

Career Academy of South Bend, Inc.
Minutes of Meeting of Board of Directors
June 23, 2015

Directors Present: Thomas Coley, Larry Davis, Larry Garatoni, Tracy Graham, Jinny Longbrake
Vivian Sallie,

Absent: Suzanne Wiwi

Staff Attending: Paul Schlottman, Chad Addie, Kim Richardson, Charles Loeser, others

Larry Garatoni called the meeting to order at 5:38 pm at the Career Academy, 3801 Crescent Circle, South Bend.

A. Minutes of Prior Meeting. Jinny moved for approval of the minutes of the prior (April 28) meeting, Tracy seconded, and the minutes were unanimously approved.

B. School Operations.

1. School Performance Data. Paul presented test data available to-date from the 2014-15 school year. For the Acuity test predictive of the English 10 and Algebra I ECA passing rates, there was significant improvement during the 2014-15 school year and as compared to 2013-14, especially in Algebra (actual ECA and ISTEP results aren't yet available). NWEA scores showed growth during 2014-15 well above national norms for Grade 7 (all subjects – writing, math, reading and science) and for Grade 8 in all but reading, where growth was slightly below national norms. For Grade 9, growth was well above national norms for Algebra and slightly higher for biology, slightly lower in English. For Grade 6, growth was above national norms for reading and science, below for writing and math. For Grade 5, growth was above the national norm for science, below for reading, math and writing. Generally the NWEA data shows CASB students started the year two to three years below national norms. Paul noted that NWEA tends to be used by more affluent schools so NWEA national norms are higher than national averages.

Tracy asked if the predicted ECA improvement from last year was due to better instruction or a different group of students. Paul said the school's demographics have not changed significantly. Larry Davis asked the reason for improvement. Paul said there are multiple factors, including better instruction. Larry Garatoni asked if action has been taken to improve instruction in the future where scores show low growth. Paul said yes, this data is used in performance evaluations, as reflected by the staff/personnel report to follow.

2. Staffing/Personnel. Paul reported he had interviewed over 200 applicants since the beginning of February. He distributed a list of new personnel showing 34 hired for the Success Academy (K-6), 12 hired for the Career Academy (7-12) and three employees to work for both. Also listed were nine teachers who left the Career Academy at the end of the school year, four of whom had been rated ineffective. For both Success Academy and Career Academy, teachers will work in teams, primarily by grade level but in some cases by subject matter, with each team including master teachers with extensive experience, younger experienced teachers, and new graduates.

3. Student Enrollment. Paul distributed a chart showing that as of June 19, there were over 600 students planning to attend the schools in 2015-16: 423 returning students (grades 6-12), 91 newly enrolled students (K-12), 121 applications in process, and 171 students having identified interest but for whom applications have not been submitted. Jinny asked what percentage of students are planning to return from last year (other than graduated)? Paul said roughly 80%, which is slightly better than South Bend Community Schools. Paul noted that the summer marketing campaign has been underway for only two weeks, and the rate of parent inquires has doubled since then. Tom Coley asked what is the expectation for final enrollment? Kim Richardson said the financial projections are based on enrollment at 1,145 students.

4. Radio and TV Advertising. Paul introduced Josh Walker, who joined the school four weeks ago as director of marketing. Josh summarized the advertising campaign, including radio spots (including a Spanish-language station), TV ads, and billboards. Tracy asked about outreach to the Hispanic community. Chad Addie said the school has good relations with several Hispanic organizations, and the school's participation in on community events helps build the connection. Vivian suggested advertising in a Spanish-language paper, she will follow up with Chad. Josh noted that the application is 95% for parents who tour the school.

C. Board Restructuring. Larry Garatoni said he had spoken to Suzanne Wiwi and that Suzanne has decided to resign from the board. Larry submitted an outline of proposed restructuring of the board, including expanding to nine members, more staggered terms so that re-election or replacement is more gradual, formalizing officer positions and terms of office, and establishing/reorganizing the following permanent board committees:

1. Finance and Business Management
2. Academics and the Student Experience
3. HR and Administration

D. New Board Members. Larry's proposal suggested three new board members:

1. To replace Suzanne, Larry suggested Dave Risner, who had over 40 years of experience as an educator before retiring for the second time in 2013. Dave began his career as a teacher in 1971 and later served as Assistant Principal and then Principal of Mishawaka High School. He moved to Penn Harris Madison schools as Athletics Director in 1991 and served as Associate Principal of Penn High School from 2002-2005 when he retired to pursue business interests. In 2009 he returned to Mishawaka High School as Associate Principal until his second retirement. Dave is active in several other nonprofit organizations, including The Crossing (<http://www.crossingeducation.com/>), where he serves as CEO of the St. Joseph County Board, and the St. Joe CEO program (<http://www.stjoeceo.org/>), where he serves as a board member. Dave is co-owner of five local restaurants. Larry believes his combination of educational experience and business experience make Dave highly qualified to serve on the school's board.
2. As new board members, Larry suggested his son Mike Garatoni and his daughter Lori Smith. Mike is the owner and manager of the Growing Kids

child care centers (<http://www.growingkids.com/>) and is president of the board of the Stanley Clark private school (<http://www.stanleyclark.org/>). He has a B.S. in economics from Massachusetts Institute of Technology. Lori is a full-time mother of four. She has a B.S. and Masters in audiology and after leaving audiology worked for a software company for several years before starting her family. She has served on the board of St. Joseph Catholic Grade School (Suzanne Wiwi's school). Mike and Lori are both trustees of the Garatoni-Smith Family Foundation, the principal financial supporter of the Career Academy and Success Academy. Larry believes it is important for the future leaders of the Foundation to become familiar with and involved with the school.

- E. Committees and Officers. Larry suggested that committees be as follows:
1. Finance and Business Management: Mike Garatoni to chair, the other members to be Larry Garatoni and Tracy Graham
 2. Academics and the Student Experience: Dave Risner to chair, the other members to be Tom Coley and Lori Smith
 3. HR and Administration: Jinny Longbrake to chair, the other members to be Vivian Sallie and Larry Davis

The proposal suggested officers as follows:

- President: Larry Garatoni
- Vice-President: Vivian Sallie
- Treasurer: Mike Garatoni
- Secretary: Larry Davis
- Assistant Secretary: Charles Loeser

The proposal suggested two-year terms on the board with initial terms as follows:

Board Member	Existing end of term	Proposed end of term
Lawrence Garatoni	January 31, 2017	April 30, 2016
Tracy Graham	February 28, 2017	April 30, 2016
Jinny Longbrake	March 31, 2017	October 31, 2016
Vivian Sallie	April 30, 2017	October 31, 2016
Thomas Coley	May 31, 2017	April 30, 2017
Larry Davis	June 30, 2017	April 30, 2017
Dave Risner		October 31, 2017
Mike Garatoni		October 31, 2017
Lori Smith		April 30, 2018

Vivian moved that Suzanne's resignation be accepted, Jinny seconded, and the motion was unanimously approved.

Tom moved that the board be expanded to nine members, Larry Davis seconded, and the motion was unanimously approved.

Tracy moved that Dave Risner, Mike Garatoni and Lori Smith be elected to the board. Charles Loeser pointed out that Dave and Mike are both on the boards of other schools, which could be considered competition, but that Stanley Clark (a private school) and The Crossing (an alternative education school) serve students very different from most students attending CASB/SASB. The motion was seconded and unanimously approved.

Tracy moved that officers be elected as per Larry's proposal, Vivian seconded, and the motion was unanimously approved.

Tom moved that the board member terms be modified as suggested, Tracy seconded, and the motion was unanimously approved.

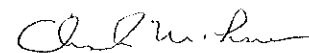
Tom said the bylaws should be modified to reflect these changes. Charles Loeser said he would prepare a draft of amended bylaws for the board's review at the next meeting.

F. Conflict of Interest Forms. Charles Loeser advised that the conflict of interest forms circulated in preparation for the meeting to meet Education One (Trine) requirements were concluded to be duplicative of forms already submitted for the SASB charter application so no further documentation is needed.

G. Education One (Trine) Authorizer Update. Charles Loeser advised that the charter application for SASB has been submitted and approved, so as of June 30, Education One will be the schools' authorizer. Lindsay Omlor, Education One's Director of Charter Schools, has advised she plans to attend future board meetings. Larry Garatoni noted the relationship with Education One is excellent.

H. Financial Reports. Kim Richardson presented the claims paid/banking detail report for April 22 through June 19 and the financial statements for April and May. Tracy moved that the bank detail report be approved, Jinny seconded, and the motion was unanimously approved. Paul noted that financial results did not meet budget targets, in part because of revenue reduction after the second Count Day and in part because of the unusual expense due to preparing very quickly for the opening of a new school. Larry Garatoni noted that after a new CFO for the school has been hired, there needs to be a careful analysis of prospects for covering operating expenses via tuition revenue, so the schools can be independent of the Foundation, but in the meantime he does not want to try to save money if that would reduce the prospects for doing well in marketing and academically, so he's in favor of the spending for advertising and personnel as Paul has done and plans to continue doing. Tom moved that the financial reports be approved, Larry Davis seconded, and the motion was unanimously approved.

The meeting was adjourned at 7:35 pm.



Charles Loeser, Assistant Secretary