

GENESEE STEM ACADEMY
BOARD OF DIRECTORS
REGULAR MEETING MINUTES

Date: December 17, 2015
Time: 6:00 p.m.
Place: 310 W. Oakley Street
Flint, MI 48503

REGULAR MEETING, December 17, 2015 time 6:00 p.m.

Opening Of Meeting

Call to Order

Board member Morgan called meeting to order at 6:00 p.m.

Roll Call

Board member Morgan – Present.

Board member Legardye – Present

Board member Taylor – Present

Board member McCune – Present

A quorum was present to conduct business.

Also in attendance were the following individuals:

Attendees

Mrs. Rita Cheek – GSTEMA Academy

Mrs. Deb Rosebush – GSTEMA Academy

Mrs. Kimberly Coulter – GSETMA Academy

Mrs. S. Alexander – GSTEMA Academy

Mr. John Carberry – Management Company Learn It

Dr. Lorilyn Coggins

Mr. Greg Meihn – IPA Board Attorney - by phone

Dr. Chris Douglas – Potential Board Member

Approval of Agenda

Board member Morgan asked were there any changes that needed to be made to the Agenda, Mrs. Deb Rosebush made mention that there were 2 new contracts that needed to be added under New Business. Board member Morgan made motion to add the 2 new contracts presented by Mrs. Deb Rosebush to the Agenda under New Business. Board member McCune seconded the motion the vote was in favor of the motion. MOTION PASSED.

Board member Legardye made motion to accept the Agenda as read and approve with changes added. Board member Taylor seconded the motion. The vote was in favor of the motion. MOTION PASSED.

Approval of the Minutes (From November 19, 2015 Board Meeting)

Board member Legardye made the motion to approve the Minutes as read. Board member Taylor seconded the motion. The vote was in favor of the motion. MOTION PASSED.

Discipline Hearings

Greg Meihn was called at 6:03 p.m. added by speaker phone at 6:05 p.m.

Student #019

Mother and student appeared at the hearing. Mother preferred the discipline hearing be held in open meeting. The Management Company presented the violation of student #019. The Management Company recommended that student #019 be placed on probation through the 3rd marking period which ends on January 22, 2016. Board member Legardye made the motion to go along with the Management Company recommendation that student #019 remain on probation through the 3rd marking period until January 22, 201. Board member Taylor seconded the motion. The vote was in favor of the motion. MOTION PASSED

Student #018

Parent and student #018 arrived at 6:17 p.m. Parent preferred the discipline hearing to be held in open meeting. The Management Company presented violation of student #018. The Management Company recommended that student #018 receive time served from December 3rd to December 17th which is 10 days served. Board member Morgan made the motion that student #018 have time served and be reinstated back in class. Board member McCune seconded the motion. MOTION PASSED.

Student #006 (Follow up on Medical Documentation)

Parent and student #006 did not show for hearing. The Management Company presented violation of student #006 who was out pending investigation and doctor's report of student #006 violent reactions. The Management Company recommended that student #006 be suspended for the remainder of the school year. Mrs. Alexander presented doctors statement of student #006 disability. Management Company stated that the mother of student #006 elected to withdraw student #006 from Genesee STEM Academy. Board member Morgan made the motion to suspend student #006 for the remainder of the school year. Board member Legardye seconded the motion. The vote was in favor of the motion. MOTION PASSED.

Public Comment

No Public Comment

Consent Agenda

Director's Report

Mrs. Rita Cheek submitted her report and asked if she could bring some of the students before the board for about 10 – 15 minutes so that the students can show the Board some of the awesome things they've been doing. The Parent Ambassadors would like to come before the Board with a proposal for approval to form a PTO. Enrollment is up to 272 students. Parent Ambassador Meeting was a great success. Mrs. Rita Cheek presented the Board with a proposal for the 7th grade students to take a trip to Washington DC along with 5 staff as chaperones and Mr. John Carberry as one of the Chaperones once they arrive in DC. Transportation is still being discussed. First Class Transportation Mr. John Carberry stated that the trip will be paid for entirely by private funds but he, Mrs. Cheek and Mrs. Rosebush discussed and thought that the parents of the students should contribute a nominal fee of \$50.00 and it should be paid up by March 24, 2016 before the children can attend. Mrs. Cheek stated that there will be upcoming meetings for parents who allow their child to attend the class trip to DC. Board member Legardy made the motion to approve the trip for the 7th grade students to Washington DC. Board member McCune seconded the motion. MOTION PASSED.

Compliance Update-Epicenter percentage of compliance

Mrs. Deb Rosebush submitted her report and stated that the GSTEM website budget transparency page needed to be updated to be in compliance and that it has now been completed. It has been reviewed by Saginaw Valley and MDE and it is where it needs to be in regards to the new regulations that came out for all schools to change their website in regard to the budget page. On a side note, just for our information, Mrs. Deb Rosebush stated that she serves on the Genesee County Attendance Task Force Committee and the committee is currently reviewing the various schools attendance policies in the county and she will inform the Board of any changes to the policy as it develops. Mrs. Deb Rosebush also stated that they have to do an amendment to the Consolidated Application for grant money and that she, Dr. Coggins, Mrs. Cheek and Mr. John Carberry are working diligently on the revised budget and will submit the new budget at the January Board meeting.

Business Manager's Report

Dr. Coggins submitted and presented October and November Financial Statements and also explained the process she follows for recording all monies received to the Board.

Treasurers Report

Board member Laura Legardye stated that the Treasurer's report was covered in Dr. Coggins report.

Legal Update Report

Greg Meihn reported that there are two things that need to be discussed.

-Lease Agreement and what action the Board is going to take whether to renew the lease, propose changes to the lease or look at another location to move to.

-Need the Board approval for the payment to Greg's Law Firm because his Law Firm paid the bill and requests that Learn It should pay his Law Firm back. The bill was reduced from \$8000.00 to \$2500.00 that was paid for by Greg's Law firm.

New Business

Review of Lease Agreement provided by Learnt It Systems

Under the advisement of Greg Meihn – IPA Board Attorney, he advised the Board that now is the time to make a decision regarding the new Lease and EP Agreement because notice must be given if the Board chooses not to renew or terminate the new Lease Agreement. Board attorney informed the Board that a motion needs to be made regarding the Lease and EP agreement, and then the Board can engaged in discussion and then vote.

Board member Morgan made the motion that the Lease not be renewed for additional periods and that the Lease expire at the end of the 2015-2016 school year. Board member McCune seconded the motion. The vote was unanimous in favor of the motion. MOTION PASSED.

Board attorney asked that a Roll Call be made in regards to the decision not to renew the lease so that the minutes could reflect how each member voted. The roll call vote was as follows:

Mrs. McCune votes NO-not renew

Mr. Taylor votes NO-not renew

Mrs. Legardye votes NO-not renew

Dr. Morgan votes NO-not renew

Board Attorney asked Board member Morgan if he would like to give his reasoning as to why he did not want to renew the Lease. Board member Morgan stated that he will give his reasons and asked the other Board members to share their reasons if they would like to.

Board member Morgan stated that building wise this location is an issue and we are going to outgrow the building eventually and doesn't know if we want to stay here in the long run when the landlord has not shown that they will make repairs in a timely fashion. Board member Morgan states that this is the difference in who he thought was responsible for repairs to the

building. Board member Morgan states that he said in the beginning, that if he were the landlord, and his roof leaked, it has nothing to do with if a tenant was inside the building, it's his building and he is responsible for it and the repairs and it's not contingent whether the tenant signs a new lease.

Board member Legardye states she would like to make a comment that as far as the building is concerned that we (Genesee STEM Academy) are in the same block of a well-established K -12 Charter School and that puts us at a disadvantage, stating that she understands that our property here we could build up or add on but the thing is location and they are established, there are some things that have gone on that just does not make this a good fit for what our footprint is and as for where we want to go or like to do for growth. This is one of the motivators for us to do something for the school.

Board member Taylor states that he thinks that growth and location are the biggest factors for not renewing the Lease.

Board member McCune states that she piggybacks off of the rest of the board members comments and states that she agrees that there is stiff competition up the street and in order for the school to be successful the school needs to move because we need a more diverse student population and we will not get it here at this location.

Board Attorney asked the Board members do they have options and where is the Board intending to go with the School. This should all be in the minutes for transparency. The Authorizer, the staff and the public are going to want to know also the parents and students. Board member Morgan asked how much elaboration you need. Board Attorney stated that if the elaboration would impact any negotiations or cause the rental rates to go up or cause someone to find out about it and go out and grab the building then we don't have to have this discussion today that we could simply state that yes we have or that we are looking at other places to go and we will make that decision at the January meeting, Board member Morgan stated that he will state a simple yes and that we will discuss details further at the January board meeting.

Review of EP/Management Agreement

Board Attorney indicated that the Board needs to address what it intends to do regarding the management company and the EP Agreement. Board member Morgan made the motion that the Board not renew the Management Agreement.

John Carberry asked Board member Morgan to hold on because he wanted to hear a rationale for not renewing the EP Agreement, board member Morgan stated that each member of the Board will give a rationale at the end of the motion. Board member Morgan made motion that we do not renew the EP Agreement. Board member McCune seconded the motion. The motion was in favor of the vote. MOTION PASSED.

Board member Morgan asked for a ROLL CALL vote by board members individually and asked how you vote:

Mrs. McCune votes NO-not renew

Mr. Taylor votes NO-not renew

Mrs. Legardye votes NO-not renew

Dr. Morgan votes NO-not renew

Board member Morgan states that the Lease was a hard decision and the EP Agreement was also stating that financially wise the school will not be solvent with the current agreement. School wise we were not for sure what we were going to get or what we were paying for with the EP Agreement when we first came into this situation, it was a large learning curve over the past two and half to three years. Based on the return on investment we thinks that in the schools best interest to go possibly independently managed and try to see how we can save some jobs of teachers and have monies available and freed up to be used elsewhere.

Board member Legardye, states that what she has seen or heard it has always been the schools intention to be self-managed and being this is the end of the Agreement this is a prime opportunity to go ahead and walk that path.

Board member Taylor stated that the EP Agreement had close ties to the Leasing process within itself and again the question of growth is a factor here. If you're going to grow to any extent of imagination you will need to make goals that involve some types of freedoms....

John Carberry asked what type of freedoms,

Board member Taylor stated yes those that are spelled out in the Lease,

John Carberry asked what does that have to do with the EP Agreement.

Board member Taylor stated that is has to do with confinement as far as leasing this building and not being able to expand out or to investigate or discover other options.

Board member Legardye then explained to Board member Taylor that the Lease and the EP Agreement are two different contracts.

Board member Morgan stated that he will expand on what Board member Taylor is trying to say and states that the management agreement, say for instance, Marketing for the school, if we are paying a larger sum of money to the management agreement it takes away from our ability to effectively market the school and we don't feel that the management company is doing a good job at effectively marketing the school so being independently managed allows us to utilize certain amounts of monies in certain areas and it gives a lot of freedom as opposed to paying a lump sum and not knowing or having control over where the money is going.

John Carberry asked could he respond to that statement, saying that this is certainly something that the management company would be happy to entertain in a new management agreement.

John Carberry states that you agreed to the original management agreement.

Board member Morgan stated yes it was a learning curve.

John Carberry stated that they would be happy to learn with you and in in any case if you felt you didn't want that as part of the responsibilities as part of the management agreement that we certainly would take that under consideration.

Board member Morgan stated that the decision was not taken lightly, we combed through the Lease Agreement and the EP Agreement and some of the wording was difficult to understand who was responsible for what. John Carberry interrupted and stated that he would have loved to have had the opportunity to discuss those misunderstandings or clarity and we would involve our council and your council to clear it up, when we originally started this endeavor we started it as a team and we certainly bore the financial brunt to get the school up and running in the first year we actually gave we did not collect our full fee so I want you to know that we were committed to trying to make the school work through first three years and did what we thought was fair even to the extent of penalizing ourselves so I guess I would say that I'm disappointed that after three years you would say well now that you've got yourselves up and running and are in a good place say goodbye thanks and don't let the door hit you...

Board member Morgan stated that to be fair looking at the Lease agreement and the numbers that I thought the lease agreement was fair financially.

John Carberry said thank you.

Board Morgan stated that looking at the EP Agreement he did not see a return on the investment personally and that he doesn't know how the rest of the board members feel about the EP Agreement, but I just think it soaked up more of our budget percentage wise than we could afford if we are to continue to grow.

John Carberry stated that he's said it before that we would be interested in lowering our fee because you get to a point where there are economies of scale and you couldn't live with a smaller amount, those are certainly negotiation points and something we would have been happy to consider, we thought that when you renew a lease agreement that there is that discussion of give and take and you have to listen and if you say 12% is too much we would have said you're right now and let's see what we can do to lower it and come up with a...just so you know that's where we are coming from.

Board member Legardye interrupted...

John Carberry stated let me finish, and states if you look through and ask Saginaw Valley how well this school is doing, I think they would say good things and the report you've gotten say good things, I would say that those are all things that were put in place by us the Management Organization, so the team and all that, so I would certainly say are you not renewing us for performance like we didn't perform well.

Board member Morgan states that student body wise we don't have the numbers that we wanted but like I said as far as location, that is not completely you but part of it is... more marketing

could have been done and who was responsible for that...when I read the EP Agreement I interpreted as that was more of the Management company responsibility to help bring in students and again it states marketing for you and advertising for the tenant so the wording is fuzzy.

John Carberry states my response to that would be, if that is the case, that this is one small bump on a difficult road that we have had to climb, we got authorized on June 18th and opened our doors on August 4th that still to this day is the shortest amount of time from date of authorization to opening up a new school, so I would say that that is unfortunate and that if this is the bump you guys are going to take to get the divorce, I just think that...

Board member Morgan interjected and said that he was speaking for himself and that student numbers are the life line of the school and that schools don't close down because of lack of love for the students or teacher its financially, if we only have 276 students at last count day and we were anticipating 325 that's a significant number to come up short on and we power ourselves to have to make budget cuts possibly cut positions that are important to the students to perform at their best and I think just as a Board that the students deserve a Board that takes their time and makes these tough decisions and that's why I say it was not an easy decision and the kids deserve to be put in the best situation possible and I feel that this is the best time to go independently managed and free up monies to help support the students so they can get the best education possible.

Board member Morgan asked Board member McCune if she had something to say,

Board member McCune states that is was always the intention of the school and Board to be self-managed and right now thinks this is the right time to do it.

John Carberry states that just for the record that he was not made aware of that until the last board meeting but I have to share with you that I don't think we, the management company, would have signed up to be part of this if that was the case in this time frame so that's all I will say to that but the only board member that was a part of the original board that is here, that this did not come up...

Board member Legardye stated that we talked about being self-managed at the retreat in July.

John Carberry states that he doesn't recall that discussion and stated that he would have actually heard him say what he is saying now.

Board member McCune asked John what was Pansophic and didn't you try to sell the school to them and get out of this and states it's a trust issue for me...

Board member Legardye states that that was one of the concerns she had when we looked at everything that the Pansophic issue came into play as well and it was always from the beginning that the school will be self-managed and as Dr. Morgan has said that we combed through everything and we didn't take anything lightly and we took a look at even from the standpoint that the agreement says we are to give each other six months' notice if we are going to change and it really hurt us the school when we were approached individually by about Pansophic that

this is going to take place immediately and that was changed but we were all talked to individually about going to Pansophic and we still don't know what transpired from that because it shut down just as quickly as it came up...but this makes you put your guard up.

John Carberry states this conversation actually makes him happy and that if this is your rationale as part of the decision and the marketing piece...what I hoped you all heard me say in the Pansophic transaction and trust me it is not a decision that I wanted to take personally for the record, but in the assignment of the management agreement when I had this conversation with you Mrs. McCune and Mrs. Legardye and Dr. Morgan you all had to agree to assign that management agreement so if you wanted to say no you like Learn It and we are not going to assign it you would in essence would have been able to keep us, so it wasn't that we were trying to...this is an opportunity that the CEO and the Board wanted to move in a direction and in the end we decided that we actually enjoyed running the school and it made sense for us and so I think that I've shared with each of you and looked each of you in the eye and said certainly we have no plans to sale the school so I tried to relay that as best I could but clearly I could have done a better job...

Board member Morgan states that he feel John did a great job but sometimes I feel that Learn It is a big institution and you are probably sometimes the messenger and you have to deliver a message that you may not want to bring and that's probably one of them but I don't know if Learn It sees us as numbers on a ledger or if they see us as a student body that's a family, and that is where again the trust comes in and you can look us in the eye and tell us that you don't want to sell us but Learn It again if it came down to numbers, we are numbers on a ledger. I think that is what happened before and I know you won't admit that but this is why the decision is being made, when you brought the news to me I assume that that it was a financial decision and that it was strictly business and I know at the time you said it was not but even though they can tell us until they are blue in the face that they are not going to leave, if it came down to it and they made an extra buck I don't know what decision they would make.

Board member Taylor asked was it ever a goal or personal goal of Learn It or the Management Company that Genesee STEM Academy would someday become self-operating. John Carberry states that would be something that he would certainly like to entertain, but don't think the time to do that is now.

Taylor asked why,

John Carberry said I think the school is really to young and I think that right now any answer that I give I will sound like I'm self-serving, but if I had known that I would have liked to set up a time table for that transition, so that we could be prepared, when we were looking to go with Pansophic no one at that time said well this is not bad and which was three or four months ago that we were thinking about going self-managed anyway that never was the response and Pansophic would have been the management organization and they would have assumed and continued to manage but no one said yeah lets hold up on this we're thinking about self-managing, this is why I struggle with this and we will figure out how we best move forward. I

apologize for having to deliver the Pansophic message trust me I was not easy and not something I wanted to do and so but it was not my choice.

Introduction of Potential New Board member

Mrs. Check introduced to the Board, Mr. Chris Douglas, a potential Board member. Mr. Douglas gave us background information about himself, and stated that he thinks we are doing a great job here at Genesee STEM Academy. He believes that education is key and that it is life learning in all areas of life. Board member Legardye made the motion to present Mr. Chris Douglas to Saginaw Valley as a potential board member of the Genesee STEM Academy Board of Directors. Board member McCune seconded the motion. The vote was in favor of the motion. MOTION PASSED.

Review of Board Policies

Deb Rosebush brought to the Boards attention that this item was skipped and asked Greg Meihn –IPA Board Attorney if there was anything that need to be discussed, Greg stated that he read the policies and that a motion needed to be made to approve them.

Board member Legardye made the motion to approve the Board Policies as presented. Board member McCune seconded the motion. The vote was in favor of the motion. MOTION PASSED.

New Contracts For Board For Board Review And Approval.

Midwest Substitute Staffing

John Carberry states that this contract is another pool of resources for the school to utilize.

Board member Legardye made the motion to approve using Midwest Substitute Staffing. Board member Morgan seconded the motion. The vote was in favor of the motion. MOTION PASSED.

McNamara's Lawn Care, LLC 2015 – 2016 Snow Removal Proposal

John Carberry stated that there were 8 – 10 bids on snow removal and only 2 came back that were very clean and exemplary which are Bruton's and McNamara. John gave the invoice for both Bruton's and McNamara so we could compare apples to apples, but stated the references for McNamara's came back very good. Bruton's was more expensive.

Board member Morgan made the motion that we go with McNamara's Lawn Care for snow removal. Board member Legardye seconded the motion. The vote was in favor of the motion. MOTION PASSED

Committee Reports

Marketing and Community Relations Committee - No Report

Board Development Committee - No Report

Academic Task Force Committee - No Report

Finance Committee - No Report

Grants Committee - No Report

Extended Public Comment (not limited to agenda items).

Public comment is limited to 5 minutes per person.

Dr. Coggins stated that she felt compelled to say something and acknowledge that the Board has to do what is in the best interest of school and the students, but I would encourage you to think about what the transitions are going to look like from a number of viewpoints:

1. There's a staffing transition
2. A huge relocation on your hands
3. A financial transition, you are going to be going through an audit you know books close June 30th and the audits don't occur until August or September and you are going to need your management company to participate in that audit process and you may find that financially that you are in a little bit of a difficult spot because as we talked about earlier you are just under that 5% threshold and part of your rationale was to use part of the management fees, so we are talking about a tight budget this year because of the loss of 50 kids. I don't expect that the 5% will go up significantly, 5% doesn't carry you through to July through October with paying the management company in full. So my suggestion would be to contemplate a transition period where your contract with Learn It might not end June 30th but might be with their cooperation and willingness to extend it an additional shorter time period just so that you can take a look at all those things you are going to be swamped with. While knowing that you made the decisions based on facts I think now you all need to look forward a little bit and say how do we do this most effectively, efficiently and cooperatively.

The Board members thanked Dr. Coggins for her insight and we know you have experience in doing this so again we thank you.

Mrs. Cheek stated that she has concerns because one staff member was here at the meeting tonight and doesn't want the staff to hear this through the grapevine.

Board member Legardye stated that we don't want them to panic as well and please know that we are not taking this lightly and that we have started to investigate what is available for us and how to make it work, and Dr. Morgan stated we combed through it so realizing that there needs to be a transition...

Mrs. Cheek asked could there be a meeting...

Board member Legardye stated that yes that is doable and that nothing is going to happen immediately, I would say that me, Laura could have a meeting after the first of the year. Certainly we want to make the staff comfortable and in the best interest of the school we hope that nobody here will tell the staff what was said and start a panic. We as the Board would have to make sure that we have all of I's dotted and T's crossed before bringing this to the staff and this would give us an opportunity to see how we will conduct a meeting.

John Carberry asked the Board is this a hard and final decision or is there room to come to some sort of agreement or is the Board set...

Board member Morgan states that this is an individual decision and that he can't speak for everyone. Morgan stated that he thinks we can make it another year in this building but another 2 to 3 years lease is a NO for me, but I know Learn It was not going to agree to it and for the Management Agreement that was easier for me it was the return on investment, is it a hard no..Not for me, it is however a No, but if you come to me with an offer I can't refuse then I would have to pay attention to it.

Board member Legardye stated that we were trying to honor the agreement and give each other six months, this is six months and this is where we are, you say is it written in stone...what is...and is it a hard no, for me it's a No.

Board member Taylor states same as Dr. Morgan a No not a hard No and that I am open, I'm always open to discussion and I pride myself on being able to talk, resolve issues and look for other options and plans, open-mindedness and open heartedness is always a plus.

Board member McCune states that it's not a hard No but have issues with the building, I think we have outgrown this building, and the condition of this building I am not satisfied with it needs a new roof patching doesn't help, and to come in and walk these halls and the things I've seen it's not safe. I have a grandson that goes here and it's just not safe you don't know if the ceiling tiles are going to fall in and the students have to be moved from one room to another room and there is no space in here for that. I don't like the conditions of this school, I think we have had this conversation time and time again, safety for me, the parking lot we had to fight to get the cones, you got them but the signs never came...the parents still disregard the cones and still park in the front and that is just an issue for me. You said you were going to be more transparent, you said you were going to talk more to us and I haven't seen it it's a trust issue for me. Trust.

Board member Morgan thanked the board for their comments and asked were there any other comments or questions...no one replied. Board member Morgan made the motion to adjourn the meeting. Board member Taylor seconded the motion. The vote was in favor of the motion. MOTION PASSED. Meeting adjourned at 8:08 p.m.

I certify these Minutes were approved as read [] as corrected by the Academy Board at a duly noticed open meeting held on January 21, 2016 at which a quorum was present.

By: Loraine McInnes

Its: _____