

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE EWING MARION
KAUFFMAN SCHOOL, INC.**

June 19, 2018

A regular meeting of the Board of Directors of the Ewing Marion Kauffman School, Inc., a Missouri not-for-profit corporation, was held on the 19th day of June 2018, pursuant to public notice provided at least 24 hours in advance.

The following Directors were present at the meeting location: Kristin Bechard, Gloria Jackson-Leathers, Tracy McFerrin, and Aaron North. The following Directors participated by teleconference: Ms. Aguirre and Mr. Watson.

The following non-voting officers were present at the meeting location: Hannah Lofthus (CEO) and John Tyler (Secretary). Also present were: Jerrad Jones (EMKS Finance), David Wilson (EMKF Finance), Tonya Guinn (EMKF Education), and Donna Wilson (Legal Counsel). Shanika Harris (University of Missouri-Columbia) joined the meeting by teleconference at 4:54 p.m. No others participated either in person or by phone.

Mr. North chaired the meeting and Ms. Wilson served as Secretary. Mr. North called the meeting to order at 4:33 p.m. Mr. North reviewed the agenda and presented the minutes of the May 9, 2018 regular meeting. After discussion and upon motion duly made (Jackson-Leathers) and seconded (McFerrin), the Board unanimously approved the minutes as presented (see **Exhibit A**).

School Leadership

Mr. North asked Ms. Lofthus to present the School Leadership Report. Ms. Lofthus reported that student data (ACT, MAP scores, etc.) will be provided at a future meeting, and that the School staff count is at 130.

Finance

a. Treasurer's Report. Mr. North asked for presentation of the Treasurer's report. Mr. Jones reviewed the Financial report and check register (see **Exhibit B**) highlighting the following information:

- Total revenue and expenses through April 30 are \$12.4M and \$11.6M respectively.
- The change in net assets is \$0.6M favorable to budget due to lower wages and benefits expenses due to lower staffing and average salaries, and other expense savings offset by lower Basic Formula funding.
- The School budgeted 118 positions and had 114 employees as of April 30.
- Average annual enrollment is budgeted at 943 students. Average enrollment through April was 947.

- The cash balance through April 30 of \$4.7M. The final operations grant payments of \$0.6M was made in May.
- The prepaid expenses balance of \$0.2M mainly relates to prefunding the School's property manager, Cushman Wakefield, Yellowdog for IT support, and prepaid insurance.
- The accounts payable balance includes expenses incurred during the month for regular operations that are paid the following month. The balance fluctuates monthly and is currently \$0.5M. The majority of the balance is for Apple Bus (\$243K) and American Food and Vending (\$128K).
- DESE standards require the fund balance (net asset balance excluding PP&E) remain above 3% of year-end actual expenses; otherwise the school is considered "financially distressed". Currently, the ratio is forecasted to be approximately 24% at year end.
Temporarily restricted net assets at April 30 was \$8k, an increase of \$4k from the month prior and is due to the overlap in grants provided to the School from the Foundation for the purpose of funding Relay professional development. The balance will reduce by \$4k once travel is complete in May 2018.

After discussion and upon motion duly made (McFerrin) and seconded (Bechard), the Board unanimously accepted the Financial Report.

b. Financial Resolution. Mr. Jones presented a Resolution Regarding Signature Authority on Bank Accounts (see **Exhibit C**) to include the School's CFO and COO as signatories on the bank accounts effective as of July 1, 2018. After discussion and upon motion duly made (Bechard) and seconded (McFerrin), the Board unanimously approved the Resolution.

Mr. Watson recommended that a roll call vote be taken on action items in order to confirm the votes of those participating by teleconference.

c. Board Financial Policies. Mr. Jones presented an overview of proposed updates to certain financial policies (See **Exhibit C**). After discussion and upon motion duly made (Watson) and seconded (Jackson-Leathers), the Board voted by roll call (McFerrin – aye; Jackson-Leathers – aye; North- aye; Bechard-aye; Watson- aye; Aguirre-aye), and unanimously approved updates to the Financial Policies.

d. Board Policy 3430. Mr. Jones presented updates to the Expense Authorization Policy (see **Exhibit C**) to include the EMKS CFO and COO. After discussion and upon motion duly made (Jackson-Leathers) and seconded (Bechard), the Board voted by roll call (McFerrin – aye; Jackson-Leathers – aye; North- aye; Bechard-aye; Watson- aye; Aguirre-aye), and unanimously approved the updates to Policy 3430.

e. Auditor. Mr. Jones provided an overview of the RFP for auditing services, and the recommendation to approve Daniel Jones & Associates as the auditor. There was Board consensus to hold the matter and convene a special meeting at 9:00 a.m. on June 22, 2018 for the consideration/approval of auditing services because the recommendation was not listed on the agenda as an action item.

Community Forum

Ms. Harris reported that she was attending the National Alliance for Public Charter Schools meeting, and recommended the Epicenter as a resource to house Board information.

Governance

a. Policy Updates. Mr. North asked for presentation of the proposed policy updates (see **Exhibit D**). Ms. Lofthus presented the following policy updates, and reported that the updates were considered by the Governance Committee and recommended for approval:

- Board Policy 4150 (Staff Monetary Compensation). After discussion and upon motion by the Governance Committee, the Board voted by roll call (McFerrin – aye; Jackson-Leathers – aye; North- aye; Bechard- aye; Watson- aye; Aguirre-aye), and unanimously approved updates to Policy 4150.
- Student & Family Handbook (updates to administrative team, school calendar, tardy times, inclement weather, extracurricular activities, out-of-school suspension). After discussion and upon motion by the Governance Committee, the Board voted by roll call (McFerrin – aye; Jackson-Leathers – aye; North- aye; Bechard-aye; Watson- aye; Aguirre-aye), and unanimously approved updates to the Student & Family Handbook.
- Personnel Policies(various administrative updates, New policy - Benefits for Domestic Partners, updates to Retirement Plan Contribution Rate, updates to PTO, FMLA and Travel & Expense Reimbursement policies). After discussion and upon motion by the Governance Committee, the Board voted by roll call (McFerrin – aye; Jackson-Leathers – aye; North- aye; Bechard-aye; Watson- aye; Aguirre-aye), and unanimously approved updates to the Personnel Policies.

b. Kauffman School Transitions. Mr. North presented an overview of the transitioning of certain organizational and operational functions to the School, and reported that the proposed changes and updates to the EMKS Bylaws will be presented at the August 2018 Board meeting.

Closed Session

Upon motion duly made (McFerrin) and seconded (Jackson-Leathers), the Board voted by roll call (McFerrin – aye; Jackson-Leathers – aye; North- aye; Bechard- aye; Watson- aye; Aguirre-aye), and unanimously voted to convene in closed session pursuant to R.S.Mo. Section 610.021(3) for discussion of a personnel matter. All individuals except for Directors, John Tyler and Donna Wilson, left the meeting.

Mr. North reported on the CEO compensation and bonus recommendations considered by the Governance Committee and recommended for approval. Upon motion duly made by the Governance Committee, the Board voted by roll call (McFerrin – aye; Jackson-Leathers – aye; North- aye; Bechard-aye; Watson- aye; Aguirre-aye), and unanimously approved the CEO compensation and bonus recommendations.

Upon motion duly made (McFerrin) and seconded (Jackson-Leathers), the Board voted by roll call (McFerrin – aye; Jackson-Leathers – aye; North- aye; Bechard- aye; Watson- aye; Aguirre-aye), and unanimously approved to re-convene in open session.

There being no further business to discuss, Mr. North adjourned the meeting at 5:45 p.m.

APPROVED:



Donna Wilson, Acting Secretary