



AISU Board Meeting Agenda
AISU Board Room (2nd Floor Conference room)
May 5, 2017, 1 p.m.

- I. Welcome (1 minute)
- II. Approval of Minutes (2 minutes)
- III. Public Comment
- IV. Finance Committee (30 minutes)
 1. Current Financial Report – Steve Finley
 2. State Audit Response Committee – Mike Edmonds
 3. Budget Progress Report – Mark Smith
- V. School LAND Trust - Nate Justis (10 minutes)
- VI. Summer School and Summer Camps Fees – Kelly Casaday (5 minutes)
- VII. Family Involvement Volunteer Initiative (5 minutes)
- VIII. School Calendar Items (10 minutes)
 1. “Work at Home” Make-Up Day, Wednesday, May 17 – Nate Justis
 2. Early Out Proposal for 2017/2018 School Year – Nate Justis
- IX. Seminar Implementation Proposal – Nate Justis (5 minutes)
- X. Superintendent Report (10 minutes)
- XI. Executive Session (60 minutes)
- XII. Other business (2 minutes)
- XIII. Adjourn

Reminder: AISU 4.0 Launch Party Tuesday, May 9, 2017 and
Saturday, May 13, 2017.

Executive Session

Executive Session for reasons permitted under Utah Code 52-4-205, including the character, professional competence, or physical or mental health of an individual



AISU Board of Directors Meeting Minutes
Friday, May 5, 2017, 1 p.m.
AISU Board Room (2nd Floor Conference Room)

Board Members Present: Richard Maxfield, Mike Edmonds, Diane Johnson, Geoff Davis

Attendees Present: Mike Farley, Nate Justis, Kelly Casaday, Mark Smith, Steve Finley

Secretary Present: Tracy Field

AGENDA & MEETING MINUTES

- I. **Welcome & Call to Order:** Richard Maxfield called the meeting to order, we have a quorum, (after 1:30 p.m. late start, class presentations in 2nd floor conference room went long)
- II. **Review of minutes:** Richard Maxfield moves to approve the minutes from March 16 Board Meeting VOTE
 - Vote to approve minutes, Geoff Davis moves
 - Diane Johnson seconds the motion
 - Votes in favor: Maxfield, Davis, Johnson, Edmonds (unanimous)
 - Minutes are approved
- III. **Public Comment:** no one scheduled ahead of time, anyone welcome, grateful for public comments and attendance
- IV. **Finance Committee:** Geoff Davis requests we move non-action item reports to the end of the meeting. Any objection? No objection.
- V. **School LAND Trust:** Nate Justis VOTE
Community Council, Submit to State, ratified, now we need board approval, staff members were involved, mostly parents.
 - Geoff Davis moves to approve
 - Richard Maxfield seconds, Mike Edmonds seconds
 - Votes in favor: Maxfield, Davis, Johnson, Edmonds (unanimous)
- VI. **Summer School and Summer Camps Fees:** Kelly Casaday VOTE
 - a. Fees summer camp \$700 tour for local students, \$125 for on campus activities, \$75 for reading program. These are two-week intensives.
 - b. Discussed the fees as part of regular school programs, disadvantaged students, costs and subsidies for disadvantaged students, working with the State Board, limited number of spots available on summer trips, and the cost to cover expenses. The \$700 would cover our costs, \$150 subsidy for someone else. AISU is not losing money.



- c. Where are we with the bus? Found a used bus \$9500, good condition.
 - Richard Maxfield accepts the motion to approve summer fees
 - Geoff Davis moves to approve
 - Diane Johnson seconds the motion
 - Votes in favor: Maxfield, Davis, Johnson, Edmonds (unanimous)

VII. **Family Involvement Volunteer Initiative VOTE**

Volunteer program to increase opportunities available for service, invite families to pledge 5 hours per trimester during the year if willing and able. We are going to try to track total hours.

- Geoff Davis moves to approve with appreciation for the group who brought it to us
- Mike Edmonds seconds the motion
- Votes in favor: Maxfield, Davis, Johnson, Edmonds (unanimous)

IV. **Finance Committee VOTE**

1. **Current Financial Report** – Steve Finley, hand out. May cash flow report, anticipated federal reimbursements for lunch program, Title 1 Special Education IDEA, none of the money came in at end of April. It is a timing issue. We were expecting almost \$400k.
 - a. **Lunch program audit** in the fall, change of management with lunch program. If we fill out the paperwork we will get the \$80k. The State Board of Education discussed our audit; they mentioned our two-month lag with no response, our lunch program leadership changed in the fall.
 - b. **IDEA money**, we are waiting for the allotment \$123k. We are in line to receive the money at the end of May.
 - c. We have \$25k in a **line of credit**. Payroll costs are \$160k net + taxes = over \$200k.
 - d. **Reconciliation of forecasts**. Comparison, as of March report, we are 75% through year, from Feb to March the forecast changes, finance committee met, Feb year-end projected income difference \$144k. Year-end projected income just over \$300k, end of March \$165k, difference of \$144k. Top three are revenue...Chrome books a little less, when we receive the lunch money--lunch program did better than we did last year, salary up \$23k and benefits are up \$18k, stipends and food service personnel up. GL codes: Reduction in the 300s, professional development and legal. The 400s repairs and maintenance, this is an expensive building to maintain, maintenance cost was higher than expected. We are looking at all of the contracts. The 500s saw the biggest increase, marketing & development, travel, student activities, international students. Marketing and development expenses have grown. Most activities relate to EB5 marketing activities and international student recruitment. We are at 89% of the 500 section, we should be at 75%. Normally, if change to the budget at the hundred level categories, the board should make an adjustment to the budget during the year. Normal process is to pass the revised budget in June before submitted to the state. Evaluating financial



controls in place. We have an online approval system. We do that for the state revenues and federal revenues but not for international. We have two separate sets of books now for AIS and AISU, started July 1, 2016. We can show how all of the public funds are being spent.

2. **State Audit Response Committee** – Mike Edmonds. Final audit report was sent to the state. We agreed to follow state guidelines and policies for private monies spent on our behalf. We committed to following all financial policies and procedures, some cases inadequate, some cases complete gap.
3. **Budget Progress Report** for Next Year – Mark Smith. Good revenue picture, services and expenses in excess of the budget, we can submit a budget that will meet the state requirements of a positive net income. First focus school functions with a positive net income. Second focus the amount of money AISU has invested in AIS. Looking at future financing options, bonds and size of our reserve, meet the requirements for future financing. Discussed financing options. EB5 financing and obligations. At the next meeting, Red Apple and our attorney will discuss financing and sharing the space with K2 church. We continue to hire for next year, we are looking at revenue projections, the finance committee has not approved the budget for next year. If we do not have assurances of revenue, we hold off on spending. No new commitments to hiring until the finance committee can review the budget.
 - Mike Edmonds motions that the board directs the finance committee to meet with the staff in the next two weeks, finalize recommendations, no financial commitment until that budget has been approved by the finance committee.
 - Geoff Davis seconds the motion, Richard Maxfield seconds the motion
 - Mike Edmonds, this will require a board meeting, this is significant enough for board approval.
 - Geoff Davis we must be available for this meeting
 - Votes in favor: Maxfield, Davis, Johnson, Edmonds (unanimous)

VIII. **School Calendar Items:** Nate Justis (Vote)

1. **Proposal for a “Work at Home” Make-Up Day**, Wednesday, May 17 (because of pertussis event.) This is a staff work day, not a school day, we are directing students to work at home under our charter, the students will be monitored and we will meet the mandated hours.
 - Geoff Davis moves to approve make-up day
 - Diane Johnson seconds the motion
 - Votes in favor: Maxfield, Davis, Johnson, Edmonds (unanimous)
2. **Early Out Proposal for 2017/2018 School Year.** Parents favored Friday afternoons, students released 1:10p, no decrease to classroom time, we will extend the school day by starting 8:30a (currently 8:35a) and cut passing time from class to class. Accountability for the teams, provide leadership support to these teams, opportunity to gain greater alignment and engagement with teams, meaningful time spent, shift decision making to the teams.



- Mike Edmonds moves to approve
- Diane Johnson seconds the motion
- Votes in favor: Maxfield, Davis, Johnson, Edmonds (unanimous)

IX. Seminar Implementation Proposal: Nate Justis

Informational agenda item, repurposing some of our crew time to focus on grade level skills

X. Superintendent Report: Mike Farley

It is not a report, it was two memos, it was included in the packet, responded to questions.

XI. Executive Session

- Richard Maxfield we need a motion to go into executive session
- Mike Edmonds moves to go into executive session
- Diane Johnson seconds the motion
- Votes in favor: Maxfield, Davis, Johnson, Edmonds (unanimous)

*Superintendent has requested time at the beginning of the executive session; superintendent said executive session could get started first.

*Introduce a guest, Jerry Garrett, experienced investor, 10-15 years served on several boards, advisory boards; consider doing some things with the community.

(recorded session 170505_0019)

Executive Session

- Mike Edmonds moves to come out of executive session
- Diane Johnson seconds the motion, Richard Maxfield seconds the motion
- Votes in favor: Maxfield, Davis, Johnson, Edmonds (unanimous)

(recorded session 170505_0020)

Motions of Executive Session

Geoff Davis makes motions to...

1. Retain secretary to the board and director of HR
2. Director of HR seek more information related to the issues discussed during the performance review process, board reconvene on Tuesday May 9 (time and location discussed at the end of the meeting) all employment decisions and contract decisions suspended until Wednesday May 10
3. Form internal audit committee and direct them to initiate internal process to cover operational, finance and other issues as decided by the Chairman of that committee
4. Engage attorneys to begin legal review of relationships and structures between AIS and AISU
5. Move to suspend an employee who had numerous complaints against him pending a report and recommendation from HR to the superintendent and to the board



- Mike Edmonds seconds the motions, Richard Maxfield seconds that also
- Votes in favor: Maxfield, Davis, Edmonds, Diane Johnson reviewed and directed her vote before leaving the call (discussion regarding quorum)
- Next meeting Tuesday, May 9, 2017 at 1p

XII. **Other Business** (2 minutes)

XIII. **Adjourn** VOTE

- Mike Edmonds motion to adjourn
- Geoff Davis seconds the motion
- Votes in favor: Maxfield, Davis, Edmonds

(recorded session 170505_0021)