



## Athlos Academy of Utah Board of Directors Meeting Minutes

---

Date: **15 May 2018**

Time: **6:25pm**

Location: **12309 South Mustang Way, Herriman, UT 84096, Room 202**

### Attendance

***bold** indicates present*

- **Bethany Zeyer**
- **Josh Cummings**
- **Rob Ninow**
- Todd Bingham
- Andy Lavin
- **Jeana Bonner**
- **Eric Christensen**

and also **Gary Hansen, Jake McRey, Alan Anderson, Jeff Gunther**, and **\*\*Esther Thomppon\***

### Standing Items

Called to Order: **6:25pm**

Pledge of Allegiance

Approval of Virtual Meeting: *N/A*

**Motion to Approve of Meeting Minutes by Josh:**

Seconded by: **Eric** Discussion: *None* For: **5** Against: **0**

## Public Comment

None

## Board Development - *Board Succession Planning*

*by Jeff Gunther*

Jeff discussed board succession planning relative to committees as well as the board as a whole. It's not just about replacing vacancies in the moment, but considering skillsets and corresponding gaps. The board specifically identified Education Administration and Finance.

The board and Jeff discussed which skillsets the board is strong and weak on, and how it should try and fill those gaps.

Then, Jeff reviewed with the board how committee and officer appointments work as well as the interview process for new board members.

## Committee Reports

### Governance Committee

Two board member candidates introduced themselves to the board:

*Gary Hansen, former CEO of Blue Stakes* Retired, member of the community, background in the utility business, not in the education business. 30 years for the local gas company (now Dominion Energy) Married 47 years, 6 children, 28 grandchildren

*Jake McRey, controller in finance world* Moved here in September. Good to provide service. Four kids of our own. Hated mechanics and taxes because I felt that someone was raking me over.

Served as the accountant on his LDS mission, which eventually turned into his career. He currently serves as the lead controller in his company and enjoys financial strategy.

## Director's Report

*by Esther Blackwell*

### Events

Esther reviewed with the board some different events from last month like Kindergarten roundup.

She also talked briefly about enrollment and attendance. Enrollment is holding steady, though attendance tends to wane at the end of the year.

Esther announced that the school had held 36 evening activities this year, which is extremely high.

Upcoming summer activities were discussed including Fort Herriman Days and open houses. The board expressed some interest in helping staff those functions and Esther said she would send out times when volunteers would be helpful.

Josh mentioned that there is a Kids Entrepreneurial Night during Herriman Days on June 22nd that might be good to advertise to the students at the school.

### *Electives*

Esther explained to the board that it has been difficult to get responses from middle school students when picking electives. Bethany mentioned that many parents refuse to use Powerschool. Part of the reason is that parents don't know how to log in to Powerschool, largely because parents don't typically get on to it, so they don't remember the usernames and passwords.

Josh asked whether or not Powerschool offered any kind of federation or single-sign-on feature like maybe logging in with Google.

At this point, the remaining parents are registering over the phone with the front desk.

Jeff reported that 30 of 34 8th grade students have completed the signup process for their electives.

### *Athletics*

Esther reported that materials had been sent out for summer sport camps.

Bethany asked whether or not the new athletic director could come meet the board. Esther answered that he arrives in mid-July and could come to the following board meeting.

### *Teacher Pay*

Esther reviewed some budget considerations including having a plug-and-play curriculum for new teachers. Due to teacher shortage, most new hires are new teachers.

Alan explained that all teachers in the Jordan School District were given a \$2500 raise, and the base also increased by about the same. We were fortunate to be able to match the pay increase last year, though it is unlikely we'll be able to do the same this year.

The board briefly discussed with Esther what other things can we do other than increasing salary.

Esther explained that the most popular requests are more PTO or maybe not having to do extra duties like recess. Also teachers aides or other para-professionals. We can protect teachers from unnecessary grillings from angry parents. Today, we do give them all a National Parks Pass and a \$1000 moving bonus to those from out of state.

Bethany asked how many teachers are we short, and Esther explained only one, though some may leave at the end of the year.

Bethany followed up with a question about plans if we are short come fall, and Esther said that it is really a question of quality, not ability to put a teacher in front of the class.

Josh asked whether or not there are any data published about teacher retention numbers across the state, for example, which schools tend to succeed at holding onto teachers for longer, and Jeff mentioned that he would request that data.

Esther clarified that the problem is really hiring, not retention, and Josh said he thinks the numbers would correlate and that retention is maybe an easier number to collect.

Josh also asked for data on how our teachers are distributed across years of experience.

## **Athlos HQ Report**

*by Jeff Gunther*

Jeff talked about Tabitha helping out with recruiting teachers, the Pillars team on data interpretation, and that he is working with Karen on PDE needs.

Also HQ is helping with daily schedule planning, processing middle school course requests, and looking at possible alternatives to Powerschool.

The board discussed again some additional points on Powerschool, with Canvas as a possible alternative for some things, but not others.

Finally, Jeff reported that he and Alan found a 7th grade budgetary error from the state, which the state is now in the process of fixing. The correction will bring between \$100k-130k back into the school that was missing.

## **Finance Committee and Monthly Financial and Enrollment Reports**

*by Eric Christensen and Jeff Gunther*

### *Enrollment*

For next year, we are at 772 returning, 259 accepted an offer, 252 of those acceptances have registered. Including offers out, we are currently at 1024 with a best case of 1038. Some grades do not have a waitlist.

Bethany asked if we could know how many of the enrolling kids are oldest children with siblings, and Jeff said that we could get how many kinders don't have a sibling in the system, but otherwise it might be tricky.

Josh asked for a reminder on summer strategy for keeping confidence high in the 772 returning number, and Jeff answered that a reaffirmation intent-to-return note will be sent in June, also elective signup in August will be a solid indication. Esther clarified that to this point, we have no extra confidence since those dates haven't come up yet.

## *Financials*

Jeff reviewed financials with the board. He highlighted again the error from the state, which they were correcting.

Also highlighted was that we would go over about \$40k in Supplies due to the pre-order of the new ELA curriculum. Josh asked when we do an amended budget for that, and Alan answered in the June meeting.

Bethany asked about the \$85000 in building repairs. Alan explained that part of it is a \$4500/month cleaning bill and \$10000 to reseed the grass. Alan also explained that we contract for most services whereas a school district hires employees.

Alan then explained that and why we are starting to approve financials two months back instead of one month back. So, for example, we reviewed March's financials last month, and that gives a month for the Finance Committee to look at it.

## **Motion to Accept Financial Statements for March by Josh:**

Seconded by: **Jeana** Discussion: For: **4** Against: **0** Abstain: **1** (Rob stepped out)

## **Other Committee Reports**

*by Rob Ninow, Jeana Bonner, and Josh Cummings*

*Academics Committee*

No report

*Governance Committee*

Policy Review

*FACE Committee*

No report

## **Discussion Items**

### **Student Performance**

*by Esther Blackwell and Jeff Gunther*

Jeff took a look at our enrollment and attendance goals. He showed charts reviewing enrollment as well as attendance, and reported that once we recognized an enrollment problem and focused on it, we recovered.

Our attendance rate is 94%, and our chronically absent rate is down to 13% from 19%. State average is 10%. Our transfer rate is 5.4% with the average being 7%, though Jeff also

explained that Athlos's number is actually even lower than 5.4% because he had not taken out out-of-state moves yet, which the charter average did.

Josh asked if it would be possible to update the enrollment growth chart to have city growth rate as a parallel graph. He also asked if the holidays could be marked on the attendance chart.

Jeff explained that the decision was made to do Spring Break as a full week instead of a partial, which appears to have increased attendance by 1 percent the week before and 1.5 percent the week after.

## 2018-19 Budget

*by Esther Blackwell, Jeff Gunther, and Alan Anderson*

Jeff started us off talking about the budget forms that he and Alan fill out to develop projections for the upcoming year.

The board asked various questions about revenues. Stock donations, among other things.

Jeff asked if we send out information about amazon smile, box tops, etc., and Alan answered "yes", but that money goes to the PTO.

Josh asked about what "Other revenues" indicates in the projections, and Alan explained that it is just what the formula online spits out.

Bethany asked how much additional money would we need to match salaries, and Alan said about \$100-105k

Alan explained that one expenditure the board needs to keep in mind is fines for some public dumping going on in the Athlos recycling bin. The board discussed some ways that the school could possibly secure the recycling bin.

Alan brought up that another expenditure to consider is that we need about \$33000/year for routine replacement of classroom tech, including laptops. This year, we may defer that, though it means finding more budget for it in future years.

Rob asked whether we looked at leasing, and Jeff explained that they did, but it appeared to be more expense in the long run than purchase and warranty.

Alan reported that the number of paper copies at the school is high, but will drop with the new curriculum. The board discussed the possibility of adding a login to the printer to limit copies per teacher.

Bethany asked what is the typical income for a charter school, and Alan stated 5% of revenue, though Jeff challenged that.

Bethany asked about a budget for board training, and Alan explained that another charter school recently did a day training for their board and it cost under \$1000. Jeff agreed that a set of local experts could cost under \$1000.

Josh asked whether or not there would be any cash-on-hand concerns for the first few months, and Alan answered that we might get as low as 50 days cash on hand until the state catches up on reimbursements. Our tightest month will be November.

## Grade Configuration

*by Esther Blackwell and Jeff Gunther*

Jeff reviewed some of the options we have with regard to grade configuration, k-6, k-9, stay the same. Depending on what we do, we can request an increase in enrollment with the state.

Jeff also explained that in 2021 we can do a replication, though we need to request it in 2019.

Esther asked whether or not we should be requesting this year for 9th grade, and Jeff thinks that we might not be able to until after the third year.

The board further discussed the financial impact of adding a ninth grade. Jeff reviewed the fundamentals including that 9th graders get a higher reimbursement rate from the state, which correlates with the need for more teachers, a second counselor, making it harder to efficiently staff.

The board generally agreed that the school would have better enrollment if it offered a 9th grade. Alan added that Navigator Point Academy (where his kids go to school) was considering killing their 9th grade, though they believe they need it in order to maintain their enrollment numbers since there are no 9th-12th grade Jordan School District schools.

Esther weighed in on each option, explaining that the waitlist in 6th grade is really too light to go K-6. She also said that adding a 9th grade is one of the more frequent questions she gets from parents. She has always planned on running the school as a middle school and has hired that way.

Esther also explained that the middle school is currently weak academically. Our current set of kids are either really dedicated to the school or they are really struggling, and because of that, we can't sell the school on just that.

Eric asked whether or not parents are really looking at SAGE scores, and Esther replied that they are not.

Eric also asked if the school has room and Esther stated that the school is sized for 1250 students, so yes.

Bethany and Eric asked about the timeline, and Jeff explained that the board needs to decide soon and that it would be targeting a ninth grade for the 2019-2020 school year.

The board discussed further about enrollment and continuity.

Josh asked what parent perspectives are on electives right now, and Esther said that recent feedback has been positive.

The board identified that the next step is to clarify the caps for year four (2019-2020).

## Policy Review

*by Jeff Gunther*

### *5605 Fees*

Jeff explained the change in 6th grade fee language

Bethany had questions on a couple of sections, which Jeff addressed.

### *7401 Acceptable Use of Technology*

Bethany asked about the language “child pornography” vs “pornography” as well as language that appears to give adults a loophole on what checks they can bypass. Jeff indicated that he would clarify the language.

### *7104 Procurement*

The board discussed whether certain points in the policy should include the board. Bethany expressed concern about the internet provider we are using since there is a free option for the school that we didn’t take, and Jeff explained that all bids would have been brought to board initially.

Eric brought up some concerns about some “and” and “or” wording regarding when it is necessary to engage in a bidding process.

The board agreed to a recommendation to change the base cost to require board involvement be reduced from \$20k to \$5k.

## Action Items

### Fee Schedule

*by Esther Blackwell*

#### **Motion to Approve Fee Schedule by Josh:**

Seconded: **Rob** Discussion: *none* For: **5** Against: **0**

## Policy Revisions

*by Jeff Gunther*

#### **Motion to Approve 5402 by Jeana:**

Seconded: **Eric** Discussion: Question on B3, should it be permission of parent For: **5** Against: **0**



**Motion to Approve 5603 by Bethany:**

Seconded: **Eric** Discussion: *none* For: **5** Against: **0**

**Motion to Approve Changes to Finance Manual by Eric:**

Seconded: **Rob** Discussion: Josh indicated that this isn't following the process and that we shouldn't do a one-off For: **4** Against: **1**

## **Municipal Advisor Selection**

*by Rob Ninow*

Rob explained to the board that our lease agreement is too high, sitting at 28% of revenue.

Josh corrected, stating that 26% was his understanding (though this doesn't change the fact that it is still too high)

Rob reported that Eric, Andy and he met with a couple of underwriters, namely Michael Braun from Hamlin Advisors and Clint Beisinger from Veripath.

Rob reviewed with the board some basic principles of bonding and how that works into the interest rate that we can get. We currently aren't rated. Hiring a bond advisor to help us navigate the process would be helpful.

Rob and Eric detailed for the board the different costs of the two advisors, their timelines, as well as some other differentiating benefits. Of particular note is that one is a member of the Local Charter School Underwriting Authority, which is helpful in acquiring a safety net should the school run into trouble with making payments.

The board debated fixed vs variable rate, and Eric stated that we can do a variable rate that is capped at 4.5% in the first 5 years, variable after that with a total cap as well.

Jeff brought up that there is a risk to going adjustable, to which Eric explained that because there is an overall cap, we have that also as a safety net.

Alan explained that the goal is to get to about 20% of revenue for the building payment.

Rob and Eric explained that the action the board needs to take now is whether or not and which municipal bond advisor to use.

**Motion to Use Veripath as our Municipal Bond Advisor by Bethany:**

Seconded by: **Josh** For: **5** Against: **0**

It was also identified that the lease payment increases by \$48k from this fiscal year to next.

Motion to adjourn @ 9:56pm : **Rob** Seconded: **Eric** For: **5** Against: **0**