

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

May 21, 2019

Directors present were: Will Mattingly, Hannah Heuser, Stacy Segal, Matthew Abbott, Valerie Love, Thomas Lyons III, Brenda Flowers, Gordon Heminger

Directors absent were: John Kerr and Lawrence Phillips

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

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 an 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/EXECUTIVE TEAM:

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

C. TREASURER'S REPORT:

a. APPROVAL OF VOUCHERS:

Will Mattingly presented the Carmel Allowance of Vouchers dated May 21, 2019, in the amount of \$93,273.64. Will Mattingly requested a motion of approval of Allowance of Vouchers in the amount of \$93,273.64. Hannah Heuser moved to accept, and Valerie Love seconded. The motion passed unanimously.

Will Mattingly presented the Noblesville Allowance of Vouchers dated May 21, 2019, in the amount of \$177,056.16. Will Mattingly requested a motion of approval of Allowance of Vouchers in the amount of \$177,056.16. Hannah Heuser moved to accept, and Valerie Love seconded. The motion passed unanimously.

G. TEMPORARY AND AD HOC COMMITTEE REPORT:

No updates at this time.

6. OLD BUSINESS

a. Noblesville Signage:

Stacy Segal announced to the Board that the signage did not meet the Noblesville code and will be shorter than expected. No action was needed.

b. Approval of President Evaluation with Salary Adjustment:

Stacy Segal made a motion to approve Mike Gustin's evaluation with the Salary Adjustment. Valerie Love moved to accept, and Matthew Abbott seconded. The motion passed unanimously.

7. NEW BUSINESS:

A. APPROVAL OF MINUTES FROM SCHOOL BOARD MEETING:

Stacy Segal asked the members to review the Minutes presented for the March 19, 2019 meeting.

Gordon Heminger moved to accept, and Hannah Heuser seconded. The motion passed unanimously.

B. Review APR for OCS-Carmel and OCS-Noblesville:

Mike Gustin made a motion to approve the APR for OCS-Carmel and OCS-Noblesville. Lawrence Phillips moved to accept, and Hannah Heuser seconded. The motion passed unanimously.

C. Review School Emergency Preparedness Plans for OCSC and OCSN:

Eric Walden presented the Board with the School Emergency Preparedness Plans for OCSC and OCSN. No action was needed.

8. GOOD OF THE ORDER –

Nothing at this time.

9. ADJOURNMENT:

Stacy Segal requested a motion for adjournment at 7:07 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 April 16, 2019 at the Options Charter School
– Noblesville at 6:00 pm.

Executive Team
OCS Board Report
May 21, 2019

From the Office of the President/CEO

Graduation is just around the corner! On May 29, 2019 at the Ritz-Charles Options graduates will once again be able to walk across the stage. Deputy Mayor Burtron will be the guest speaker. The dinner afterward will be held at Wolfie's in Westfield. We decided to make this change in honor of our guest speaker.

Representative Shaibley and State Senator Spartz have both visited Options Charter Schools. In each visit, we offered our guest a tour and then spoke at-length about policy issues that impact our schools. This conversation was very focused on school accountability. We reviewed PowerPoint prepared by Mike Gustin, Michelle Walden, and Andrew Piper to illustrate the great work Options is accomplishing yet we still are receiving D's and F's on the A-F Grading System

Facility Update

The following is a short update on the facility:

- a. Zone Use Change- Mr. Coots has written the application for the zone use change to the PUD.
- b. Mr. Coots will get Options on the June 10, 2019 Westfield City Council Agenda to start this process.
- c. It was our intention to start this process in May city council meeting but Mr. Coots did not get the documents prepared and failed to get us on the agenda.
- d. PILOT- Mike Gustin, Dave Coots, City Attorney Zaiger, and Deputy Mayor Burtron had an in-person meeting four-weeks ago and a follow-up phone conversation three-weeks ago. In the final meeting, we had a verbal agreement that that the annual PILOT amount would start in 2022, continue in perpetuity, and be a constant amount of \$18,768.
- e. The written PILOT agreement was altered by Mr. Coots to reflect this agreement and sent to Mr. Zaiger and Mr. Burtron two-weeks ago.
- f. Mr. Coots has sent several email follow-ups inquiring about the status. As of the writing of this report, we have not heard back from city officials.
- g. We did kee this agenda item on the Options May board meeting the event we receive the signed PILOT.
- h. Land Purchase Agreement- Options has received notice that we are four months into the six month due diligence period. I have spoken with land owner Bob Barker about this. He stated that he understands how hard we have worked to correct the PILOT issue with the city and will work with us on timing.
- i. **Recommendation: as soon as the PILOT Agreement issue is settled, we should immediately begin working on the Purchase Agreement Due Diligence items. This does put as at a some risk until the Zone Use issue is settled. After speaking to**

several people (Rick, Dave, Bob, and Tom Goins), I am convinced the risk is not great.

Options in Education Foundation (OIEF) Report

Jake and I met regarding the foundation finances, internal giving by employees/board, and the possibility of expanding our donations for 2019-2020. The OIEF balance is \$51,000. 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 May 2019 Board Folder to review the specific categories and amounts.

Policy Governance

Policy 1:1A: Organizational Values

(Monitored Semiannually in November and May)

End Statements:

1. An environment will be created in which the Vision of Option Charter Schools is exemplified and the Core Values are demonstrated.

President Interpretation:

All programs, processes, and practices will align with the vision and core values of Options charter schools established by the Options Board of Directors.

Report:

The current programs, processes, and practices align with the Options' vision and core values. The leadership team ensures that the vision and core values are considered when developing new programs, processes, and practices.

Policy 1:1B: Organizational Growth

(Monitored Semiannually in November and May)

End Statements:

1. Options Charter Schools will experience positive growth.

President Interpretation:

The vision and core values of Options Charter Schools exemplified in programs, processes, and practices should target positive student and staff growth.

Report:

Options Charter Schools continues to serve a larger student population each year. In the past five-years the number of students targeted by Options' programs have gone from approximately 330 to 530 students. The staff that serves these growing number of students continues to grow proportionately. The staff receives regular professional development with alignment to our vision and core values.

2. Options Charter Schools will benefit from the advantage that sustained and positive growth has on an organization.

President Interpretation:

Options Charter Schools will benefit financially and organizationally from increased growth in the student and staff population.

Report:

Options Charter Schools has experienced positive financial and organizational growth each of the past six years. This year, Options is educating approximately 530 students and has about \$2 million in cash asset and equity. The goal is to sustain growth during the next five-years while continuing to provide for financial stability.

**Policy 1:1C: Student Achievement
(Monitored Semiannually in November and May)**

End Statements:

1. Students will graduate and be prepared for the next phase of their life.

President Interpretation:

It is the responsibility of every employee of Options Charter Schools to develop and implement programming that best supports students' credit attainment to graduation; social, emotional, and academic maturity; and a focus on the connection between high school and the next phase of their life.

Report:

The academic program for Options Charter Schools includes: morning, afternoon, and evening brick-and-mortar programs; credit recovery; vocational training (career training); dual enrollment (college readiness); and internships/community service projects. All classes are taught by highly qualified teachers. These program and personnel choices are offered to all students to better provide for a high quality of life after graduation.

2. Options Charter Schools will be able to demonstrate academic success.

President Interpretation:

The leadership team of Options Charter Schools will develop metrics, in cooperation with regulatory agencies, that demonstrate academic success.

Report:

Metrics were developed in conjunction with our Ball State authorizer that highlight the high quality programming of Options Charter Schools and the success of Options' students working toward a high school diploma. The metrics are used to show our state accountability officials at the Department of Education and State Board of Education the good work of Options Charter

Schools. We continue to work with state officials to embed an alternative accountability model into the state accountability metric.

**Policy 1:1D: Community Relations
(Monitored Semiannually in November and May)**

End Statements:

1. The organization will interact in the community to promote the mission and core values of the school; advocate for a positive and supportive political agenda; and identify, cultivate and solicit opportunities for financial support.

President Interpretation:

The leadership team of Options Charter Schools and the Options in Education Foundation, with the support of the board, will make decisions that allow team members to interact in the community, advocate for a political agenda to advance the needs of the organization, and cultivate relationships that may result in financial support.

Report:

Options Charter Schools and the Options in Education Foundation have developed operational goals that align with the mission of community outreach, developing relationship with organizations that align with our charter and alternative missions to advance our political agenda, and identifying individuals or groups where transactional relationships can be established for the financial betterment of Options.

**Policy 1:1E: Fiscal Responsibility
(Monitored Semiannually in November and May)**

End Statements:

1. The organization will provide a high value to parents and students by spending money prudently towards the advancement of its mission.

President Interpretation:

Options Charter Schools will budget money appropriately to provide the highest value to parents and students spending money to advance the Options' mission.

Report:

The annual Options' budget is written by the leadership team and approved by the Board of Directors with a full understanding of the revenue, expenses, and educational vision that drives decision-making. In this way we believe that the highest educational value is offered to parents and students.

**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 has a process that allows the president or his designee to gather information and write a conservative in the spring of each year. That budget is then presented to the board for approval in May of each year.

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

President Interpretation:

The assets of Options Charter Schools will exceed by two times the current liabilities.

Report:

Options Charter Schools reached this goal of assets, mostly cash, in excess of our current liabilities in about 2014-2015. Since that time our asset versus liability position only continues to improve.

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

President Interpretation:

Money is made available to the board during the fiscal year to satisfy board prerogatives established in Policy Governance.

Report:

The Options Charter School Board of Directors has access to all money necessary to carry-out their prerogatives established 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:

The President or designee will not expend fund beyond what has been received in the fiscal year unless the the debt guideline shown in this document is met.

Report:

The expenditures of Options Charter Schools have met all guidelines and limitations set forth by the board.

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

President Interpretation:

The President or designee cannot indebt Options in an amount greater that can be repaid by 60-days in revenue.

Report:

Options Charter Schools continues to maintain a healthy Rainy Day Fund and has not debt in an amount greater than can be repaid with 60-days in revenue unless specifically authorized by the board.

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

President Interpretation:

The President or his designee will not indebt Options that would require the expenditure of an amount of money from our Rainy Day Fund that would drop that balance below what is required to maintain 90-days of cash on hand.

Report:

Options Charter Schools continues to maintain a healthy Rainy Day Fund. These funds far exceed the 90-days of cash on hand required by the board.

4 Conduct inter-fund shifting from restricted funds.

President Interpretation:

The President or designee will not shift restricted funds.

Report:

No Options funds residing in a restricted fund has been shifted.

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:

The President or designee shall recommend funds that meet certain criteria such as: liquid for short-term investment and that do not offer a reasonable rate of return. The board then offers several examples of funds that should be considered for investment.

Report:

Options has researched investing excess funds to get a return on the money but to-date has made the decision to not invest.

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

President Interpretation:

The President or designee will make all tax and other government ordered payments in a timely manner.

Report:

All tax payments are made in a timely manner. I am not aware of any other government ordered payments for Options Charter Schools.

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 will not commit to any purchase over \$10,000 without board approval. The President will not engage in any form of splitting orders or hiding amounts on credits cards, or paying orders from multiple funds to circumvent this expectation.

Report:

All purchases made or approved by the President fall into the \$10,000 guideline.

8 Acquire, encumber or dispose of real property.

President Interpretation:

The President will not acquire, encumber, or dispose of real property without board approval.

Report:

No property has been acquired, encumbered, or disposed of without the consent of the board.

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

President Interpretation:

The President will insure that Foundation grant funds are used for educational programs and scholarships consistent with IRS standards.

Report:

All OIEF grants are acquired and used in accordance with grantor and board guidelines.

10 Fail to adhere to Foundation grant policies and processes.

President Interpretation:

The President or his designee will adhere to Foundation grant policies and processes.

Report:

All OIEF grants are managed within the policies and processes established by Foundation.

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 designee will make purchases of over \$10,000 only when protections against conflict of interest, comparison of pricing and quality are complete, and a stringent method of assuring the balance of long-term quality and cost.

Report:

All purchases of \$10,000 or more made by Options Charter are board approved and meets the standard herein.

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 and his designee will ensure all purchases follow financial guidelines established the Indiana State Board of Accounts.

Report:

All purchases made by Options Charter Schools follow financial guidelines established the Indiana State Board of Accounts.

13 Secure an additional line of credit.

President Interpretation:

The President will ensure each Options School has a line of credit.

Report:

Currently, Options Charter Schools has two lines of credit-one for each school. The line-of-credit for each school is \$75,000.

From the Office of the Chief Operations Officer

Enrollment

5/15/19

	Carmel		Noblesville	
	17-18	18/19	17-18	18/19
Total Enrollment	210/185 (114%)	206/225 (92%)	308/285 (108%)	297/300 (99%)

Enrollment by Program

	Carmel	Noblesville
The Hope Source	-	55/50 (110%)

Jr. High (6,7,8)	-	23/20 (115%)
Sr. High (Brick and Mortar)	138/150 (92%)	145/170 (85%)
Distance Education	68/75 (91%)	75/75 (100%)

Reflection:

Enrollment have picked back up again. We continue to reach out through social media and Open houses for enrollment for the 19/20 school year. 17 new students enrolled in the month of April, 2019 compared to 11 in the same month last year. 8 students were withdrawn in April, 2019 with 100% of them being for positive reasons, including 3 early graduates. Last year, the same month, 24 students withdrew with 92% of them having positive mobility codes including 2 early graduates. 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 19/20 school year on continuing to fill the identified gaps in enrollment for each program.

- Noblesville Brick and Mortar:
 - Middle School - currently 18/24 middle school students are 8th grade
 - Grade 12
- Carmel Brick and Mortar:
 - All grades
- Distance Education: all school-aged children instead of older adults returning to school.

Accountability Data

School Improvement Data

[18/19 School Improvement Plans](#)

April Data

[Carmel](#)

[Noblesville](#)

[Distance Education](#)

SBOE, IDOE, OCS BSU Updates/News:

Nothing new to report at this time.

Staffing Changes for 19/20:

Name	Position Title	Start Date
Camille Scott-Tolliver	Director of Curriculum and Instruction	July 1, 2019

surrounding schools. We have also increased the amount of hours to our Night School program which carried a small increase in salary and benefit expense. I will be able to talk in more detail about the great things that we are able to do with this year's budget.

Current 2018-2019 Financial Status

With 3 months to go in the fiscal year, Options Noblesville currently has net gain of \$324,239 for the year which puts our cash balance for Noblesville at \$1,233,371. The 2018-2019 budget projected a net gain of \$231,000, so we are on pace to hit or surpass that target.

Options Carmel currently has a net gain of \$116,696.08, which puts the cash balance for Carmel at \$963,695.64. The 2018-2019 budget projected a net gain of \$61,092 so we are on pace to hit or surpass that target.

Open positions for 19/20 school year

Position Title	Program/Department	FT/PT	Person Responsible for Hiring
<u>Principal</u>	Carmel	FT	Executive Team
<u>Counselor</u>	Distance Education	FT	Linda Cunningham
Special Education Teacher	Distance Education	FT	Michelle Olsen working with Linda Cunningham
<u>Social Studies Teacher</u>	Distance Education	FT	Linda Cunningham
<u>Science Teacher</u>	Distance Education	FT	Linda Cunningham
Special Education Teacher	Brick and Mortar Education / Night School	FT	Michelle Olsen
<u>Safety Specialists (3)</u>	Safety	PT	Eric Walden
Instructional Assistant	Carmel BM	FT	Camille Scott-Tolliver

From the Office of the Chief Financial Officer

State Budget Impact

We received the details of the Indiana State Budget this month and we were impacted in several ways. I have added a spreadsheet to this month's board folder showing the details of how the Indiana State Budget impacted the rough draft Options Budget that you received last month. One of the major changes was that our virtual education students will receive 85% of the state funding that a brick and mortar student would receive. Due to the large amount of virtual education students that we have this was a significant loss. However, charter schools will receive \$750 per pupil versus the \$500 that was given last year so this was able to offset the loss of money for our virtual students.

2019-2020 Budget

The final budget that you are receiving this month has a couple of additions due to the revenue increase that we received from the Indiana State Budget. We are increasing our base salary scale for teachers to continue our goal of closing the gap between us and our



Options Charter Schools

www.optionsined.org

317-773-8659

Carmel – Est. 2002
530 W. Carmel Dr.
Carmel, IN 46032
Camille Scott - Principal

Noblesville – Est. 2006
9945 Cumberland Pointe Blvd
Noblesville, IN 46060
Jacob Brandau – Principal

Mike Gustin
President

Michelle Walden
Director of Schools

Report of the Treasurer for March 2019 Compiled on May 13th, 2019

I. Vouchers

The vouchers for Carmel were slightly above average at \$93,273.64 in March. Noblesville March vouchers were below average at \$177,056.16. Credit card detailed statements were reviewed & nothing is out of line.

*Credit Card usage was within expected range.

II. Balance Sheet

Cash balances (regular checking) on hand for the month of March decreased roughly \$20K to \$963,695.64 for Carmel. Noblesville decreased roughly \$22K to \$1,233,371.02.

III. Budget Versus Actual Update

March is the 9th month for the 2018-2019 school year. Overall, Carmel and Noblesville are both in line with budget including Hope Source. Respectively, 75% into the fiscal year Carmel is at 78.22% of budgeted revenue and 72.07% of budgeted expenses. Noblesville is at 91.2% of budgeted revenue and 79.1% of expenses.

Revenues:

Revenues are within budget.

The expenditure categories noted above budget (in red) for both locations remain unchanged:

Pupil Services category will be adjusted for the next school year to properly account for power-school and Options Academy. Training category is in red for both locations and is a line item the school president will adjust for the 2019-2020 school year to combat staff burn out and preparedness.



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Other expenditures categories out of line (in red) with budget by site include:

Site	Expenditure Category	\$	Notes	Change
N	Legal Fees	\$427	Church, Church, Hittle, Antrim	Feb
N	Computer Hardware	\$10,716	New Chromebooks, Adjust 19/20 year	Feb
N	Maintenance Expense	\$4,700	Furnace Breakdown	Feb
N	Printing Expenses	\$2,926	New Protocols to be discussed	Mar
N	Travel Expense	\$385	ISTEP Testing (Room and Board)	Apr
N	Insurance Expense	\$2,281	Quarterly Payment, will be fixed	Mar

Respectfully Submitted,

William Mattingly
Board Treasurer

Next Meeting: May, 2019 @6pm