

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

Aug 20, 2019

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

Directors absent were: Brenda Flowers

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

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/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 Noblesville Allowance of Vouchers dated July 16, 2019, in the amount of \$137,663.11. Will Mattingly requested a motion of approval of Allowance of Vouchers in the amount of \$137,663.11. Gordon Heminger moved to accept, and Valerie Love seconded. The motion passed unanimously.

Will Mattingly presented the Noblesville Allowance of Vouchers dated July 16, 2019, in the amount of \$247,892.91. Will Mattingly requested a motion of approval of Allowance of Vouchers in the amount of \$247,892.91. Gordon Heminger moved to accept, and Valerie Love seconded. The motion passed unanimously.

G. TEMPORARY AND AD HOC COMMITTEE REPORT:

a. Facility Committee

No action needed at this time.

6. OLD BUSINESS

a. Delete in Board Policy S1:

Mike Gustin presented the Board with the Drug Screening policy. In the policy it reads that, "if a student fails a drug screen the parent with pay for subsequent drug screens.". Mike Gustin announced that this is not Options Charter School's practice and asked that this sentence be removed. Stacy Segal made a motion to delete the paragraph in the statement. Will

Mattingly moved to accept, and Valerie Love 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 July 16, 2019 meeting.

Hannah Heuser moved to accept, and Will Mattingly seconded. The motion passed unanimously.

B. Board Conflict of Interest:

Mike Gustin asked the Board to sign the conflict of interest forms for the 2019-2020 school year.

C. Amendment to OCSC & OCSN Charter:

a. Change Lottery Date from April to October 1

Mike Gustin announced that the Options would change their lottery date from April to October 1. No action needed.

b. Change the Charter Number from 600 to 1000 total

Mike Gustin asked the Board to raise the Charter number of student from 600 to 1000 total. After discussion, Stacy Segal made a motion to increase our number up to 10,000 students. Gordon Heminger moved to accept, and John Kerr seconded. Hannah Heuser opposed. The motion carries.

8. GOOD OF THE ORDER –

- a. Doc Hub Training for Officers – no action needed.

9. ADJOURNMENT:

Stacy Segal requested a motion for adjournment at 7:06 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 September 17, 2019 at the Options
Charter School – Noblesville at 6:00 pm.**

Executive Team
OCS Board Report
Sept. 17th, 2019

From the Office of the President/CEO

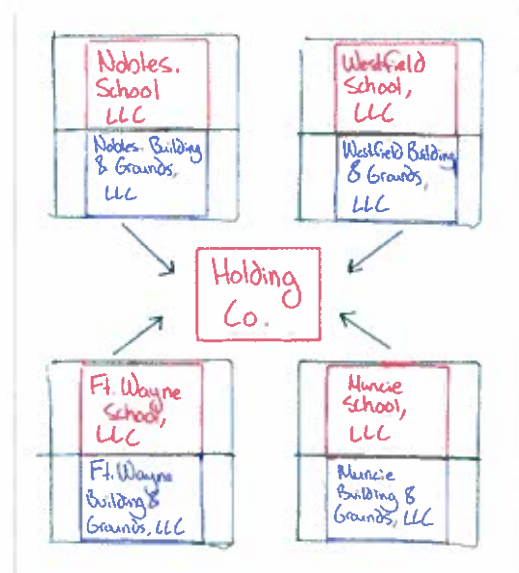
The fall of 2019 school year is quickly fading into winter and the daily routine of work and classes for our staff and students has settled in. The September 13, 2019 count day is here and our entire team has worked diligently to identify and enroll students who needs the services of Options Charter Schools. Not to diminish the hard work of the entire team, but the Options Distance Education team were incredible during the recruitment and enrollment of students.

The leadership of the Options Board asked me to contact our school attorney regarding the establishment of a 501(c)4 holding company. The purpose of this holding company would be to establish an Options facility holding company to own, maintain, and lease to Options Schools all facilities. Below is the excerpt from John Terry:

Board- while crude, I believe the drawing below accurately represents my concerns with a holding company. A holding company is often used to give an additional layer of liability protection from a wealthy individual owners.

In this case, depending upon what is held in the Holding Company it might create an unintended liability burden on the holding company's assets. For example, if the buildings and grounds of Muncie, Noblesville and Ft. Wayne were all owned directly by the Holding Company, then all three of the respective buildings and grounds are subject to liability if a claim can be made against the Holding Company. While it might appear to be cumbersome, what I would recommend is that each location's building and grounds be owned by a separate LLC just for that particular location. Then, each individual location's LLC can be held by the Holding Company. To pare it down to the basic idea, don't have the holding company directly own the buildings and grounds. Keep each location separate as to itself so that it has its own liability shield and then add to the Holding Company.

Please let me know if you have any questions. Thanks, John



Get-on-Board- Andrew Piper and I are working to set up the annual board recruitment event. At this point we know the date and place, October 28, 2019 at Newfields. We have been working to communicate with the organizing group but have not gotten any additional information. We will bring more information back to the board at the October 15, 2019 board meeting.

Authorizer Update

Michelle Walden met with Dr. Jamie Garwood and representatives of Cognia (formerly AdvancEd) to discuss the transition of Cognia to their new name and any potential impacts for Options Charter Schools. They also discussed placing all Options operations on a single timeline for our 5-year review and our midterm review. As our organization grows, aligning our varying timelines is critical to organizational effectiveness.

Mike Gustin met with Bob Marra regarding maximum cap on Options charter enrollment. We discussed the Options Board rationale on why they approved a motion to cap at a range not to exceed 10,000 students and the potential drawbacks of increasing the number too quickly. Bob's most concerning point was the political fallout of appearing to grow that quickly against the backdrop of recent charter school closures. His suggestion is that we move it to 1,500 students for now and grow the number to 10,000 students.

Facility Update

Below is a rough timeline of completed tasks and tasks yet-to-be-completed. They are the 1,000 foot view and in no way reflective of the incredibly difficult work, the hours needed to complete tasks, or the number of committed professionals, paid and volunteer, who have helped us get to this point.

May 2019- PILOT completed

August 2019- Zoning Completed

October 3- Mike's Birthday! LOL! Just thought you would want to know.

October 24- Meeting of the Westfield Technical Assistance Committee to approve site plan and plat.

(Note: all due diligence items for completion of the Purchase Agreement on the land is completed except the final sign-off of the TAC committee. This was largely an administrative sign-off, which is done, but the TAC committee must still officially sign-off)

October 31, 2019- Anticipated completion of purchase agreement due diligence and closing on the property.

September 2019- Steve Berg submitted an estimated cost sheet to complete full construction documents. This cost sheet was assessed by Mike Gustin, Stacy Segal, Rick Phillips, and Hannah Heuser. Steve was then given written permission to move Options to development of full construction documents.

Future dates still not identified: State Design Release, local permitting, ground breaking, and school open date

Stacy Segal, Hannah Heuser, Matt Abbott, and Mike Gustin met to discuss the details of the finances on the Westfield Building Project. Stacy will have a report and recommendations based on the outcomes from that meeting.

Options in Education Foundation (OIEF) Report

Sam Harris is under a 90-day contract and currently working with the Options leadership team to collect and evaluate all information relative to the operations and finances of our foundation. I have asked that Sam be prepared to offer the board a full report at the October 2019 board meeting.

Sam will attend the September 17, 2019 board meeting as part of his contracted work to discuss OIEF Board alignment.

Policy Governance

Policy 2.5 – Emergency President Succession (Monitored Annually in September)

1. In order to protect the board from sudden loss of President services, the President may have no fewer than one other executive familiar with all board and President issues and processes and the President shall not fail to have a written President succession plan with all access codes and keys maintained in an accessible location.

President Interpretation:

The President will write a succession plan to include at least one other employee. The employee(s) chosen will be familiar with all board and President issues and processes and have access to all codes and keys.

Report:

There is a succession plan attached to the Options 5-year plan. It outlines a succession plan in the event of my sudden departure. Those individuals on that succession plan are familiar with board and President issues and process and have access to all codes and keys.

Policy 2.6 – Asset Protection and Business Continuity (Monitored Annually in September)

The President shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked. Further, without limiting the scope of the foregoing by this enumeration, the President shall not:

1. Fail to insure against theft and casualty losses to at fair market value minus the deductible and against liability losses to board members, staff, volunteers and Options Charter Schools itself in an amount greater than the average for comparable organizations.

President Interpretation:

The President will insure all property against theft and casualty losses to at fair market value minus the deductible.

Report:

I have worked with Andy Warren, Shepherd Insurance, to ensure all our property is appropriately insured against theft and casualty losses.

2. Subject plant and equipment to improper wear and tear or insufficient maintenance.

President Interpretation:

The President will develop a plan, along with the Options' Director of Maintenance, to maintain the plant and physical equipment, less any equipment of a technical nature, against improper wear or insufficient maintenance. This includes direct intervention by the Director of Maintenance and/or use of vendor contracts.

Report:

I have worked with Darryl to identify all plant and physical equipment that falls under his supervision. Through his direct intervention and/or the use of vendor contracts all items are regularly inspected and maintained.

3. Unnecessarily expose the organization, its volunteers, board or staff to claims of liability.

President Interpretation:

The President will, through the use of board and administrative policies, limit the Options' board, staff, and volunteers to unnecessary liability exposure.

Report:

I have worked with the Options Board on the development of Policy Governance. I have recently established an ongoing relationship with attorneys at Church, Church, Hittle, and Antrim to annually review all board and administrative policies to ensure appropriate compliance with legislative and regulatory agencies.

4. Fail to protect intellectual property from loss or significant damage.

President Interpretation:

The President will develop a plan to protect the intellectual property of Options Charter Schools from significant loss or damage.

Report:

I have worked with our Executive Director of Schools and our Director of Technology to ensure all intellectual property is maintained on the Options Google platform in accordance with legislative and regulatory agencies.

5. Fail to establish a document retention and destruction plan that meets requirements of the Sarbanes-Oxley Act of 2002, as amended.

President Interpretation:

The President will establish a document retention and destruction plan that meet the requirements of the Sarbanes-Oxley Act of 2002.

Report:

I have worked with the Indiana State Board of Accounts, our CPA Firm of Charles Madden, and Options' employees to develop an accounting system that is highly reliable, transparent, and works within the guidelines of all state and federal mandates. This includes the Sarbanes-Oxley Act of 2002. To date, there are no significant findings established during our annual financial review conducted by Donovan and Associate or by any other agency.

6. Receive, process or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.

President Interpretation:

The President will develop controls to ensure against the receipt, process, or disbursement of funds that are insufficient to meet board-appointed auditor's standards.

Report:

I have worked with the Indiana State Board of Accounts, our CPA Firm of Charles Madden, and Options' employees to develop an accounting system that is highly reliable, transparent, and works within the guidelines of all state and federal mandates. To date, there are no significant findings established during our annual financial review conducted by Donovan and Associate or by any other agency.

7. Invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating at any time, or in non interest-bearing accounts.

President Interpretation:

The President, on behalf of the board, invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating at any time, or in non interest-bearing accounts.

Report:

Currently, all funds are being held in interest-bearing accounts only.

8. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

President Interpretation:

The President and/or his designee(s) will represent Options Charter Schools in a way that only sheds a positive light on its public image and credibility.

Report:

Every employee of Options Charter Schools understand that they are an ambassador of Options Charter Schools. Through our staff handbook, I communicate the expectations of employee behavior that would promote only a positive image of the organization. Those who do not comply with these expectations are dealt with on an individual basis.

9. Fail to maintain a Continuity of Operations (COOP) plan for Options Charter schools, including but not limited to phone, email, computer data and services, and physical mail operations.

President Interpretation:

The President will develop a plan to maintain a Continuity of Operations (COOP) plan for Options Charter schools, including but not limited to phone, email, computer data and services, and physical mail operations.

Report:

I have worked primarily with the Executive Director of Schools and our Director Technology to identify and store key information on all employees.

Policy 2.7 – Compensation and Benefits (Monitored Annually in September)

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the President shall not cause or allow jeopardy to fiscal integrity or public image.

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

1. Change his/her compensation and benefits.

President Interpretation:

The President will not change his/her compensation and benefits package without board approval.

Report:

Annually, I have worked with the Options Charter Schools Board to complete a President evaluation. Once that is completed, the board votes on any changes to the President's compensation and benefits package. That is the only time the Presidents' compensation and benefits package has been changed.

2. Promise or imply permanent employment to any current or prospective employee.

President Interpretation:

The President will not promise or imply permanent employment to any current or prospective employee without first completing the employment process outlines in Policy Governance and administrative policy.

Report:

There is a process established, within the guidelines of Policy Governance and administrative guidelines, for hiring current or prospective employees. The President and his designees use this process.

3. Establish or change benefits so as to cause unpredictable or inequitable situations, including those that:

- A. Incur unfunded liabilities.
- B. Provide less than some basic level of benefits to all full-time employees though differential benefits to encourage longevity are not prohibited.
- C. Allow any employee to lose benefits already accrued from any foregoing plan.
- D. Treat the President differently from other key employees.

President Interpretation:

The President will establish process that create predictable and equitable solutions, including those that:

- A. Incur unfunded liabilities.
- B. Provide less than some basic level of benefits to all full-time employees though differential benefits to encourage longevity are not prohibited.
- C. Allow any employee to lose benefits already accrued from any foregoing plan.
- D. Treat the President differently from other key employees

Report:

I have created processes for developing an annual budget, through the use of supporting documents such as our personnel pay scale with multipliers and stipends. Using these supporting and primary documents we are able to address the general concern and the specific issues addressed above. The one item of treating the President differently is also addressed through this process but is also addressed through board intervention (E.g.: annual president evaluation).

- 4. Adjust compensation unless it is commensurate with documented performance standards and documented performance appraisal or the industry norm or a change in job responsibilities has occurred.

President Interpretation:

The president will adjust compensation for all employees only when it is commensurate with documented performance standards and documented performance appraisal or the industry norm or a change in job responsibilities has occurred.

Report:

Typically, the process for adjusting is completing annually when writing the budget for board review and approval. On the rare occasion, when an employee's compensation is adjusted, it does meet the requirements outlined above.

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|----|----|----|-----|----|---|-----|-----|
| 6 | - | - | - | 4 | 3 | - | - |
| 7 | - | - | 4 | 4 | 2 | - | - |
| 8 | - | - | 6 | 7 | | - | - |
| 9 | 7 | 6 | 14 | 21 | | 2 | 4 |
| 10 | 24 | 11 | 22 | 21 | 1 | 9 | 32 |
| 11 | 33 | 20 | 55 | 28 | | 19 | 44 |
| 12 | 72 | 74 | 143 | 72 | 1 | 120 | 198 |

Reflection:

The real-time enrollment tracker can be viewed using this [link](#). This sheet is updated daily with new enrollment information.

We will continue to offer open enrollment throughout the year with the goal of being at least 95% enrolled at the February ADM count date. Middle school enrollment for the fall is about the same as last year. By the end of the school year, in 18/19, however the middle school was at capacity. Having room to enroll students throughout the year in this program, and all programs is important in order to serve alternative students well. They often do not attempt enrollment during traditional enrollment windows. The opening of the middle school program has however successfully resulted in an increase of enrollments in lower grades at the high school level. This was one of the board's goals for future sustainability.

Pilot Program Updates

Options @ BACA - From Program Leader: Lisa Chandler

The first two weeks have been an adjustment for students as they are getting used to their new routine at BACA that now includes attending the Options classroom half day. Overall, I feel very positive about the transition process for each student. I met with the BACA team prior to the first week and we discussed each student's current maladaptive behaviors at BACA and barriers in their last educational placement. There is a wide range of deficits from extreme aggression to very limited communication as well as students several grade levels behind. The 7 students that are enrolled at this point have been divided into 2 groups. These groupings were formed based on academic levels as well as overall social appropriateness. The main focus for the first few days has been working on developing rapport and trust with each student along with the classroom structure, schedule, and expectations. We've done a variety of informal assessing as behaviors have allowed to begin to get some ideas of academic levels. Since most of these students have previously not been able to manage a group environment, time has also been spent getting a baseline on their current level of independence on various

simple tasks bins that will eventually allow for teachers to work with the various grade levels/needs in 1:1 or 2:1 setting.

Options @ Growing Minds - Andrew and I spent a couple of days at Growing Minds (GM) last week. We met with potential students, continued to grow the relationship with GM's founders, and met with local media to help get the word out. We anticipate this partnership to be one that will be really great for our students in the Ft. Wayne area and hope to eventually offer GM's educational services to students in our other programs as well. GM will support Options' students by offering tutoring outside of the school day, life coaching and mentoring. In addition, we will be able to use the GM's facility as a common meeting place for other distance education students for the purposes of testing, individual academic help, or advising meetings.

Accountability Data

Final data will be available for the October meeting due to final graduation reports not being submitted until October 1.

Monthly Student Performance Data Reports

[Carmel HS](#)

[Noblesville Middle and HS](#)

[Evening Programs](#)

Distance Education - August and September data will be available next month.

BACA - opened Sept 3. Monthly reports will be available in the coming months.

SBOE, IDOE, OCS BSU Updates/News:

Upcoming Events: Fall Picnic, September 20 10:00am-1:00pm at Holland Park

State Enrollment Count Day: September 13, 2019

From the Office of the Chief Financial Officer

August Bank Balances

The 2019-2020 fiscal year has started. Our bank balances rebounded as is normal for the 2nd month of the school year because we received our Alternative education money.

Options Noblesville's bank balance is **\$1,272,092.76** and Options Carmel's bank balance is **\$996,574.28**. We are in a strong position to purchase the Westfield property in the coming months.

New Hire

Angela Holmes, counselor for Distance Education, has been moved from an hourly rate to a teacher contract for the remainder of the year due to the strong Distance Education enrollment numbers. Stacey will be signing that contract at the board meeting.

Audit

We had a successful audit. We had the exit conference today and there were only 2 minor findings at Noblesville and 3 minor findings at Carmel. We are very happy to have another strong audit to continue to build our track record of being a fiscally responsible Charter School corporation.

Salary changes

Michelle Kemper decided to no longer teach in the Options Evening Program for the remainder of the year so her salary decreased from **\$43,736.53** to **\$41,400.56**.

Ashley Jennings has taken on Michelle Kemper's spot in the Options Evening Program and has increased her salary from **\$36,006.16** to **\$38,143.91**