has been paid: only the interest on the seller mortgage note for purchase of the building has been paid; the interest on loans from Larry and his foundation are booked but have not been paid.

Tracy asked why the projected June salary expense is significantly higher (41,088) than prior months (May 22,308). Bill explained that's because bonuses will be paid in June. Tracy suggested a separate line for bonuses. Bill said he would send a


schedule with bonus details. Rob asked if salaries are generally similar to area public schools. Yolanda said SBCA salaries are generally lower, which is one reason for the bonus system. Yolanda noted that a new Indiana law requires all public schools, including charter schools, to establish and use teacher evaluation systems; for SBCA, the evaluation is tied to bonuses. Larry asked if SBCA's system meets the state requirements. Yolanda said yes, but she believes modifications may be desirable. It was agreed that details re the teacher evaluation and bonus system will be presented at the July board meeting. Bill presented the claims (expenditures reports) for April & May, which were approved.

E. School Leader Report: Yolanda explained SBCA's school year ended on June 15 and summer school for many students will start July 2. She is considering moving to a trimester system next year. Rob said he's had experience with that & will follow up. Yolanda said there are roughly 110 new students signed up for the fall, and most of this year's students are expected to return. There will be meetings with parents over the summer. Planning CTE courses for next year is a priority (the state will pay tuition for them only if they start in the fall).

Yolanda said the implementation of Project Lead The Way is an important part of planning for next year. Larry said the PLTW issue is so important that he'd like that to be the Board's primary focus in this meeting. Bill handed out the proposed capital budget, of which PLTW costs are a major part. Bill explained of the \$249,625 year 1 PLTW costs, we've applied for grant funding (the federal Public Charter School Program implementation grant) for \$180,000. Larry asked the Board to approve the four-year PLTW costs, totaling \$764,425, and said that whatever the PCSP grant won't fund, he will fund, if necessary. Tracy suggested that the board approve \$300,000 in PLTW costs for 2012-2013, to allow for possible overruns. On motion duly made, the expenditure of \$300,000 for that purpose was approved (Yolanda was authorized to sign the contract).

F. Marketing Report: Andrea explained the school's having informational meetings for the public three time per week during the summer, and is spending about \$18,000 for direct mail, billboard & bus advertising. Tracy asked how marketing data is being used. Andrea said calls are tracked. Tracy suggested a follow-up with a marketing expert in his organization. Andrea said she is in contact with many business groups.

G. Board Policies: Charles presented the proposed "Executive Limitations" and "Governance" policies, which the Governance Committee (Vivian and Charles) developed based on Brian Carpenter's presentation last fall. The policies were approved. The question was raised whether the school should continue posting minutes on its website. It was decided that minutes should be posted, but limited to two pages. The meeting was adjourned at 8:57 am.


James Summers, Secretary