

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

FEBRUARY 19, 2019

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

Directors absent were: Lawrence Phillips, Brenda Flowers

Staff Present were: Mike Gustin, Michelle Walden, Shannon Franklin, Jacob Brandau, Camille Scott

Guest Present: None

Stacy Segal 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:

There will be no Executive session to follow.

4. PUBLIC FORUM:

Nothing at this time.

5. REPORTS

A. CHAIRMAN OF THE BOARD OF DIRECTORS REMARKS, STACY SEGAL:

- a. Nothing at this time.

B. REPORT OF THE PRESIDENT:

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

D. DIRECTOR OF SCHOOLS REPORT:

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

E. FOUNDATION REPORT:

Nothing to report at this time.

F. TREASURER'S REPORT:

a. APPROVAL OF VOUCHERS:

Will Mattingly presented the Noblesville Allowance of Vouchers dated February 19, 2019, in the amount of \$179,802.04. Will Mattingly requested a motion of approval of Allowance of Vouchers in the amount of \$179,802.04. Hannah Heuser moved to accept, and Valerie Love seconded. The motion passed unanimously.

Will Mattingly presented the Carmel Allowance of Vouchers dated February 19, 2019, in the amount of \$84,742.06. Will Mattingly requested a motion of approval of Allowance of Vouchers in the amount of \$84,742.06. Hannah Heuser moved to accept, and Valerie Love seconded. The motion passed unanimously.

G. TEMPORARY AND AD HOC COMMITTEE REPORT:

Discussion took place regarding the land purchase in Westfield. Gordon Heminger made a motion to have Mike Gustin engage with the attorney to negotiated on our behalf with the city of Westfield and the best negotiated proposal is brought back to the Board at the cost of \$225 per hour not to exceed \$10,000. Valerie Love seconded the motion. The motion passed unanimously.

6. OLD BUSINESS

a. Election of Board Candidate Thomas Lyons III:

Hannah Hueser made a motion to elect Thomas Lyons III as a Board Member. Will Mattingly seconded the motion. The motion passed unanimously.

b. Central Office – Lease Options:

Nothing at this time

c. Board Policies: Third of Three Batches

Mike Gustin presented the Board with the Board Policies. Stacy Segal made a motion to approve all polices as presented. Hannah Heuser moved to accept, and Gordon Heminger seconded. Hannah Heuser asked for clarification on a couple of the board policies. The motion passed unanimously with the clarifications.

7. NEW BUSINESS:

A. APPROVAL OF MINUTES FROM SCHOOL BOARD MEETING:

Stacy Segal asked the members to review the Minutes presented for the February 19, 2019 meeting. Valerie Love asked for a correction under the following Temporary and Ad Hoc Committee Report. The motion was to approve the land at 3.5 acres and not 2.5 acres. Change has been made.

Gordon Heminger moved to accept with the above changes, and Matthew Abbott seconded. The motion passed unanimously.

B. CFO Reporting Proposal:

Jake Brandau asked the Board about preparing a CFO report. After discussion, it was determined that all reports will fall under the President's Report.

C. 5-Year Strategic Plan:

Mike Gustin asked the board members to review the plan and send Mike Gustin feedback. No action needed at this time.

8. GOOD OF THE ORDER –

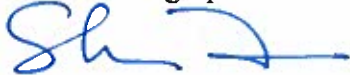
Nothing at this time.

9. ADJOURNMENT:

Stacy Segal requested a motion for adjournment at 7:20 pm. The motion for adjournment passed unanimously.

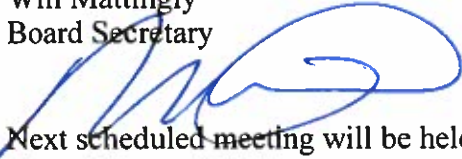
Submitted by:

Shannon Franklin
Board Stenographer



Approved by:

Will Mattingly
Board Secretary



Next scheduled meeting will be held on March 19, 2019 at the Options Charter
School – Carmel at 6:00 pm.



President's Report
Board Meeting: February 15, 2019

The focus of this past month has been the preparation for the March 6, 2019 State Board of Education Meeting. On that date, Will, Mike, and Michelle will make a presentation to SBOE members regarding the quality of Options Charter Schools services. If successful, the state will recognize our work with either an improved letter grade or a null grade under the state's A-F Grading System. We also signed the purchase agreement for the property off 32 known as Oak Manor North. Shortly after signing, we encountered an issue with the City of Westfield. The Facility Committee has been working to identify the parameters of this challenge and bring the details back to the board for consideration. See the Facility Committee report for details

Finance

The Treasurer's Report included in the February 2019 folder will give a more in-depth perspective on our finances. Options maintains strong bank balances while continuing to provide high quality educational programming for students. Our December 2018 balances for Options Carmel was \$960,217 and Options Noblesville was \$1,182,721. The combined cash assets of Options Charter Schools are \$2,142,938.

Jake and I started the budget research and development process for the 2019/2020 budget. The State Legislature has a bill in the House that looks to increase our Charter School funding to close the gap to traditional schools. We are looking at this very intently because it may have a large impact on what we can do in the future with salaries, growth, etc... I am also calculating the impact of losing the Hope Source and the special education funding that we received for those students.

Facility Update

Due to the length of the facility update, it has been moved to a separate report.

Special Projects

Policy Updates- I am bringing final batch of policies to the board for consideration on Tuesday February 19, 2019. The board will be in compliance with all state required board policies once these have been reviewed and approved. As a plan moving forward, the President of Options and attorneys with Church, Church, Hittle and Antrim will review all policies on an annual basis immediately following the state's legislative session. Any deletions, additions, or edits will be brought to the board for consideration.

Safety Plan- Eric Walden has been hired as our Director of School Safety. Eric is working to review all of our current safety procedures, tour the buildings, establish new safety protocols,



and reach out to external stakeholders to assist in an array of training, support, and emergency bussing protocols. The board should anticipate a report of this work at the March 19, 2019 board meeting.

Charter/Finance News- The Options Charter School Board approved moving forward with combining our two school charters and their finances into one charter. The goal of beginning that process was to begin in the spring of 2019 and be initiated by July 1, 2019. It was reported in the February President's Report to the Options Board that two significant issues were impeding the progress of that goal. First, new ESSA requirements were forcing Options into failing status. Because of this Options will not be eligible for federal CSP dollars intended to assist charter schools in growing or replicating high quality charter schools. Although this challenge does not directly impact our ability to combine our two school charters, it does block the primary purpose of replication. Second, when Options approached the DOE, they were not equipped with a process of how to achieve combining two charter school corporations into one. The law that allows charter schools to do this is fairly new and it would appear Options is the first to pursue this option. The DOE informed us that a July 1, 2020 is a more appropriate timeline.

Five-Year Strategic Plan/Succession Plan- I am working to update the Options Five-Year Strategic and Succession Plan and present it to the board for review, edit, and approval at the February 2019 meeting. We have several moving pieces that will impact the five-year plan including finances, facilities, school accountability, and the combining of our charter and finances. It is important, however, that the board understand how each of the pieces of our puzzle fit together to achieve our vision. The future vision is to prepare Options Charter School for expansion, not just growth within our current programming. The Options Five-Year Strategic and Succession Plan is that roadmap.

Options in Education Foundation (OIEF) Report

There has been little activity in the foundation during the past month. There has been the routine giving by stakeholders and expenditures for student purposes. The OIEF balance is \$65,585. Some of those funds are encumbered for student counseling, cafeteria services, scholarships, and student programming. The majority of those funds are will be used at the discretion of board and president. Please see the balance sheet in the OIEF folder in the February 2019 Board Folder to review the specific categories and amounts.

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.

President Interpretation:

The president will offer the board and staff credible projection of revenues and expenses, separation of capital and operational items, cash flow and disclosure of planning assumptions

Report:

I have used the annual budget, five-year strategic plan, and other critical documents, reviewed and approved by the Board of Directors, to share a vision for Options Charter Schools that focus on expenses, revenues, separating capital and operational items, cash flow, and planning assumptions.

2. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

President Interpretation:

The annual budget will be conservatively projected and board-approved to ensure income exceeds expenses.

Report:

Options Charter Schools budget was projected and board-approved where assets far exceed expenses.

3. Reduce the current assets at any time to less than twice current liabilities.

President Interpretation:

No action will be taken with a reasonable outcome of reducing Options' assets to less than twice the current liabilities.

Report:

Options Charter Schools operates in such a manner that the assets are equal to or exceeds twice the current liabilities.

4. Provide less for board prerogatives during the year than is set forth in the Cost of Governance policy.

President Interpretation:

Money will be set aside in the budget as stipulated in Policy Governance

Report:



During budget development assets are set aside so that the board can achieve its goals as set forth in Policy Governance.

**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.

President Interpretation:

Expenses are not only budgeted and approved annually by the board but consideration for cash flow is also considered.

Report:

Paying for expenses in the Options budget includes consideration of the board-approved budget and cash flow. On those rare occasions when it is necessary, the board is informed through communication with the board chair and/or treasurer.

2 Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days.

President Interpretation:

All debts must be of a value that payment of that debt can reasonably be accomplished within 60 days.

Report:

There are no debts that exceed the 60-day threshold established in Policy Governance.

3 Fail to maintain funds for three months of operation, exclusive of funds held in trust or other restricted funds.

President Interpretation:

Options budget must include money in reserve (also known as a “Rainy-Day” fund) that equals or exceeds three months of normal operation.

Report:



Options Charter Schools has maintained a very healthy Rainy-Day fund. Currently, the amount in reserve exceeds 120-days.

4 Conduct inter-fund shifting from restricted funds.

President Interpretation:

No funds shall be shifted from one Options restricted fund to another.

Report:

There is rarely fund transfer that are not present in the board-approved budget. When this does occur neither the sending or receiving fund is restricted.

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.

President Interpretation:

No person in the organization will take action that causes any Options funds in reserve or invested in undue risk. The Options Board will make determination of placement of funds in investment opportunities.

Report:

Currently, Options only places its excess funds in reserve accounts. There are no investment accounts of any type. These are not at-risk and any expenditures must go through our normal due process.

6 Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

President Interpretation:

Employees and vendors of Options Charter Schools will make every effort to complete all filings and payments in a timely and accurate manner.

Report:

Using various Options employees and vendors, such as Danny Marsh of Charles Madden, all filing and payments for Options Charter Schools and the Options in Education Foundation are completed in a timely and accurate manner.

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.

President Interpretation:

The President and/or his/her designee will not spend in excess of \$10,000 without board approval. Any action to split orders or otherwise make purchases less transparent are unacceptable.

Report:

No purchases are made by the President and/or his/her designee without board approval.

8 Acquire, encumber or dispose of real property.

President Interpretation:

No property will be acquired, encumbered, or disposed of without board approval.

Report:

No action by any Options employees has been made in the area of real estate acquisition or disposal.

9 Fail to insure that Foundation grant funds are used for educational programs and scholarships consistent with IRS standards.

President Interpretation:

The President or his/her designee will ensure OIEF funds are used for education programs and scholarship consistent with IRS standards.

Report:

There is a process for reviewing for expenditure of OIEF funds to ensure the money is targeting educational programs or scholarships.

10 Fail to adhere to Foundation grant policies and processes.

President Interpretation:

The President or his/her designee will ensure OIEF grant policies and processes are followed.

Report:

All policies and processes of OIEF are followed.

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.

President Interpretation:

The President or his/her designee will make purchases only when there is prudent protection against conflict of interest, of over \$10,000 only when comparative pricing is obtained, and assuring long-term quality and cost.

Report:

There are not expenditures made unless there is reasonable assurance of a lack of conflict of interest, comparative quotes are gathered, and an assessment of long-term quality and cost is completed.

12 Fail to adhere to all financial policies and processes required by the Indiana State Board of Accounts or the Charter Authorizer.

President Interpretation:

The President or his/her designee will adhere to financial policies and processes required by the Indiana State Board of Accounts or the Charter Authorizer.

Report:

Great care is taken by all critical support staff of Options Charter Schools to follow rules, guidelines, expectations, policies, and processes of the SBOA and Ball State University Office of Charter Schools.

13 Secure an additional line of credit.

President Interpretation:

No employee of Options Charter Schools will additional lines of credit without board approval.

Report:

There are no additional lines of credit in Options name without board consent.

Thank You,
Mike Gustin, President
Options Charter Schools



Options Charter Schools

Belong. Believe. Achieve

Chief Operations Officer Monthly Report February 2019

Enrollment 02/14/2019

	Carmel		Noblesville	
	17/18	18/19	17/18	18/19
Total Enrollment	200/185 (108%)	202/225 (90%)	301/320 (94%)	289/315 (92%)

Enrollment by Program

	Carmel	Noblesville
The Hope Source	-	54/50 (108%)
Jr. High (6,7,8)	-	21/20 (100%)
Sr. High (Brick and Mortar)	129/150 (83%)	141/170 (82%)
Distance Education	73/75 (97%)	73/75 (97%)

Reflection:

New enrollments continue to flow in for all programs. We have observed an increase in enrollment for Options Carmel in the last two weeks. We saw normal mobility for this time of year with 45 new enrollments, 45 students being withdrawn and 44% of them leaving with positive mobility reasons. A positive mobility means the student graduated or is returning to their home school or transferring to a program that is a better fit, identified with the help of the Options team.

We are focusing recruitment efforts for the remainder of the school year on continuing to fill the identified gaps in enrollment for each program.



- Noblesville Brick and Mortar: 11th and 12th grade
- Carmel Brick and Mortar: 9th and 11th grade
- Distance Education: all school-aged children instead of older adults returning to school.

Accountability Data

School Improvement Data

18/19 School Improvement Plans

End of Semester 1 Data

[Carmel](#)

[Noblesville](#)

[Distance Education](#)

January Data

[Carmel](#)

[Noblesville](#)

[Distance Education](#)

SBOE, IDOE, OCS BSU Updates/News:

State A-F Grade

Embargoed A-F Accountability Reports have been released to the schools. We have submitted an official appeal to the Indiana Department of Education requesting a change of grade. We are still awaiting a response on this appeal. We anticipate an initial denial, due to the rule being applied correctly as written, and will have to submit a second appeal directly to the State Board of Education (SBOE). That appeal will require a presentation to the SBOE at one of their monthly board meetings.

[Official Carmel Appeal](#) - submitted by OCS-C to SBOE

[Official Noblesville Appeal](#) - submitted by OCS-N to SBOE

[Initial response from hearing officer - Options Carmel](#)

[Initial response from hearing officer - Options Noblesville](#)

We officially objected to their response citing data that shows that we do indeed “exclusively provide academic programming for students with developmental, intellectual, or behavioral challenges” as shown by our Indiana Department of Educational - Alternative Learner Report (IDOE - AL) submitted annually. We are awaiting a response on our objection from the SBOE legal staff and a notice to appear at an upcoming SBOE meeting.

Upcoming SBOE Meetings: March 6, 2019



Staffing:

Name of Employee	Job Title	Brief Biography	Type
Kathleen Clevenger	Administrative Assistant, Noblesville Campus	<ul style="list-style-type: none"> ● Alternative School Experience ● Administrative Assistant Experience 	Filled open position
Michael Rentfrow	School Counselor - Options Noblesville	<ul style="list-style-type: none"> ● 5+ years of experience in school counseling ● Experience with alternative education ● Mental Health Clinician 	Filled open position

- Open Position - Middle School Math - we have contracted with Charter School Substitute Network to fill this position with a long-term substitute for the remainder of the year. Elizabeth Dooley starts on 2/18/19.
- We are actively looking for 1 or 2 more substitute teachers.

