



AISU Board Meeting Agenda
AISU Board Room (2nd Floor Conference room)
June 6, 2017, 4:00 p.m.

- I. Welcome
- II. Approval of Minutes (2 min)
- III. Public Comment
- IV. Amend Bylaws, Determine Starting and Ending Term Date for Each Board Member, Elect Officers for the Board — Joel Wright (10 min) **VOTE**
- V. Executive Session
- VI. Discuss Alternative Approaches and Options to AISU and AIS Relationship — Joel Wright (10 min) **VOTE**
- VII. Exercising Options Under the AISU and AIS Agreements, and Authorizing the Board Chair of AISU to Take One or More Actions — Joel Wright (10 min) **VOTE**
- VIII. Open and Public Meeting Training for AISU Board — Joel Wright (15 min) **VOTE**
- IX. Financial Report (30 min)
 1. 401k Resolutions — Steve Finley **VOTE**
 - a. 401k – Setting Profit Sharing Level
 - b. 401k – Setting Compensation that is Eligible for Contribution
 2. Budget Approvals — Steve Finley & Mark Smith **VOTE**
 3. Classroom Plans — Mark Smith **VOTE**
 - a) GCE in High School
 - b) Lower Elementary & Middle School Switch Spaces
 - c) Upper Elementary Build Out
 - d) 5th Portable
- X. Emergency Safety Interventions Policy — Nate Justis (5 min) **VOTE**
- XI. Abstinance Only v. Abstinance Based Policy — Nate Justis (5 min) **VOTE**
- XII. Staff Survey Feedback Summarized
- XIII. Parent Questions and Comments Summarized from May 19 Meeting
- XIV. AISU 4.0 Presentation Highlights



XV. Other Business

XVI. Adjourn

Executive Session

Executive session will begin after public comment. Board members will attend in person or by phone. The public and staff are welcome during the public session.

1. *Executive Session (for reasons permitted under Utah Code 52-4-205, including the character, professional competence, or physical or mental health of an individual; and/or strategy sessions to discuss pending or reasonably imminent litigation)*
2. *Vote on taking action regarding the Manager of American International Schools, LLC and take actions on AISU administration*

AISU Board of Directors Meeting Minutes

Tuesday, June 6, 2017, 4 p.m.

AISU Board Room (2nd Floor Conference Room)

Board Members Present: Richard Maxfield, Mike Edmonds, Diane Johnson, David Chan. **Conference Call:** Geoff Davis, Matt Bowman

Attendees Present: Nate Justis, Mark Smith, Steve Finley, Joel Wright

Secretary Present: Tracy Field

AGENDA & MEETING MINUTES

- I. **Welcome & Call to Order:** Richard Maxfield called the meeting to order, all six board members present (4:11 p.m.) Diane Johnson, David Chan, Mike Edmonds, attending via phone Geoff Davis, Matt Bowman
- II. **Review of minutes:** Richard Maxfield moves to approve the minutes from May 19, 2017 Board Meeting (Vote) Tracy Field – I have some questions about the minutes, delay vote.
- III. **Public Comment:** No one gave a public comment
- IV. **Amend Bylaws, Determine Starting and Ending Term Date for Each Board Member, Elect Officers for the Board** — Joel Wright (10 min) VOTE



Manager of AIS expressed concerns a couple of weeks ago about bylaws and terms of office positions for last 4 years. The board was unaware until AIS brought this to AISU board.

Current bylaws require/allow for a three-year term, annual election of officers, has not happened since 2012. We have had board turnover. Richard Maxfield and David Chan have exceeded three years...common occurrence in nonprofits. If the director's term expires and no one is appointed to replace them, they remain in office. In the bylaws, no one is replaced until that officer is replaced. This board is valid and operating legally, all six board members and officers are legal. It is prudent to bring everything up to date.

We have three votes for the board to take

1. Adopt new amended and restated bylaws, first amendment in 5 years, minor changes, change principle office to Murray Utah, was in Provo (Harmony Education), board members will then designate the six board members, stagger terms (3, 2, 1 years) for all, members can resign, must replace by member, distinguish which one you are replacing. We will have an election for officers = Chair, Vice Chair, Treasurer and Secretary.

Bylaws are consistent with the charter. Who is serving as secretary? Tracy Field. The secretary does not have to be a board member but the Chair, Vice Chair and Treasurer do have to be members of the board.

- Request a motion to approve amended bylaws
 - Richard Maxfield, does anyone need to review further?
 - David Chan moves to accept revised version
 - Geoff Davis asked, is it stated to serve indefinite terms or the staggered terms? As officers, are we supposed to have an election every year, chose to re-elect or new officers? The board members who are not ending their term will vote to replace or re-elect the two board members whose term will expire.
 - Mike Edmonds seconds the motion
 - Vote in favor: Edmonds, Johnson, Davis, Chan, Maxfield, Bowman (unanimous)
2. Second order, the board must decide who are at their 1st year, 2nd year, or 3rd year term.
 - Richard Maxfield – 1 year remaining
 - David Chan – 1 year remaining
 - Diane Johnson – 2 years remaining
 - Geoff Davis – 2 years remaining
 - Mike Edmonds – 3 years remaining
 - Matt Bowman – 3 years remaining
- Request a motion to approve
 - Mike Edmonds moves to approve the terms of board members as outlined above
 - David Chan seconds the motion



- Vote in favor: Edmonds, Johnson, Davis, Chan, Maxfield, Bowman (unanimous)

Geoff clarified that new members will be elected for three year terms. Joel Wright, the board has flexibility to move member terms as needed but not beyond the three-year term without an election. The terms will expire any time each June of the respective year.

3. Joel Wright, we need to elect a Chair, Vice Chair, Treasurer and Secretary
Richard Maxfield, Chair
Vice Chair is vacant
Treasurer, Mike Edmonds
Secretary, Tracy Field (non-voting role)

- Mike Edmonds moves that the current officers of the board be elected and affirmed as officers of the board
- Geoff Davis seconds the motion (we can discuss leadership transition another time)
- Discussion...AISU should have a Vice Chair but you are not required.
- Mike Edmonds restates motion, moves that the current officers of the board be elected and affirmed as officers of the board and Geoff be nominated as Vice Chair.
- Matt Bowman seconds
- Geoff, I cannot accept tonight. Joel, OK to hold off on Vice Chair.
- Mike Edmonds amends motion, all current board officers will be affirmed in current positions and the chair will be given authority to appoint a Vice Chair.
- Diane Johnson seconds the motion
- Vote in favor: Edmonds, Johnson, Davis, Chan, Maxfield, Bowman (unanimous)

(recorded session 170606_0036)

V. **Executive Session** VOTE

Richard Maxfield will accept a motion to move into executive session as stated on the agenda.

- Diane Johnson moves to go into executive session
- Mike Edmonds seconds the motion
- Vote in favor: Maxfield, Davis, Johnson, Edmonds, Bowman, Chan (unanimous)

Joel Wright asked Tracy Field, Secretary, to sign documents once the resolutions pass

(recorded session 170606_0037)

Out of Executive Session VOTE

Richard Maxfield calls for a motion to move out of executive session, go back into public session. Geoff Davis says he will abstain

- Mike Edmonds so moves



- Diane Johnson seconds the motion
- Votes in favor: Maxfield, Davis, Johnson, Edmonds, Chan, Bowman (unanimous)

VI. Discuss Alternative Approaches and Options to AISU and AIS Relationship — Joel Wright (10 min) VOTE

Back in 2013, opportunity to create EB5 jobs, AIS wanted 97% to manage all of AISU affairs, the remaining the 2-3% was supposed to go to cash reserves, AISU is left with no money, AIS had complete financial control of AISU. The April audit raised concerns. In section 12.1 of the current operating agreement, AISU may terminate the Manager of AIS “for cause,” Michael Farley is the Manager. The term “for cause” includes 1. substantial public disgrace, 2. disrepute, or 3. economic harm.

VII. Exercising Options Under the AISU and AIS Agreements, and Authorizing the Board Chair of AISU to Take One or More Actions — Joel Wright (10 min) VOTE

In light of the audit, released by State of Utah on June 2, 2017, the board will make changes. I will read proposed motion.

Resolution will do these things, authorize Richard Maxfield as Board Chair to do the following

1. Ask for the resignation of the current manager of AIS, Michael Farley, as well as resign from any other positions he holds at AIS and AISU, or terminate him for cause consistent with operating agreement between AISU and AIS,
 2. Offer Mike Farley a reasonable separation agreement,
 3. Appoint Mark Smith as Interim Manager of AIS,
 4. Appoint Nate Justis as Acting Superintendent of AISU
 5. Direct Administration of AIS and AISU to take the necessary steps to make four motions above effective.
- Richard Maxfield calls for a motion
 - Mike Edmonds moves to accept the resolution
 - Diane Johnson seconds the motion
 - Vote in favor: Maxfield, Johnson, Edmonds, Chan, Bowman; Davis abstains
 - Signatures required

VIII. Open and Public Meeting Training for AISU Board — Joel Wright (15 min) VOTE

Passed out the Utah Code of OPMA. Joel quoted Justice Louis Brandeis, interpreted as only so much we can do if meetings are held in the dark, OPMA in California call the “sunshine act.”

OPMA, everything done openly to the greatest extent as possible unless there is a specific limited reason as to why not. Section 52.4.1, meetings are open to the public. Whenever you have a quorum, 50% plus one member present, it must be public meeting (unless it’s a social gathering, and board members should not gather and discuss AISU business.) Must provide 24 hours notice of meetings, typically posted on school website,



the best place is the Utah Public Notice website. Must keep written minutes plus a recording. Can have closed meeting with a vote. Board has discretion to discuss in public even if they qualify for a closed session. Reasons were listed for closed meetings; see 52-4-204, 52-4-205, and 52-4-206. Closed meetings are recorded and only available to the public with a court order. Violations of open meetings, something improper, a person may sue within 90 days, may be awarded attorneys fees, and the actions will be voided. Closed session violations could be a class B misdemeanor, not prosecuted often, if not at the closed meeting should not listen to minutes of closed session, should not discuss information shared in closed meeting.

Matt Bowman left meeting, collect signature later.

IX. Financial Report (30 min)

1. 401k Resolutions — Steve Finley VOTE

- a. 401k – Setting Profit Sharing Level. Mark Smith explained first year had 10% match, second year 0% match planned but then at the end of last year changed that to 5% match, sign confirming this information. Geoff asked if it is 5% of salary this year. Diane asked if we could afford a match this year. Mark confirmed yes.

<<beeping--recording device full, secretary unaware the device stopped recording--the device and phone were being passed around, requests have been made to the person who has a recording of the meeting, updates to the following minutes may be available in the future>>

- b. 401k – Setting Compensation that is Eligible for Contribution

- Motion to accept 401k documents from Red Apple as described by Mark Smith
- Mike Edmonds moves to accept
- David Chan seconds the motion
- Vote in favor: Maxfield, Chan, Edmonds, Davis, Johnson (unanimous)

2. Budget Approvals — Steve Finley & Mark Smith VOTE

State approved last year's budget, we've compared to what actually happened this last year, resubmitted, this does not authorize new spending, this is just the actuals. Mike Edmonds, we won't wait this long next year. Mark Smith, absolutely not.

- Mike Edmonds makes a motion to adopt FY2017 budget
- Geoff Davis seconds the motion
- Vote in favor – Maxfield, Chan, Edmonds, Davis, Johnson (unanimous)

Mike Edmonds asked when will we have formal board adoption of the 2017/2018 budget? Mark Smith, we have not been able to finalize the budget to date, we will finalize the budget. Richard Maxfield, please let us know when we have to approve it. Mark responded, fiscal year starts July 1. Richard Maxfield said postpone until we have date.



3. Classroom Plans — Mark Smith VOTE
 - a. GCE in High School
 - b. Lower Elementary & Middle School Switch Spaces
 - c. Upper Elementary Build Out
 - d. 5th Portable

Expand the number of teachers in high school. Since we've opened, we've had more kids and more adults in the classroom, after 3 years working with this strategy in our space and not getting us the results we want... New strategy, K through 12 will have a target of 25 kids per class. Previously we had...K = 40 kids/4 adults, grades 1-3 = 36 kids with 3 adults, grades 6-12 = 35-40 kids with a teacher and TA. In 2017/2018, grades K-3 will have teachers, grades 4/5 will have supplemental TAs (not always in room with the teacher,) and grades 6-12 will not have TAs. We are moving things around to achieve that goal of 25 students per class.

Construction for elementary school is on hold, financially it did not materialize. Probably not for at least 3 more school years, relook at this, must refinance debt before we can move forward.

Consolidate the elementary school into one place. Middle school will be moved out to portables, grades 1-3 will move to MS area. Considered alternatives for this year but too many MS kids. Now that we're going to have 25 kids per class, we can do it in the portables.

Based on the costs involved and we have discussed it with staff, we are in favor of smaller class sizes. Grades 1-3 spent 50-70% of their time with bathroom breaks. Geoff Davis asked what were the concerns or objections? Nate Justis responded, teachers like having a TA, want authentic Montessori.

Richard Maxfield, I'm a fan of the research on learning, there are many factors besides reducing class size. I'm not a fan of this proposal. What about moving Letter23 portable? Mark responded, we can't use it because there is only one door, does not qualify as a classroom. Could we buy it? Mark will look into it.

Diane Johnson asked if the Fire Marshall was ok with all the changes? Yes.

Richard asked about young students mixing with older students. There will be no intermingling; having all of elementary in one place will help with that. HS & MS interaction will be no greater than it is now.

Mark Smith, these changes save us about \$100,000/yr in operating costs. We can increase enrollment in the HS. Shift students from Harmony to enrolled at AISU. Richard asked about boosting home school? Montessori and Virtual+ is successful, grades 4-8 has not been successful so we won't accept new students. Cannot support students who



want to stay at home. Did Matt Bowman have success? Nate will discuss the structure? Matt is getting marvelous parent engagement.

- Richard Maxfield calls for a motion to approve the 2016/2017 actual v. budget
- Mike Edmonds makes the motion
- Diane Johnson seconds the motion
- Vote in favor: Maxfield, Chan, Edmonds, Davis, Johnson (unanimous)
- JUNE 30 MUST APPROVE NEXT YEAR'S BUDGET
- Richard Maxfield calls for a motion to approve the changes for the classrooms, Mark state the motion you want approved
- No objections to the generally plan?
- David Chan moves to approve getting bids
- Nate Justis, allow us the flexibility re: classroom assignments, GCE, planning, switching, build out,
- Do we need a bid for any of these changes?
- Richard asked about working with landlord, Schoolhouse Development, if building out walls, costs more than 10k , we'll need competitive bids. More portables, if more than 10k, need competitive bid. Get Fire Marshall approval.
- NO MOTION TO GO TO BID

X. **Emergency Safety Interventions Policy** — Nate Justis (5 min) VOTE

We used canyons school district form. Reviewed policy.

- Geoff Davis moves to empower Nate to confirm and approve the policy
- Diane Johnson seconds the motion
- Vote in favor: Chan, Maxfield, Edmonds, Davis, Johnson (unanimous)

XI. **Abstinence Only v. Abstinence Based Policy** — Nate Justis (5 min) VOTE

Human sexuality instruction in Utah is an abstinence based instruction but allows instruction in contraception and prevention of STDs. Committee lead is Robin Tenbrink. Board previously approved this. Robin provided research.

- Motion to continue to have AISU as abstinence based school, not abstinence only school.
- We have a “parent opt out” option included in our policy, well documented
- Diane Johnson calls for a motion to continue as an abstinence based school with a parent opt out option.
- David Chan seconds the motion
- Vote in favor: Chan, Maxfield, Edmonds, Davis, Johnson (unanimous)

XII. **Staff Survey Feedback Summarized**

XIII. **Parent Questions and Comments Summarized from May 19 Meeting**

Richard Maxfield said he would like to spend more time on these items, parent feedback, staff survey feedback, as well as the AISU 4.0 presentation. Nate Justis, the board deliberated on big questions, important for parents to hear updates including the 4.0 meeting.



Jamie Adamson asked to make comment, speaking to the board “hold yourself accountable, the way the Manager of AIS was holding you all accountable. Board should know what is in our charter, you should know, I had read the bylaws, you all are not accountable. It is everyone’s personal responsibility to know what they are taking part in when they join an organization. When you sign bylaws. We are responsible, Joel Wright said the board would not be accountable. That is troubling. Response: Joel was referring to a management agreement. Joel spoke about 2 separate things, the management agreement v. charter. Richard responded, we will go back and listen. You, the board, should know the charter and bylaws. The manager is responsible. Richard, the manger is responsible for working with the board. Jamie, self reliant, that is what we are teaching our students, so when we take part in something, it is our responsibility to know what we are taking part in. Diane suggested, put your thoughts in writing, and we will get it to Joel.

XIV. AISU 4.0 Presentation Highlights

XV. Other Business

XVI. Adjourn

- Diane Johnson calls for a motion to adjourn
- David Chan seconds the motion
- Matt Bowman agrees
- Geoff Davis agrees
- Vote in favor: Maxfield, Johnson, Chan, Bowman, Davis (unanimous)

(recorded session 170606_0038 – partial recording)