

Charter Day School



Charter Day School Board of Trustees

Minutes of the Board Meeting

4 PM; Thursday August 22, 2013, Douglass Academy at Peabody, Conf. Room

Attendance	Trustees: Mark Cramer Briana Kahn Baker Mitchell Lee Monroe Donnie Norris Bob Spencer Others: Mark Dudeck, Assist. Treasurer Barbra Jones, HM, Douglass Academy Jesse Smith, RBA, QC Dawn Carter, First Bank
Call to Order	Donnie called the meeting to order at 3:57 PM with a quorum of 6.
Approval of Minutes	The June minutes were reviewed and on motion by Bob, seconded by Brianna, were unanimously approved with Baker abstaining.
Review of Present & Future Agenda Items	N/a
Communications To/From Board	FOI Requests to be discussed
Executive Session	None
RBA President Report	<p>Baker discussed the passage of Senator Tillman's Senate Bill S337 and Rep. Hardister's H250 and handed out summaries of the bills.</p> <p>S337 creates a ten-member Charter Advisory Board, with 3 members appointed by the Governor, three by President Berger, three by Speaker Tillis and the Lt. Gov. The board advises the State Board of Education but has no independent authority. Baker announced that he had been appointed to this board by President Berger. He also handed out a recent article written about him by the Pope Foundation.</p> <p>Baker informed the board of the FOI requests received from the Brunswick County School Board going back 8 years and an NC PolicyWatch reporter going back 5 years. He stated that he felt the requests were harassments instigated by Brunswick. Recall that the \$1,600,000 judgment CDS got from the Superior</p>

	<p>Court ruling on its motion for summary judgment against Brunswick for underfunding is being appealed by Brunswick County.</p> <p>Without commenting on whether or not CDS is subject to the Open Records Act, he planned to provide those records that were responsive to their requests. All records requested and to be provided have already been subjected to the state’s annual LGC audit, and there would be no information that has not already been scrutinized by the outside auditors and summarized and publicly published in both the annual audit reports and the annual IRS 990 tax returns.</p> <p>Lee brought up the subject of the perception of outsiders regarding the degree of independence between the CDS Board of Trustees and the management company, RBA. To some, there was the possibility of a vulnerability due to the presence on the board of two RBA employees.</p> <p>Mark Cramer explained that he was on the board because he had guaranteed a \$50,000 bank loan to CDS and was due a say in how CDS conducted its business. Baker commented on the fact that board members are personally liable for shortfalls in IRS payroll deposits, so boards need to have some senior management as a “hostage” to ensure that payroll deposits are made timely. In recognition of that fact and other considerations, the IRS has a safe-harbor rule that at least 20% of a nonprofit board could be comprised of management personnel and more could serve with good cause.</p> <p>Dawn asked what prevented the two management people from actually controlling the board. It was explained first that the bylaws specified that a quorum to conduct business required a majority of trustees present which, with 8 or 9 trustees, would mean a quorum of 5. So any quorum would always have a majority of at least 3 non-management trustees present. With a board of ten, the quorum would be 6 so non-management trustees would always have a 4 to 2 majority. Secondly, both the state statute and the CDS bylaws had conflict provisions and it was their practice to abstain from voting on all budgets and other financial matters. Baker pointed out that with approximately \$2,000,000 cash in the Board’s bank account, the board could hire independent staff to verify such issues if it so chose. A question arose from Lee as to the \$2,000,000 belonging to CDS under control of the board or whether it belonged to RBA. Donnie confirmed that these funds belonged to CDS and were in a CDS cash account. It was also pointed out that this amount did not include the \$1,600,000 judgment from the Brunswick lawsuit which was being heard on appeal.</p> <p>After further discussion, Lee moved and Bob seconded that a subcommittee be formed to review the bylaws and statutes regarding conflict-of-interest situations to ensure that board decisions were transparent and independent of undue influence from related parties and that they fully complied with the statutes and the bylaws. Donnie, Lee, Brianna, and Bob are to serve as members and would invite Steve and Lori to join, also.</p>
<p>Douglass Update</p>	<p>Barbra gave a report on Douglass with 63 enrollees on-line and 2 in hand. She felt that with the renovations complete and the added radio promos along with nearly 6,000 mailers, that she could open with as many as 75. She was fully staffed with all personnel except for confirmation of one TA. Food service was</p>

	<p>lined up, the bus had been washed and serviced, and all building inspections had been completed and signed off on and a new CO was available. Rechecks on a few minor items were due but would not prevent all facilities from being available. She also said she had coordinated with Jesse in Quality Control to modify the enrollment request forms deleting several unnecessary fields and these forms had been put into use.</p> <p>Barbra announced that the Beginning Teacher Plan that the Board approved at the last meeting had been approved in Raleigh.</p>																																			
<p>S. Brunswick Update</p>	<p>Barbra reported that the SBE had given approval for S. Brunswick and that training dates had been announced and personnel were being scheduled.</p> <p>She said that the search for a site was continuing on two fronts – a permanent site of 30-50 acres and a one or two year temporary site in an office complex or shopping center</p>																																			
<p>Budgets</p>	<p>Mark Dudeck summarized the budget situation taking into account the 20-day ADM and the initial allotments from DPI.</p> <table border="1" data-bbox="467 785 1505 1056"> <thead> <tr> <th></th> <th>CCS</th> <th>CDS</th> <th>DAC Est.</th> <th>DAC Target</th> </tr> </thead> <tbody> <tr> <td>Budget Enroll</td> <td>835</td> <td>925</td> <td></td> <td></td> </tr> <tr> <td>Actual Current</td> <td>839</td> <td>934</td> <td></td> <td></td> </tr> <tr> <td>20-day ADM</td> <td>829</td> <td>932</td> <td>65</td> <td>75</td> </tr> <tr> <td>Per Pupil Alloc..</td> <td>+9%</td> <td>+1%</td> <td>?</td> <td>?</td> </tr> <tr> <td>Change in Surp.</td> <td>-\$112K</td> <td>+\$28K</td> <td>-\$113K</td> <td>-\$27K</td> </tr> <tr> <td>New Surplus</td> <td>\$12K</td> <td>\$30K</td> <td>-\$99K</td> <td>-\$12K</td> </tr> </tbody> </table>		CCS	CDS	DAC Est.	DAC Target	Budget Enroll	835	925			Actual Current	839	934			20-day ADM	829	932	65	75	Per Pupil Alloc..	+9%	+1%	?	?	Change in Surp.	-\$112K	+\$28K	-\$113K	-\$27K	New Surplus	\$12K	\$30K	-\$99K	-\$12K
	CCS	CDS	DAC Est.	DAC Target																																
Budget Enroll	835	925																																		
Actual Current	839	934																																		
20-day ADM	829	932	65	75																																
Per Pupil Alloc..	+9%	+1%	?	?																																
Change in Surp.	-\$112K	+\$28K	-\$113K	-\$27K																																
New Surplus	\$12K	\$30K	-\$99K	-\$12K																																
<p>Old Business</p>	<p>As Donnie had introduced Dawn at a prior meeting and her bio distributed, Lee moved with Donnie’s second to elect Dawn Carter to the CDS Board of Trustees. The motion carried unanimously.</p>																																			
<p>New Business</p>	<p>On motion by Donnie, seconded by Briana, the board unanimously ratified the actions taken, with Baker and Mark abstaining.</p>																																			
	<p>Donnie adjourned the meeting at 5:03 PM and trustees went to the Open House in McCoy Auditorium to great parents and introduce the teaching staff.</p>																																			

The next meeting will be on Oct. 24th.