

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

October 10, 2018

A regular meeting of the Board of Directors of the Ewing Marion Kauffman School, Inc., a Missouri not-for-profit corporation, was held at the Ewing Marion Kauffman School in Kansas City, Missouri on the 10th day of October 2018 and pursuant to public notice provided at least 24 hours in advance.

The following Directors were present at the meeting location: Aaron North and Kristen Bechard. The following Director participated by telephone such that all could hear and be heard: Mayra Aguirre, Tracy McFerrin (who joined the meeting in progress as indicated below), and Maurice Watson.

The following officers were present: Hannah Lofthus (CEO), and John Tyler (Secretary). Also present were: Jerrad Jones (EMKS Finance), Gerard Kettenbach (University of Missouri-Columbia), and Jacob Myers (from auditor Daniel Jones and Associates P.C.).

No others were present.

Mr. North chaired the meeting until he needed to leave with Ms. Bechard chairing thereafter as indicated below. Mr. Tyler served as Secretary. Mr. North called the meeting to order at 5:32 p.m. Mr. North previewed the agenda. Mr. North presented the minutes of the August 23, 2018 regular meeting. After discussion and upon motion duly made (Watson) and seconded (Bechard), the Board unanimously approved those minutes as presented.

Audit Presentation

Mr. Jones introduced Mr. Myers to present the EMKS annual audit. Mr. Myers presented the audit (see **Exhibit A**) and reported that the School's financial statements fairly present the School's financial position in all material respects. He also reported on the firm's conclusion that the School is in compliance in all material respects with state law and applicable federal law and programs. He also reported that the firm did not identify any material weaknesses in internal controls over compliance.

Ms. McFerrin joined the meeting during the preceding presentation.

Discussion occurred throughout and followed, including with regard to the absence of a School policy regarding regularity of changing auditors (which the Finance Committee will review). All non-board members left the room, except for Mr. Myers. Discussion followed, after which the non-board members returned.

Upon motion duly made (Bechard) and seconded (McFerrin), the Board unanimously accepted the audit as presented.

Mr. Myers left the meeting.

Financial Report

Mr. Jones presented the financial report attached as **Exhibit B**, including discussion of the schedule for reporting compliance due dates; highlights from the financial statements for the two months ended August 31, 2018; completion of the audit and its having been published and provided to DESE; the statement of assets, liabilities, and net assets; the statement of income, expenses, and net assets; and the check register. Upon motion duly made (Bechard) and seconded (McFerrin), the Board unanimously approved the financial report.

Mr. Jones left the meeting.

Ms. Lofthus described the process by which the School undertook to determine who should provide its medical, dental, vision, life, and long-term disability coverage insurances, and she presented management's recommendations as follows: United Health Care for medical insurance and Guardian for dental, vision, life, and long-term disability. Ms. Lofthus also describe the projected financial effect of the decision on the School's budget for 2019 and the subsequent four years, including a projected increase of \$255,000 for calendar year 2019 over the projected costs. She also presented options management considered regarding approaches for covering that shortfall, and the need for discussions with the Kauffman Foundation about how the long term projected premium increases relative to prior projections might affect the Foundation's grant. Discussion occurred throughout.

Ms. Lofthus presented management's recommendation that the School absorb the initial cost increase. Discussion followed.

After discussion and upon motion duly made (Watson) and seconded (Bechard), the Board unanimously approved amending the benefits line of the current year (2018-2019) budget by \$127,500 and including an increase of the same amount on the same line for the 2019-2020 budget in order for staff premiums to remain constant relative to their expected premium payments.

Governance

Ms. Lofthus summarized the proposed changes to certain Board policies as provided for in attached **Exhibit C** with the further recommendation that "Treasurer" be removed from the first paragraph of Policy 3170.

Upon the recommendation of the Governance Committee, the Board unanimously approved the changes to the Board policies as provided for in attached **Exhibit C**, including removing "Treasurer" from the first paragraph of Policy 3170.

Mr. Tyler summarized proposed amendments to the School's Articles of Incorporation and Bylaws contained in attached **Exhibit D**, including that effective January 1, 2019 the School will no longer have a "member" although the Kauffman Foundation retains certain rights with regard to appointment of a minority of board members. Other changes include rendering references to the board chair gender neutral and to clarify processes for board and committee voting by unanimous written consent when necessary. Discussion occurred throughout, including about whether to change term limits from two to three terms with the decision by consensus to defer any such change pending further exploration and discussion.

Upon the recommendation of the Governance Committee, the Board unanimously approved the amendments to the Articles of Incorporation and the Bylaws as provided in attached **Exhibit D** with such amendments to be effective January 1, 2019.

Mr. North summarized and presented a memorandum for discussion of a proposed process by which new Board members would be identified, vetted, and selected in light of the Bylaw changes. Mr. North asked for the Board members' comments and feedback after they have had further opportunity to review the memorandum.

Mr. North left the meeting, and by consensus of the Board Ms. Bechard chaired the remainder of the meeting.

School Leadership Report

Ms. Lofthus presented the School leadership report, including recognition that the School's purposes serve long term rather than short term interests and needs and identification of priorities for the 2018-2019 school year in the areas of academics, culture, people, and networks. Discussion occurred throughout, including about goals around performance on the ACT, continuing to increase advanced placement classes, and data, statistics and analysis of student and School performance on the ACT, AP exams, and as assessed by Mathematica relative to local schools and districts, state scores, and national high achieving benchmarks – against which the School compares very favorably. Discussion also occurred about how aggressive the goals are and why they should be aggressive, teacher and staff retention, and objectives for recruiting minority staff.

Board members expressed the appreciation for the report, the student progress and trend lines, the work of staff, and the leadership of Ms. Lofthus.

Mr. Watson disconnected from the meeting.

Community Forum

Mr. Kettenbach reported his plans to be at and observe the School four times a year to coincide with board meetings and to attend graduation.

There being no further business to discuss, the meeting adjourned at 6:57 p.m.

APPROVED:



John Tyler, Secretary