

**BOARD OF DIRECTORS MEETING
OPTIONS CHARTER SCHOOLS – CARMEL AND NOBLESVILLE,
INC.**

February 20, 2018

Directors present were: Stacy Segal, Will Mattingly, Valerie Love, Matthew Abbott, Hannah Heuser, and Gordon Heminger

Directors absent were: Lawrence Phillips and Jeffrey Johnson

Staff Present were: Mike Gustin, Michelle Walden, Brian Anderson, Jake Brandau, Adam Barr and Shannon Franklin

Guest Present: None

Stacy opened the meeting at 6:00 p.m.

1. CALL TO ORDER

A. ANNOUNCEMENT BY THE CHAIR WHETHER A QUORUM IS PRESENT, THAT THE MEETING HAS BEEN DULY CALLED AND THAT THE MEETING HAS BEEN POSTED IN ACCORDANCE WITH INDIANA OPEN DOOR LAW AS CODIFIED UNDER I.C. SECTION 5-15-1.5. THE AGENDA FOR THE MEETING HAS BEEN POSTED AND MADE AVAILABLE TO THE PUBLIC.

B. DISTRIBUTION OF THE AGENDA.

2. ROLL CALL

A. PUBLIC ANNOUNCEMENT REGARDING THE ATTENDANCE OF ALL BOARD MEMBERS, THE ABILITY OF THE BOARD TO FORM A QUORUM, AND THE POWER OF THE BOARD TO CONDUCT BUSINESS.

3. EXECUTIVE SESSION:

No executive session to follow.

4. PUBLIC FORUM:

Nothing at this time.

5. REPORTS

A. CHAIRMAN OF THE BOARD OF DIRECTORS REMARKS, LAWRENCE PHILLIPS:

- a. Nothing to add at this time. Lawrence Phillips not present.

B. REPORT OF THE PRESIDENT:

Mike Gustin presented the board with his report. Discussion took place; however, no action was needed.

C. DIRECTOR OF SCHOOLS REPORT:

Michelle Walden presented the board with her report. Discussion took place; however, no action was needed.

D. FOUNDATION REPORT:

Brian Anderson presented the board with his report. Discussion took place; however, no action was needed.

E. TREASURER'S REPORT:

a. APPROVAL OF VOUCHERS:

Hannah Heuser presented the Noblesville Allowance of Vouchers dated December 19, 2017, in the amount of \$154,021.06. Hannah Heuser requested a motion of approval of Allowance of Vouchers in the amount of \$154,021.06. Gordon Heminger moved to accept, and Matthew Abbott seconded. The motion passed unanimously.

Hannah Heuser presented the Carmel Allowance of Vouchers dated December 19, 2017, in the amount of \$87,411.92. Hannah Heuser requested a motion of approval of Allowance of Vouchers in the amount of \$87,411.92. Gordon Heminger moved to accept, and Matthew Abbott seconded. The motion passed unanimously.

F. TEMPORARY AND AD HOC COMMITTEE REPORT:

Nothing at this time.

5. OLD BUSINESS

a. State Board of Education – Options Appeal of A-F Grade:

Mike Gustin announced to the Board he will be going in front of the State Board of Education on March 7th to request to move from an F grade to a

null grade from the State Board of Education until we get the accountability metrics completed.

b. THE HOPE SOURCE:

Mike Gustin announced to the Board that The Hope Source did not get the charter with Ball State and he requested that the Board consider they remain with us for one more school year. The Board has requested that Jayne Brown present in person this request.

6. NEW BUSINESS:

A. APPROVAL OF MINUTES FROM SCHOOL BOARD MEETING:

Stacy Segal asked the members to review the Minutes presented for the January 16, 2018 meeting. Stacy Segal requested a motion to accept the Minutes as read. Hannah Heuser moved to accept and Will Mattingly seconded. The motion passed unanimously.

B. DEVELOPMENT OF NEW OPTIONS CARMEL SITE:

Mike Gustin announced to the board some ideas about the development of the new Options Carmel site. Discussion took place to find another location or to buy ground at the Noblesville campus and put both schools under one roof. The board agreed we should look for another location and not combine the schools into one location. No action was needed at this time.

7. GOOD OF THE ORDER –

Nothing at this time.

8. ADJOURNMENT:

Stacy Segal requested a motion for adjournment at 6:47 pm. The motion for adjournment passed unanimously.

9. EXECUTIVE SESSION:

An Executive Session will be held following the public meeting pursuant to the authority granted under I.C. 5-14-1.5-6.1(b)(9).

Submitted by:

Shannon Franklin
Board Stenographer

Approved by:

Matthew Abbott
Board Secretary

Next scheduled meeting will be held on March 20, 2018 at the Options Charter School – Carmel at 6:00 pm.



Options Charter Schools

www.optionsined.org

317-773-8659

Carmel – Est. 2002

530 W. Carmel Dr.

Carmel, IN 46032

Mike Hirsch – Principal

Noblesville – Est. 2006

9945 Cumberland Pointe Blvd

Noblesville, IN 46060

Jacob Brandau - Principal

Mike Gustin

President

Michelle Walden

Director of Schools

President's Report

Board Meeting: February 20, 2018

Finance

The Treasurer's Report included in the February 2017 folder will give a more in-depth perspective on our finances. Options Charter Schools maintain strong bank balances while continuing to provide high quality educational programming for students.

Options Charter News

Options leadership team continues to work with area schools to develop stronger partnerships. On Thursday February 8, 2018 Mike Gustin met with administrators and counselors from Westfield middle school and intermediate school to discuss how we can better support student who are identified as at-risk. The group overwhelmingly stated they would like assistance from Options to create and run programs within programs at the school sites. Mike Gustin is communicating with the Westfield Superintendent regarding the likelihood of such a partnership.

Mike Gustin and Michelle Walden continue to meet with the alternative accountability workgroup to develop an alternative accountability metric. The multiple alternative school leaders and authorizers are beginning to narrow down a framework for a working definition of alternative schools and an accountability framework. The goal is to have a working alternative accountability metric approved and ready for year-long public comment prior to August. If we are able to accomplish this, we could conceivably have a working alternative accountability model by the fall of 2019.

The state legislature continues to debate education bills. We get bi-weekly update from the Executive Director of the Indiana Charter School Network, Marcie Brown. Here is a list of education bill with a charter focus that are still alive as they switch chambers. Please review the list or do more research if you are so inclined. The leadership team is staying abreast of the most important bills.

Here is your bi-weekly session update email. Now that we've reached the halfway point of the 2018 General Assembly, House and Senate bills will change houses beginning next week. Bills that did not pass their houses of origin are considered dead. The coalition tracking sheet should exclude those dead bills.

From Marcie:

As a reminder, here are the bill tracker links:

All Education: http://www.hannah-in.com/Report_Custom.aspx?sid=CCbVVObRQ3Y%3d&rid=saxD92PgVOA%3d

Charter: http://www.hannah-in.com/Report_Custom.aspx?sid=CCbVVObRQ3Y%3d&rid=HnS7bfmbIFY%3d

Bills from This Week

- SB 50 – Workforce Development (Eckerty) Passed the Senate 45-3
- SB 177 – Indiana High School Diploma (Kruse) Passed the Senate 48-0
 - Mirrors the diploma and math/science flexibility language of HB 1426
- SB 235 – Tax Credit for Education Contributions (Alting) Died in Senate. Did not receive a 2nd or 3rd reading vote.
- SB 297 – Employability Skills Curriculum (Raatz) Passed the Senate 48-0
- SB 303 – Various Education Matters (Raatz) Passed the Senate 45-3
- SB 387 – Teacher Licensing (Zay) Passed the Senate 35-12
- HB 1002 – Workforce Funding and Programs (Huston) Passed the House 70-24
- HB 1016 – Student Journalism (Clere) Failed in the House for lack of constitutional majority 47-46
- HB 1399 – Elementary School Teacher Content Are Licenses (Behning) Passed the House 91-0
- HB 1420 – Various Education Matters (Behning) Passed the House 92-0
- HB 1426 – Education Matters (Behning) Passed the House 84-5

Bills on the Agenda for Next Week

- **Senate Education** – **Wednesday 1:30pm**
 - HB 1024 – Heat Preparedness Training for Coaches (Kruse/Bacon) (Testimony only)
 - HB 1047 – Various Higher Education Matters (Raatz/Sullivan) (Testimony Only)
 - HB 1230 – School Safety (Raatz/McNamara) (Testimony Only)
 - HB 1314 – Students Receiving Foster Care Services (Zay/DeVon) (Testimony Only)
 - HB 1398 – Coalition of School Corporations (Raatz/Behning) (Testimony Only)
- **House Education** – **Tuesday**
 - **Agenda not yet posted**

Policy Governance

Policy 2.3 – Financial Planning and Budgeting (Monitored Quarterly in August, November, February and May)

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from board's Ends priorities, risk fiscal jeopardy or fail to be derived from a multiyear plan.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Fail to include credible projection of revenues and expenses, separation of

capital and operational items, cash flow and disclosure of planning assumptions.

2. Plan the expenditure in any fiscal year of more funds than are conservatively
3. projected to be received in that period.
Reduce the current assets at any time to less than twice current liabilities.
4. Provide less for board prerogatives during the year than is set forth in the cost of Governance policy.

Report:

Response to Policy 2.3 - Financial Planning and Budgeting (Monitored Quarterly in August, November, February and May)

All financial planning for the fiscal year is in alignment with the board's End Statements and does not place Options Charter Schools in any undue financial risk. The Options Charter Schools board did approve a 2016-2017 budget in June of 2016. At the February 21, 2017 meeting a 5-year strategic plan will be shared with the board. Several decisions have been made or may be made by the board that could impact the 2016-2017 budget. The board and leadership team, however is looking closely at the impact of any board decisions could have on the health of the current and future year budgets.

1. All revenue and expenditure projections are conservative, with a separation of capital and operations items, and are shown with reports that outline cash flow and a disclosure of planning assumptions.
2. All revenue and expenditure projections are conservative.
3. There has not been substantial reductions of Options Charter Schools assets. In fact, with the purchase of the Noblesville facility in 2016 the asset position of the school was greatly improved.
4. The Cost of Governance policy is established and is being maintained.

Policy 2.4 – Financial Conditions and Activities (Monitored Quarterly in August, November, February and May)

With respect to the actual, ongoing financial condition and activities, the President shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met.
2. Indebit the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days.

3. Fail to maintain funds for three months of operation, exclusive of funds held in trust or other restricted funds.
4. Conduct inter-fund shifting from restricted funds.
5. Place at risk neither funds held in reserve nor funds held in trust by investments that are not liquid in short term, nor by investments that do not guarantee a reasonable rate of return. Suggested investments include Money Market accounts or mutual funds, short-term Certificates of Deposit, U.S. Treasury Bills, short term Notes and short term Bonds.
6. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
7. Fail to report a single purchase or commitment of greater than \$ 10,000. Splitting orders to avoid this limit is not acceptable. In conjunction with the fiscal year-end reports, vendor commitments that cumulatively exceeded \$10,000 will be provided. Payments to credit card companies for the sole purpose of financing other purchases shall be exempt from this limitation.
8. Acquire, encumber or dispose of real property.
9. Fail to insure that Foundation grant funds are used for educational programs and scholarships consistent with IRS standards.
10. Fail to adhere to Foundation grant policies and processes
11. Make any purchase: (a) wherein normally prudent protection has not been given against conflict of interest; (b) of over \$10,000 without having obtained comparative prices and quality; (c) of over \$10,000 without a stringent method of assuring the balance of long term quality and cost.
12. Fail to adhere to all financial policies and processes required by the Indiana State Board of Accounts or the Charter Authorizer.
13. Secure an additional line of credit.

Response to Policy 2.4 – Financial Conditions and Activities (Monitored Quarterly in August, November, February and May)

The fiscal decision made by the President of Options Charter Schools is in alignment with the board approved budget and does not deviate from the board’s priorities established in End Statements.

1. No funds have been expended that exceeds the Options Charter Schools receivables and/or board approved budget.
2. No debt has been created that exceeds the amount maintained in the Options Charter Schools “Rainy Day” fund (60 days of cash on hand).
3. Options Charter Schools holds in excess of three months of cash on hand.
4. Not applicable
5. Because of the limitation of expenditure of the President with board approval all funds held in reserve are secure. At this time, Options Charter schools does not invest school money.
6. All tax liability is paid in a timely manner.
7. No financial commitment over \$10,000 has been made without prior board

- approval.
8. Not applicable.
 9. Policies and bylaws have been adopted by the OIEF to insure grants and funds are expended for educational programs and scholarships within IRS standards.
 10. Options Charter Schools adheres to all foundation grant policies and processes.
 11. No purchases have been made in violation of any of the three tenets.
 12. All expectations have been met for the Indiana State Board of Accounts and our authorizer.
 13. No additional lines of credit have been established. Our current lines of credit are zero.

Thank You,
Mike Gustin, President
Options Charter Schools