

Career Academy of South Bend, Inc.
Minutes of Meeting of Board of Directors
June 23, 2011

Directors Present: Larry Garatoni, Tracy Graham, Steve Hartz, Vivian Sallie, James Summers, Suzanne Wiwi
Absent: Rob Staley
Also attending: Yolanda Turner-Smith, Seema Timble, Charles Loeser

A meeting of the Board of Directors of Career Academy of South Bend, Inc. (the "Corporation") was held at the school's temporary office, 3605 Gagnon Street, South Bend, Indiana, at 3:30 pm on June 23, 2011, pursuant to notice posted at the entrance to the building.

- A. Call To Order: Larry Garatoni presided and called the meeting to order.

- B. Records of Prior Meeting: Larry asked for approval of the minutes and the memorandum of the June 3 meeting. Upon motion duly made and seconded, the draft minutes and memorandum were approved.

- C. Review Of Action Plan: Larry presented the updated Action Plan. Most of the items required no discussion; items requiring discussion were reviewed in the order listed in the agenda.

- D. Executive Committee Report
 - 1. Status of application for 501c3 status: Charles Loeser reported that the IRS has approved the Corporation's 501c3 status, and an application has been filed with the Indiana Department of Revenue to obtain a sales tax exemption.
 - 2. Issue of legal structure: Charles reported it's been confirmed that in order to use 501c3 "private activity" bonds, it will be necessary that the property be owned by either the Corporation directly or by an LLC in which the Corporation is the sole member, so the property will have to be transferred from CASB Realty Corporation, however, in order to avoid the property being subject to property tax while owned by the Realty Corporation, it will be necessary to go forward with an application for 501c2 exemption for the Realty Corporation. Assuming that a buyer for 501c3 "private activity" bonds can be found, the property can be deeded to CASB before the loan closing and after the 501c2 exemption and resulting property tax exemption for the Realty Corporation have been obtained.
 - 3. Approval of modified org chart: discussed in connection with the School Leader report.

D. Treasurer's Report: Larry presented a report summarizing, for CASB and the Realty Corporation, all funds received, all expenditures, and the resulting cash balances as of June 22. Yolanda said that the appropriate action for the Board is not to "approve" treasurer reports, since that might create personal liability for Board members, but to "review" them. Vivian agreed, and moved that the report be accepted as "reviewed." All members approved the motion.

E. School Leader Report

1. Status of student enrollment & marketing plan

Yolanda distributed a written report, showing the list of students having registered for enrollment has reached 155 (85 males and 70 females), including some students who want to repeat ninth grade so they can attend the school. As expected, the majority of students are from South Bend's west side (the 46628 and 46619 zip codes), but there are also students from Mishawaka, Elkhart and other areas.

Tracy asked if mixing students from different neighborhoods is likely to be a problem. Yolanda said while that's been a big problem in Chicago, from her experience with other charter schools here, she doesn't expect it to be a problem. Steve said the Apprentice Academy has a lot of student mix and hasn't had any problems with it.

James asked how the sign-ups to-date compare with what was expected. Yolanda said the marketing results are meeting expectations, she knew the marketing would need to continue throughout the summer and up to the date that school starts.

Yolanda reviewed the marketing steps that have been taken and what's planned, as summarized in the report. Attendance at open houses has not been high, but open houses are very effective for "closing" on prospective students & parents who attend.

Suzanne asked how many prospective students have IEPs (Individualized Education Plans), i.e., are special education students. Yolanda said a few parents have mentioned this, but usually this is not mentioned, and a school finds out a student's special education status only when receiving the student's records from the prior (transferring) school. Preparing for special education needs will be a big part of preparing to open; Yolanda plans to hire a special education director soon, and at that point, to start contacting transferring schools & investigating special education needs.

James said it will be important to establish baseline data for special education students, so that progress can be measured. Yolanda said that documenting a student's starting point is part of the RTI ("Response To Intervention") method, which the school will use for special education students. Larry asked if this data will be captured in the school's software system. Yolanda said that while the software system is designed for

schools and picks up a great deal of school-specific data, RTIs are a paper system. James said the school should be careful to identify and track the data that will be used by funding sources to measure the school's success.

Yolanda reported her interview on WUBS has aired twice and there's been a good response, more radio events are planned.

Yolanda passed out a flyer advertising a cook-out marketing event for the school to be held at the Charles Martin Youth Center on Thursday evening, June 30, and asked for Board members to attend, as she and Steve will be out that week. Larry said he will be there.

James asked about measuring the effectiveness of marketing events. Yolanda said the steps being taken are mostly what succeeded for Xavier, but it is not really possible to track each student to a specific marketing event.

Yolanda said the direct mail ad will go out next week to roughly 25,000 households identified as having kids age 12-14.

Suzanne asked about the 4-H fair, which will start July 1. Steve suggested flyers could be handed out in the parking lot, since getting a booth is expensive.

Yolanda said posterboards are being printed & will be posted at many public places, such as the YMCA, barber shops & beauty salons, Goodwill stores. Flyers will be placed in grocery bags at Martin's stores. The Youth Service Bureau has agreed to hand out flyers & help with marketing on an ongoing basis. Ads on the sides of city buses will start next week. The website has been updated, and the school's Facebook page has had a lot of visits.

Steve said Goodwill has agreed to allow a marketing event in the parking lot of its western South Bend store, and may be open to substantially more involvement. Goodwill has provided very substantial financial assistance to charter schools in Indianapolis, and is a strong backer of charters generally. Steve has spoken to the CEO, who was very positive; this is a relationship to explore.

2. Staffing

Yolanda explained the revised organizational chart, showing five positions reporting directly to her in addition to the "dotted line" relationship with the Business Manager, who reports to the Board. Yolanda's direct reports are a Special Education Director, the office manager (Tami, responsible for HR and general administration), a Maintenance Manager, and two "Education Managers," who will supervise the teachers (the school will use the term "Team Leader" instead of "teacher" and "team member" rather than "student"). The chart shows an Education Manager for grades 7-9 and

another for grades 10-12, but in the first year, there will be one for grades 7-8 and another for grade 9. Yolanda reported she has hired Chad Addie to be the grade 7-8 Education Manager and she is interviewing for the Grade 9 position. Teachers will report to the Education Managers; there won't be an assistant principal. The Executive Committee decided to use the name "Education Manager" for this position rather than "Instructional Coach," since "manager" better expresses the idea that these positions are to have responsibility. The Education Managers will circulate among classrooms; they will not have classes of their own.

The chart shows proposed staffing based on the target of 375 students (125 for each grade). For each grade, there will be five teachers: one for each of the four core subjects (Language Arts, Math, Science and Social Studies) and a "flex" teacher qualified to teach more than one core subject. The idea is that there will be at least one flex teacher capable of teaching any core subject, so there can be five classes in each subject for each grade, if the enrollment level requires it. There will also be specialty teachers for art, music, PE and foreign language, all of which will be full-time; the plan is not to use any part-time employees.

James asked about the teacher assistant positions shown on the org chart: is it the intent that each teacher will have an assistant? Yolanda said that would be desirable but the school can't afford it: if the enrollment target is met, as per the org chart, there will be three teaching assistants for grades 7-8 and three for grade 9.

Suzanne asked about the chart showing art, music, PE and language in the higher grade column (long-term, grades 10-12, but for now, grade 9) and not in the lower grade column – will these courses be offered to all grade levels? Yolanda said yes, they will.

Yolanda reported she has interviewed and plans to make an offer to a potential foreign language teacher, who speaks not only Spanish but German and French. The candidate seems to be a good personality fit, and her multiple capabilities will allow the school to offer more choices without greater cost.

Yolanda said she's received many applications for teacher positions, so there is a lot of interviewing to do in order to complete hiring by July 30.

Yolanda reported the plan is to do performance evaluations of every teacher every semester (twice per year), classifying each teacher in one of four performance tiers, with the top two tiers to receive pay bonuses.

Suzanne asked about class scheduling, especially whether math and English will be offered every day, which in her experience is important. Yolanda said the plan is to use a modified block schedule, allowing some classes to be longer than others, with

classes sometimes to be combined for purposes of project-based learning combining multiple subjects; but each student will have math and English every day.

Tracy asked about staffing for vocational education. Steve responded that the chart does not get into that since vocational education is aimed at higher grades and this chart only covers grades 7-9. Tracy expressed concern that the advertising stresses vocational education, isn't that a problem if it's not being offered in the first year? Steve said he doesn't think so, since the vocational education courses are very visible at the Apprentice Academy; it's not as we were advertising something that doesn't exist yet.

Yolanda explained that an important part of the school's program is not shown in the chart: each teacher will have responsibility as homeroom teacher/advisor for a group of students (no more than 25) for whom the teacher will have overall responsibility for several years. Establishing and maintaining a long-term relationship with a teacher is an important part of the school's educational program, and acting as an advisor, with a strong connection to a small group of students, is an important part of every teacher's responsibility.

Suzanne said she's seen the success that can come from establishing strong relationships with students, and that she recommends every teacher read Stephen Covey's book "The Leader In Me," which has been used successfully in many schools.

Larry commented he'd recently seen another example of a very successful educational system as shown in the movie "The Finland Phenomenon", by the same director who made the film "Two Million Minutes" comparing high schools in the U.S., India and China. Very thought-provoking and worth seeing.

F. Business Manager Report

1. Status of accounting software & hardware selection

Seema reported that a school software system has been selected, including financial management, academic record keeping, and payroll/HR functions. The provider is Software Systems, Inc., based in Indianapolis.

For the time being, the vendor is hosting the system for us, but the software is designed to be installed on customer servers, which we'll do when the building is done and our hardware is in place. The school will continue using Paychex for payroll administration on a temporary basis. In order for the SSI system to properly show payroll costs, Tami will manually enter payroll data into the SSI system. As of January 1, payroll administration will be through the new system and use of Paychex will be discontinued.

2. Status of chart of accounts and SBOA requirements

Seema is working on setting up the chart of accounts per the State Board of Accounts requirements in the hosted software. She's also transferring data into the school software system from the preliminary records kept by HQ Investments, and is working on creating forms and submitting them to the SBOA as required by the SBOA manual. As the Indianapolis SBOA office suggested, she's also planning a meeting with the St. Joseph County SBOA office, which will be auditing the school.

As requested at the prior meeting, a credit card has been obtained for Seema & Yolanda to use for small purchases.

G. Other Business: per Charles Loeser's request, the bylaws were amended to confirm his position as Assistant Secretary.

H. Schedule Time & Place For Next Meeting: the next meeting will be held on July 28 at 3:30 at the Gagnon Street office.

There being no further business, the meeting was adjourned.


James Summers, Secretary

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