



**AISU Board Meeting Agenda**  
**AISU Board Room (2nd Floor Conference room)**  
**Monday, July 17, 2017, 1:00 p.m.**

- V. Welcome (1 minute)
- VI. Approval of Minutes (2 minutes) **VOTE**
- VII. Public Comment (10 – 20 minutes)
- VIII. Finance Review
  - a. Financial Update & Forecast – Steve Finley (5 minutes)
  - b. Loan Approval – Mark Smith (5 minutes) **VOTE**
  - c. Recommended follow-up to Audit – (5 minutes)
- IX. Partnership Opportunities – Richard Maxfield (10 minutes)
- X. Progress on Parent & Staff Feedback
  - a. Communications – Nate Justis (5 minutes)
  - b. Board Meeting Minutes – Tracy Field (5 minutes)
- XI. Board Member Nominations Update – Diane Johnson (5 minutes)
- XII. Board Training or Compliance Updates
  - a. State Charter Board – Richard Maxfield (10 minutes)
- XIII. Chairman’s Report – Richard Maxfield (10 minutes)
- XIV. Executive Session
- XV. Other business (2 minutes)
- XVI. Adjourn

***Executive Session***

*Executive Session for reasons permitted under Utah Code 52-4-205; strategy sessions to discuss pending or reasonably imminent litigation; investigative proceedings regarding allegations of criminal misconduct.*



**AISU Board of Directors Meeting Minutes**  
Friday, July 17, 2017, 1 p.m.  
AISU Board Room (2nd Floor Conference Room)

**Board Members Present:** Richard Maxfield, Diane Johnson, Matt Bowman, Mike Edmonds attended via phone, David Chan (few min late), Geoff Davis resigned.

**Attendees Present:** Nate Justis, Mark Smith, Steve Finley

**Secretary Present:** Tracy Field

**AGENDA & MEETING MINUTES**

- I. **Welcome & Call to Order:** Richard Maxfield called the meeting to order. Thanked guests for coming.
  
- II. **Review of minutes:** Richard Maxfield moves to approve the minutes from May & June Board Meetings VOTE  
Tracy Field presented the minutes. June 6 minutes more complicated. May and June minutes detailed. Once caught up, we will post minutes timely. All minutes posted on Utah Public Notice, AISU website under construction. Mike Edmonds asked about the website. Nate Justis responded, we can get the website updated but not personally, we do not have access ourselves. Richard added the website was set up by a former person (contracted to maintain the website), we have not had full use of our website.
  - Richard calls for a motion to approve minutes
  - Matt Bowman moves to approve minutes, thanked Tracy
  - Diane Johnson seconds the motion
  - Votes in favor: Maxfield, Johnson, Edmonds, Bowman (unanimous)
  
- III. **Public Comment:**  
Natalee Lance, I have two comments. We talked about putting staff on the website, we don't need a bio but could we list the names of the teachers and staff? Second comment, I have a senior, he had a hard time hitting 84% on every assignment, I would like to propose 80% which is a "B"—self image is hard in HS. Some students, it's not easy to do testing. I'd like them to be able focus on what they are more passionate about, maybe get a "C" in one class.  
  
Richard Maxfield introduced Royce Vantassle from Utah Association of Public Charter Schools. We offer advocacy and training to charter schools throughout the State. Cate Klundt is also here today.



## XVII. Finance Review

### a. Financial Update & Forecast – Steve Finley (5 minutes)

Budget report as of June 30, we should be at 100%. One area that is in red a lot, federal funds, here at the end of the year because of the problems with getting the lunch funds. Expenses are right at 100%, in the 700s we saved some money, professional services were captured in the last year—for this year. Budget submitted on time to the State. We've been working on cash flow, be sure to have the cash we need. We are feeling better and better about this. We have talked to the owners of the building, we are requesting a loan from them. Cash flow is OK.

Steve Finley, any questions? Richard Maxfield, we have worked hard for three years to meet our budgets, we've done better, but we are not there yet. Steve responded, it is only the 17<sup>th</sup> day of the new school year, we are further along than ever before, we know our expenses, feel good about that. Richard, we haven't been able to build a reserve, we still have to look for money to meet obligations. Steve, it would be nice to get all the cash up front at the beginning of the year. Richard, given our audit, we want to reassure the public that we can manage the money, provide feedback about how we can stick to our budget. Steve, we are at a B- now and in a couple months we'll be at an A. Richard asked Mark Smith for feedback regarding the need for a loan.

Mark Smith, from an expense standpoint, we are a \$12m/year company (roughly \$1m/month), any normal company would have a reserve of at least one month of expenses, in our 3<sup>rd</sup> year we are looking for a \$750,000 operating loan to cover our cash flow for this coming year. After three years we should be able to accumulate the 750,000 on our own, this is the last time we'll need to do this. We will finish the year with \$1m in reserves. It is sound fiscal management to have at least one-month reserve by the end of the 3<sup>rd</sup> year.

Mark Smith, we wanted an operating loan for the year, we will have a short fall of \$600-650k in the first half of the year, we'll have a surplus of \$1.2-1.3m the second half of the year. We just need an operating loan, which will be paid in the second half of the year. The Brands, Schoolhouse Development, agreed to allow us to roll the \$750k loan into the loan we already have with them. The plus is we'll have \$750k more in cash reserves than we would have otherwise, the minus is we will carry the loan 15 months longer than necessary. The Brands suggested \$750k so we could finish the classrooms rather than get a 5<sup>th</sup> portable. A line of credit would not have allowed the extra \$100k. The design center wasn't going to be finished this year (the old freezer room) but now it will be complete. The 4/5<sup>th</sup> grade walls is separate. We will break even on the extra \$100k. Yes, we will carry the loan but we would have been paying the rent on the extra portable, it's a wash.



- b. Loan Approval – Mark Smith (5 minutes) VOTE
- We are asking for a vote to approve signing the loan, final review of the terms will be reviewed by Richard.
  - Matt Bowman calls for a motion to accept the loan, for \$750k
  - Diane Johnson seconds the motion
  - Vote in favor: Chan, Bowman, Edmonds, Johnson, Maxfield
- Mark making follow-up point, not having these funds available in time, means that the construction will not be done in time for the first day of school.

- c. Recommended Follow-up to Audit – (5 minutes)
- Mike Edmonds, we have given all of the responses to the audit, this task will take a while, this task will be assigned to the audit committee, we have a nominee for next month, he has an audit background. Mark Smith, we filed an audit response, we are already in practice on many of the things but we have some follow-on items.

Matt Bowman added the state audit wanted clean contracts with our vendors, we may need RFPs to create new contracts. I'd like the board to accept the recommendations of the audit, clean up the contracts and issue RFPs as necessary

Diane Johnson, the audit was clear, the contracts were clearly inadequate, procurement/RFP/etc. is a big deal, I agree with Matt, we need to address these things, whether through an audit committee or not, as long as every one of these things are addressed. Clean this up. We need to be specific about getting this done.

Richard, contracts do need some help, some documentation...Matt added, and some procurement and RFPs. Steve Finley responding to the contracts, using the budget as a guide to see where contracts are needed, based on the expenses, I will take that on, end of August. Richard, we can do homework even before August, contracts are missing, etc...we may need some staff to help on this Nate. Diane asked Steve, do you track all that? Do you track all the record keeping with RFPs? Steve responded, a lot never made it, but yes, we will keep what we receive.

- Richard calls for a motion
- Matt Bowman moves that the board accept the recommendation from the state audit to clean up our contracts and issue RFPs as necessary
- Diane Second the motion
- Vote in favor: Chan, Bowman, Edmonds, Johnson, Maxfield

- V. Partnership Opportunities – Richard Maxfield (10 minutes)
- Nate Justis responded, we have started conversations with Equity United, they have world wide initiatives, main interest in developing people and their capacity to impact the world for good. They have strong interest in literacy, and helping people to learn to read and learn to read well. We've always had that focus at AISU. Found over 60% of our students could not read at grade level. We have had a lot of our own initiatives; they have all of the curriculum developed for a



reading program offered online through the State. Any school can offer SOEP to any student. Equity United would like to make the course available through AISU. Creates potential revenue stream—when student signs up to take a course the WPU goes to the school offering the course. We finished our application last week to become an online provider. Worked with Dr. Cory Kanth. We have no obligation to do this. They need a vehicle in order to offer this course. They used this program at Lone Peak HS and American Heritage high school. They are interested in adult ed too. Want to expand to lower grades. Just wanted to make the board aware the partnership opportunity is on the horizon. What ideas do you have as we move forward with this partnership.

Richard, their technology is two fold; one part is to diagnose how they use their eyes, moving from the left side to the right side, the technology includes ear phones with sound shifting the sound from left to right while reading. Once they diagnose how the eyes work, they can do the second part, when they get to reading, they gradually speed up the pace of the reading without the student realizing the pace is increasing. The student increases speed and comprehension.

Can families and non-native language speakers access this? They want to offer it to as many people as possible. Offer after school program to students and adults. They would like to rent space at AISU for this program (another revenue opportunity.)

No motion is necessary. Already have approval SOEP

#### VI. Progress on Parent & Staff Feedback

- a. Communications – Nate Justis (5 minutes)
- b. Board Meeting Minutes – Tracy Field (5 minutes)

Handout. How we can improve communication with staff and parents. Main item, this is a joint effort to create and implement a communication plan, one or more board members participate on the task force, we'll gather students, staff, and parents. I propose first meeting be August 1. Some immediate suggestions for the plan, tighten up posting board meetings and minutes, clarify public comment (sign up sheet for public comment,) schedule board meetings for the year adjust as needed with a minimum of a 2 week notice. The new website suggestions include a Q&A page, updated information about staff, administration, and board members, have a dedicated page with board related information, and articulate organizational structure—who to go to for what. Improve communications on student performance by making more training available via learning management system (LMS,) clear expectations for teachers about updating grades and emailing parents in a more timely manner. Leverage success coaches in the high school for graduation/tracking, and student progress in the middle school. Transfer the communication more to the teachers, less to the success coaches; teachers have the information more readily available. Early release on Fridays opens teachers up to devote more time to families. Publically make available school performance metrics, our own report card with regular updates.



Diane Johnson, will teachers have their own web pages? Nate, some schools use Moodle or wiki, here we use Buzz, and you can house all that information in Buzz. Link my teacher's bio with a link into Buzz, create events & activities calendar page (provide events in newsletter) criticism that we have announced events with short notice, work on creating a culture with our staff to communicate to a designated person. Will someone maintain the website, will we still have ecommerce? Yes

Nate, my main request is for the board to discuss the communication task force, a volunteer would be great. Diane, not sure who yet, we are adding to the board and some of us are being replaced. Nate, ideally August 1st someone from the board comes. Matt Bowman, we are all trying to figure out which committees we will be on. Ideally, meet before school starts.

David Chan, this idea will help parents, teachers, and the board to have more understanding, I am very supportive, in the future we will have extra members of the board to spend more time to participate. Both side need more understanding.

#### VII. Board Member Nominations Update – Diane Johnson (5 minutes)

Diane, would like to leverage our connections and reach out to the community, board member nominations coming in, send link to everyone in AISU community to come up with great nominations, leverage connections in our community, a total of 10 nominees on the list right now. One nominee, Dan Griffith, has auditing and finance background.

The process looks like...nominations are accepted, you may withdraw at any time, provide a resume/CV, we will review all resumes, interview with the chair & AISU admin, meet with the board, board approves nomination, nominee notified of the decision.

Mike Edmonds, Royce referred Dan Griffith to us, Matt Bowman also knows Dan from the state school board, knowledgeable about the education market and compliance. He is a great asset. Royce added that Dan is particularly attractive because AISU is on the radar of the State, he has experienced with the state board finance committee, he could advise us to better navigate the system, he loves charter schools, he has strong financial responsibility & accountability. Richard had a long conversation with Dan, I didn't want any surprises, he is interested in joining our board.

- Matt Bowman calls for a motion to invite Dan to join the board
- David Chan seconds the motion
- Vote in favor: Chan, Bowman, Edmonds, Johnson, Maxfield

Diane will work with Tracy to get the rest of the nominations through the process. Matt and Richard talked about the number of board members; need more than 5, 7 or 9? No more than 9. Quorum equals half the board +1. Seven is a good target number.

We have accepted Geoff Davis' resignation.



Recruit one more board member at this time. Richard mentioned, We can have advisors, we are not the experts on everything, form an advisory committee— explore issues with them, invite people to be on that committee. Mark Smith, given the interest and the # of applicants, holding to seven might be arbitrary, seven or more would be good.

Mike Edmonds leaving the call. No other votes necessary. Joel Wright is joining us at 3p.

#### VIII. Board Training or Compliance Updates

##### a. State Charter Board – Richard Maxfield (10 minutes)

Richard, Joel took us through some fine-tuning of what we can and cannot do in meetings. We seek further clarification from AG's Office this week to stay legal and proper. How detailed should the minutes be, as detailed as the recording or just what we cover?

Richard, Royce would you give us the top mistakes? Royce started training program several years ago, surveyed the charter world, most charters face how to figure out how to hold director's accountable, how to figure out metrics, how to help the board not get so involved that we replace the director. I asked our training staff to reach out to Richard, single most important thing with a charter in crisis, almost always because of a broken relationship between board and the director, either there is too much rope or not enough rope. Training free for all charter schools.

#### IX. Chairman's Report – Richard Maxfield (10 minutes)

Staffing, it is worthwhile to get board and staff closely linked, the goals for the year, we get so busy, we have not sat down with staff on 4.0 (budget, activities, balance.) We have a charter to implement, I'd like to see a plan for charter implementation, we have the most exciting charter in the country, it deserves a long-term plan of how we will get there. Reports on how we are getting there. Staff would like that too.

Matt Bowman, I liked Nate's communication plan, dashboard idea is great, a shared parent, teacher, student, board, admin shared goal/shared dashboard.

Charter calls for technology that does not exist here, I'd like to see new technology, would like to see development director to find donations for educational improvement, staff members have ideas, tap that resource. We should have answers by August board meeting.

Richard, we've used all the money, we need to raise more money. Nate, August board meeting, Nate will have a draft plan of key elements of the charter. Diane asked that the priorities be tied to the budget. Richard invites board members to come up with ideas, be engaged in oversight, there budget implications of a new executive officer, there is no money in the budget for next year for an executive officer & no position for an HR person, in our complexities should keep in mind HR.



Deal with budget for HR/board secretary (Tracy), admin structure, PR, developmental funds...can you hire commission-based fundraiser? Mark responded, no, we cannot. Steve Fundraising 5013c laws prevent them taking a percentage. Diane, we'd need to be specific of what we want them to accomplish, example question if intensives are really benefiting students, then clearly outline direction. Year over year development plans.

Richard, we need to decide what we are going to do with public relations. Royce brought Cate along, PR professional. Worked through different issues, I don't give training; I do work closely with committee and board members to discuss strategy for your situation.

Matt Bowman, some ideas for committees, finance, audit, communication, add PR to the skills list we need on the board, communications committee is key.

(recorded session 170717\_0045)

#### X. Executive Session

Any other board members want to bring items? Joel will call in at 3p.

- Richard calls for motion for executive session
- Diane makes the motion to go into executive session
- Matt seconds the motion
- Vote in favor: Maxfield, Bowman, Johnson, Chan

Nicole Rich asked for confirmation that her name and Laura Hamilton's name are included on the list of nominees. Laura has auditor experience, she attended the meeting today.

- Richard calls for motion to move out of executive session
- Matt moves we end executive session
- Diane seconds the motion
- Vote in favor: Maxfield, Bowman, Johnson, Chan, Edmonds

(recorded session 170717\_0046)

Back in public session

No action items coming out of exec session

- Diane moves to close the meeting
- Matt seconds the motion
- Vote in favor: Maxfield, Bowman, Johnson, Chan, Edmonds

#### XI. Other business (2 minutes)

#### XII. Adjourn

(recorded session 170717\_0047)