

Career Academy of South Bend, Inc.
Minutes of Meeting of Board of Directors
August 11, 2015

Directors Present: Thomas Coley, Larry Davis, Larry Garatoni, Michael Garatoni, Tracy Graham,
Jinny Longbrake, Dave Risner, Vivian Sallie, Lori Smith
Former Director Attending: Suzanne Wiwi
Staff Attending: Paul Schlottman, Chad Addie, Kim Richardson, Charles Loeser, others

Larry Garatoni called the meeting to order at 5:40 pm at the Success Academy, 3408 Ardmore Trail, South Bend.

Larry introduced Lindsay Omlor, who as Director of Charter Schools for Education One (Trine University) will be attending all future board meetings. Larry asked Lindsay to describe her background. Lindsay explained that she grew up in Columbia City, graduated from Indiana University with a degree in Elementary Education and then taught in the Chicago public school system before moving to Fort Wayne where she taught in a charter school¹ before becoming assistant principal in 2013. After receiving a Master's in Education Leadership from Ball State University in 2014, she began her current position with Trine. Lindsay remarked Trine is pleased to be CASB's authorizer.

Larry then introduced Dan Fulcher, CASB's new Business Manager/CFO. Dan is a licensed CPA and has worked as controller/CFO for two local companies since moving here in 2000 after beginning his career in Memphis, where he served as a financial analyst and later CFO.

Suzanne Wiwi then arrived, and Larry presented her with a service award, reading the attached motion, which was approved unanimously, and presenting a commemorative plaque.

A. Minutes of Prior Meeting. Tracy moved for approval of the minutes of the prior (June 23) meeting, Dave seconded, and the minutes were unanimously approved.

B. School Operations.

1. New Teacher Orientation. Paul explained that orientation and training began August 3 and will continue until school begins August 17. There were three days of training shared by all, followed by breaking into teams.

2. New Hires. Paul presented a list of the 68 new hires since the end of the prior school year, of whom 24 are Career Academy, six are shared between the schools, and 38 are

¹ In 2012, she was awarded "Regional Teacher of the Year" for charter schools in Indiana, Michigan and Ohio. "Lilly Endowment Community Scholarship winners: Lindsay Wymer Omlor, won in 2005," KPC News.com, February 23, 2015, http://www.kpcnews.com/local/article_fe54e8a5-8f37-51fc-9812-7b82c25335d2.html.

Success Academy, including Principal Dean Fecher and Assistant Principal Scott Braun. Tom asked if hiring was complete. Paul said it is almost complete but there are a few openings to fill.

3. Enrollment Update. Paul reported that enrollment has been better than expected: as of August 10 the Success Academy had accepted 312 students and there were 125 applications pending.

C. SRO Program. Charles Loeser explained that a proposed resolution has been prepared to authorize CASB to establish a school corporation police department. Under the controlling statute, IC 20-26-16-2, a board resolution is required. This will allow the hiring of a School Resource Officer as a CASB employee rather than rely on the city police department, as many schools do. Paul said this is important in order for the schools to have more control over security issues. For example, it is Paul's preference that the SRO not wear a full uniform, just a polo shirt identifying himself as a school police officer. Lindsay asked if the intent is for the SRO to carry a firearm. Dave said most SROs carry a weapon but it can be done without being visible. After discussion, Mike moved that the draft resolution to approve the establishment of a school corporation police department be approved, but on the condition that the question of whether an SRO is to be armed is to be determined at a future board meeting. Tracy seconded the motion, which was unanimously approved.

D. Loan From City of South Bend Industrial Revolving Fund. Charles explained that two draft resolutions were prepared to authorize CASB to borrow up to \$1 million from The Industrial Revolving Fund of South Bend ("IRF") for IT equipment and infrastructure. Larry as president has already signed the IRF Loan Agreement and related documents (including an agreement signed by Larry as trustee of his foundation, subordinating CASB's debt to the foundation to the debt to the IRF, as detailed in the email sent by Charles to the board with copies of the documents. Tracy moved for approval of the resolutions and Jinny seconded. With Vivian recusing herself, as she is a member of the IRF board, the draft resolutions were approved by the other board members unanimously.

E. Revision of Bylaws. Charles explained that the proposed revision of CASB's bylaws, as distributed by email prior to the meeting, were to incorporate the changes approved at the June 23 meeting, such as expanding the board to nine members and modifying the dates for replacement or re-election of directors. Vivian moved that the proposed revision of the bylaws be approved, Dave seconded, and the motion was approved unanimously.

F. Marketing Update. Josh Walker, CASB's Marketing Director, reported that the ten-week marketing campaign over the summer went well. Extensive use of Face-Book was quite effective, and many students said they couldn't wait for school to begin. Lori asked if CASB's use of project-based learning would prepare children for success in more traditional schools. Charles said that is unlikely, since a primary focus of PBL is to motivate kids to help them learn, as well as teaching them to think and work more fluidly, but there is nothing lost by not boring kids in order to prepare them to deal with other boring schools: once a student has acquired skills, boredom is typically less of a problem; and if a student dislikes the method of a later school, that is less likely to be a problem if the student already has good skills. Mike said

he has heard comments that charter schools hurt traditional schools, what is the school's response to that? Paul said if innovative teaching methods are attracting students from other schools, the leaders of other schools should consider adopting the methods that students want. Larry said monopolies generally lead to poor service, and one of the rationales of the charter school movement is that introducing competition will improve all schools.

G. Financial Reports. Dan explained he had divided the banking detail data into two reports since CASB's June 30 fiscal year end requires an end of year break. As to the financial statements, Dan reported that both receipts and expenses were well over budget, in part because it had been determined that the \$4 million Qualified Zone Academy Bond transaction, which for practical purposes converted \$4 million of CASB's debt to Larry into an interest-free loan since the U.S. Treasury became responsible for the interest, must for accounting purposes be treated as the school receiving interest income in the amount of the Treasury's obligation, with such income offset by a corresponding interest expense. Tuition revenue is also shown under budget but Dan noted that this is understated since based on enrollment estimates well below actual enrollment, so there will be settle-up. Dan also noted that summer marketing expense was substantial but this will not be on-going. Kim Richardson noted that the Success Academy construction expense is being capitalized and depreciation will begin when the project is finished. Larry said there needs to be a careful and detailed review of CASB's finances and budget soon. Jinny moved that the financial reports be approved, Tracy seconded, and the motion was approved unanimously.

H. Comments. Larry asked if anyone attending had further comments, and there were two: first, that CASB should try to keep in touch with graduates and maintain records of how graduates do; second, that as to the suggestion that project-based learning might not prepare students well for college, there is a significant trend toward use of PBL by colleges.

The meeting was adjourned at 7:33 pm.



Larry Davis, Secretary