BOT meeting

4/7/2014

Present:

Elke Miller

Sean McManus

Katja Jahn via telephone

Frank Beuthin

In public audience;

Michael Jimenez

Exed (GICS Accounting team)

Public comments:

Andrea Martin:

I am here to speak about the agenda item regarding the hiring of a Project manager at a cost not to exceed $50,000.

In the weeks leading up to our Silent Auction, I was in numerous conversations about the need that was expressed for a project manager. At the time I was told that the expected salary for such a position was $60,000. The organizers of the auction gave all serious consideration ad decided to raise funds during the live ask for the position with a stated goal of raising $50,000 to help defray the expenses. I later expressed in the following special board meeting during my public comments as a representative from the GPA, that we would agree to participate in the live ask and that we hoped and expected that the Board would act quickly and decisively to hire such a manager, and that if we didn't raise $60,000 that the Board would use its own funds to make up the cost difference.

We are thrilled that the GICS community was so supportive of our endeavor and hat we were able to raise $50,000 last week! This was a wonderful moment in our school’s history and clearly our families are anxious to move forward with obtaining a private facility.

It is unclear to us and to me why this agenda item states that the expense to be approved to engage a Project Manager shall not exceed $50,000. If the goodwill of the community is to be maintained then it seems to make sense that the Board would not put such a limit on its ability to secure the best person for the job and also to act in accordance with the previous commitments and statements about this matter. Please reconsider limiting the talent and possibility for a project success by revisiting the final budgetary expense limit,

Consent Agenda:

A. Seating of new Parent Board Rep Erika Dahle Petras (yeah!!)

B. Approval of minutes

Items for Discussion and Action

A. Approval of Feb Financials

Exed staff brought packets

ADA month 7 401 students (3 more than budget)

ADA stays over 95% for budget, so we are looking good with P2 number estimated to be 383, 5 better than budget.

SEAN M: I thought we based budget on 385.

Will get back on that,

Steady ADA.

Slightly over # of planned seats and hope that number stays through year.

Not yet had audit.

Currently calculating P2, will have at next BOT meeting.

Income statement—variances remain consistent, state revenue $66K less than planned. Common Core funds, now being deferred until next school year. When formal plan approved and adopted by BOT they will report.

Grants+ $10,000 came in higher from German Consulate

GALA numbers not included in this budget report.

Total revenue less than planned bec. Of Common core deferral

Had budgeted certificated position—was actually classified, during overall variance.

Going over—other classified salaries, hourly staff. Forecast high end to be conservative to protect selves from any surprises. Had overages though.

Benefits—savings in retirement assumptions bec of intl staff, $59,000 savings for year.

Also student supplies coming in at $8500, rather high, have some cushioning. But good area to be over, goes straight to classroom.

Operating expenses $203,000 savings to this year’s’ budget but were put into predevelopment cost for facility. Built into budget and have taken out what we know we will not be sending this year.

FRANK: are you earmarking all predevelopment?

EXED: Yes they are a different line item.

FRANK: We should run against budget numbers, high/low end. Let’s see where we are.

EXED: let’s make general ledge of work in progress, by vendor and you can see categories

FRANK: any chance we can grab donated hours on monthly basis? Parents who have put in time with various committees?

Keep time record.

ELKE: we have GPA keeping volunteer logs. We have seen volunteer track system that we would like with new facility.

SEAN: if we can do that, ….

ELKE: I am sure GPA will help us

EXED: Total end result net income $160K higher than planned

Reshifting of predevelopment costs.

Any questions?

Cash: end Feb $580K, forecasting lower number for end of year cash balance deposit on facility, went up $100K higher than planned.

Have that in other assets, went up from $201K to $302K.

SEAN: can you put cash analysis together for next meeting?

EXED: shifted from buyback with govt, June deferral has come in early July, EPA also first week July.

SEAN: would be nice to know what following year looks like, hard asks on cash in fall, what does spring look like? We will add kids, burn cash to do that.

EXED: if Governor’s proposal is adopted, no deferrals next year we can hope that happens but should plan it will not.

FRANK: is fiscal year same calendar?

EXED: yes we follow state budget July-June. Some revision items from Fed follows the next quarter.

Liabilities: total debt had $400K end of Jan, 0 in Feb, we have fully pad back our Debt, revolving loan. Also total common core being deferred, waiting for formal plan, requires two BOT meetings one to discuss, one to approve.

Last page: check register for Feb,

ELKE: if there is room for changes later for expenditure plan?

SEAN: if you amend you have to vote again

ELKE: two options to vote on tonight, feedback is that we should vote tonight.

EXED hard to come back and revise.

FRANK would it be line item move?

EXED: plan is how much to PD, technology, integrating to CC requirement? You are not approving detailed vendor list, if not final you may continue discussion. You have to allocate amounts and explain how it will meet needs.

ELKE: what if we want to approve?

EXED: if you want to access funds now then it would be good to approve, make sure purchases done by June 30th.

ELKE Sean?  
FRANK: functionally correct

SEAN; good if we wait

EXED: we have seen in other schools, important to start PD for teachers this year, see how it impacts testing vs doing it in year when it will be implemented.

SEAN: testing not going well, system not functioning (iPads testing)

EXED: you know challenges and can call other schools to prepare.

(JOHN MORA joins meeting)

ELKE: Questions?

SEAN: did not recognize name on check register> Schamp  
ERIKA: She was our part time art teacher

EXED: I want to touch base on ELSAP (local control accountability plan) to show you are using additional funds correctly

JOHN: I can convey what Gwenis told me about where we are,

EXED has hard deadline of June 30, involves community involvement and record keeping

JOHN: If I recall correctly it is part of WASC.

ELKE: yes and we are still working on single plan for WASC. It will be on May agenda

EXED: if she can give us milestones timeline, that would be great, if there is any request for support we can guide her and let her know what schools are doing. It is your own, your students and needs are your own, but in terms of meeting deadlines and milestones we can guide her.

We are asking all schools to let us know their timing.

FRANK: I am ready to motion acceptance of Feb 14 financials

SEAN: second.

All in favor.

B. Approval of Hosaka, Rotherham & Co Auditors

ELKE: Exec committee met and came to conclusion that we are not yet prepared to fully examine changing auditors, so would recommend using Hosaka again.

Not good time to engage different company because of all that is going on, we have a ? people out there, but we do recommend to BOT that we do not yet.

SEAN: my concern is, I have used them before, they are good, but I haven’t seen contract, as matter of course it would be nice to visit on that before we vote. I have done business with 4 auditors and I will tell you we are leaving $ on table if we are not doing a multi year agreement.   
ERIKA what is time frame? We need to engage them soon it appears.

ELKE: How about we engage them next year when we move facility?

SEAN if we ask, I would ask for 3 year scope of work.

They have partners in these firms.

JOHN: I don’t want to leave $ on table but I would say engage them one more year and then change next year for long germ

EXED: Sean makes great points, but I would hate if we get locked into 4 year with Hosaka if we have better priced options.

SEAN: we used to use them, they tell you what price is going to be for 3 years, exercise options.

I don’t mind if we re-up as long as no escalation of fees .

Let’s year, as John said, look at 3 year deal.

JOH: when should we do this?

EXED:

JOHN so we are kind of locked in in? Can you remind us?

C. Approval of Gaines & Stacey LLP Contract of Services and execution of retainer in amount of $15,000.

SEAN: I move to approve

JOHN seconds it.

All in favor.

SEAN: Can I make motion to discuss D and E together?

SEAN: can I discuss alternative strategy?

ELK: this should go into development but it is time sensitive? If we don’t get approved, I would like BOT meeting next Tuesday and do research for next week.

SEAN: I was going to suggest both ways, we are exercising due diligence, it is time intensive process, maybe we could couple these together, Michael is trusted agent, can we manage them under one contract?

ELKE: we did entertain that with Stacey but they need to be dealt with separately, bec their costs exceeds $10K we have to vote.

SEAN: what is coming..

ELK: C is stand alone, we need to approve , EXED cannot issue checks w/o contract.

SEAN: when we get into phase where we have subcontractors, do we have to approve each?

EXED: Not, you engage the GC and they bill subs.

ELKE: urgent next step is traffic study. Item D is urgent and does not exceed $10K. Michael has suggested he can do that and we can have him do that.

ERIKA: I obviously read all before the meeting, if we have project manager in place, will they be handling these types of things?

ELKE: some we might run through Michael.

JOHN: I think scope of work for PM, all will run through PM. Are you talking about approval process?

ERIKA: I am wondering who is kind of steering ship as we are approving?

ELKE Michael.

MUCHAL: in the case of Stacy, they were part of my team and I was awarded contract in December but bec of their lawyer requirements that cannot run all through me, they said they need separate agreement. Even though they take direction from me, they need direct client relationship.

ERIKA: I feel comfortable with that now.

JOHN: I wish we had known this before.

Part of argument for selecting Michael and team, had we known this, it would have been good to know about how to proceed down the line. Just contractually. All will work together, would have been nice to know.

Contract question if this goes to trial. This seems too standard. For ? rather than consulting. Scope of services.

FRANK: I sent this to Paul, he had no reservations, he had only minor changes,

JOHN this should be done line by line

Who read?

FRANK Paul Rayburn.

SEAN: we have internal counsel on our payroll, I have them read all, if we should pay for mileage we will pay at govt rate, and do our own photocopying, but those things could end up being 5000 items all told.

JOHN: we are not covering $15K and if there are issues we can address

FRANK: all contacts will go to Paul for first review, and he has done good job.

MICHAEL: I am meeting with Fred, I am driving to his office, I always try to go to him. If I can’t we talk on phone.

JOHN: I notice we only have 10 days to question anything, I asked Gwenis can we review, did not get definitive answer. So money will be taken out of retainer on 30 day cycle

When we have PM, that work will be overseen, that is quick turnaround for project where we have fingers in all.

SEAN good point I think 30 days is more standard business practice.

JOHN: 10 days is doable but…

MICHAEL: I would help if he cc’es me, I can tell Biggi I have reviewed.

SEAN: at end of day whoever can oversee is good.

FRANK: motion to accept Stacey with stated changes

SEAN I would like to see stated changes

ERIKA then we need to spell out what we are voting on

FRANK: the contract has been reviewed, these are minor changes

Otherwise we have to go back and review and it is a unilateral contact that has to be approved again. I would not endorse changes at this point.

SEAN: but it is binding

FRANK: Calling vote  
Sean no, John yes, Katja yes, Elke yes, Erika yes

SEAN: so will we pursue those items we talked about or are we done?

ELKE and FRANK we are done

E. Approval to amend MJinenez Consulting LLC Contract to engage Traffic Consultant based on Phase I not to exceed $60,000.

Proposing two step process.

MICHAEL: we talked about importance of doing traffic study.

Remains big issue, should be first step, before doing traffic analysis, required. We don’t want to do unless we are sure we have a project that is possible from technical and also political standpoint. First question we will be asked by city officials is what kind of traffic impact are you talking about?

This is to engage consultant to generate parking requires data and Trip generation data. Put that against baseline, significant impact unless mitigated. Issue is that under CA Environmental Quality Act, if project cannot be mitigated we have to do Environmental Impact report We do not have time or resources to do that, it opens up project to scrutiny, our goal is to get mitigated declaration, saying we will comply with measures to mitigate impact.

We want to start process right away, we need to come up with best plan. But don’t take the expenditure until we are certain we have a project we can move forward with.

I suggest we do all studies up ?? 60 K for traffic study.

FRANK what is time frame?

MICHAEL I need trip generation and parking study no later than 20th of this month, otherwise I cannot …

Traffic study is car count, and how do you circulate to minimize backups/delays, what measures do you impose to minimize like carpooling, walking to school, staggering hours. How do they change that factor.?

Typically traffic study from 10-16 weeks, including front end, study and review. Without that the Planning dept cannot issue report so we need to start as soon as possible.

FRANK: is it time to form opinion?

I would strongly encourage BOT to move fwd as he has outlined. I don’t want to lose our deposit. When is best case scenario to complete?

MICHAEL: sometime in June

FRANK and in next four weeks you will better understand?

MICHAEL: two weeks to generate numbers, a few days to qrab into report, then send out

JOHN actual study, done while school is not in session?

MICHAEL no observations that we need will be done on front end.

JOHN Green Dot starts in Sept, was thinking of WNS, [Westside Neighborhood School] a block away. And actual study to be done by Humenas, starts when?

MICHAEL: as soon as we hear back from city official, we want to begin

JOHN Is trigger for study is after you submit CUP?

MICHAEL yes but we are essentially already pregnant.

Normally you would not start this time, but bec of your station

FRANK: big contact, 60K, can you give us 3 names? Any preference?

MICHAEL: I am suggesting that I come back with recommended consultant and you say yay or nay.

JOHN but you could subcontract to traffic consulate

EXED: yes correct

FRANK please bear in mind, is this under your liability?

MICHAEL: yes

FRANK So you can sign

MICHAEL: I know whom I will select for initial work, in all likelihood I will want to recommend same company to do traffic study for lots of reasons, certain continuity.

FRANK I would suggest that we approve prelim for you, then table item E and approve D.

JOHN that sounds great but I am confused.

Are we going to make a practice of approving Michael’s subcontractors? I thought we were not doing that. I prefer not to have to compare tidbits.

FRANK: true.

JOHN I think we can move forward allocating this amount, I am comfortable doing that, stating here is $60K, go get it done.

What are time implications?

ELKE: we will probably meet next Tuesday.

MICHAEL: I will not be ready by then with trip generation data.

MICHAEL my recommendation is not to exceed $60K. Traffic study probably will be south of $45 K, I am not sure of cost of doing traffic counts. Could be higher. Have to factor in time to meet with DOT. If they have to appear at hearing at will be extra, or meet with DOT more than twice to finalize approval of study.

JOHN: so you will have prelim data, how many people will you be running this by? how much feedback getting?

MICHAEL I am not sure exactly whom we meet with, will be council office.

JOHN are you going to be hiring others?  
MICHAEL: If possible would like to do smaller analysis through other contract, like air quality noise, run those both by (sequa contract)

SEAN: I would like to motion that we approve 4. D>

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Seconded and all in favor.

[Discuss out of order items with EXED so they can leave.]

ELKE is under impression that we can amend this item.

EXED: the documentation that she \_\_ with teachers and it shows in her recommendation , how it …?

ELKE: Gwenis is recommending PD (professional development) $2400, instructional materials $56 K, Sean concerned technology was maybe too high?

SEAN: Mac pros laptops very high end, more than $1000, would be good if all kids as baseline can use them. When you start scaling up school looking long term, not sustainable unless you get grants.

Also, in terms of usability, teaching and learning, you can pick up used mac to school, for $300, with year warranty, we purchased 500 this year and had a problem with one.

FRANK: I have had 5 macbook pros that started at $3000. I use for work, we don’t need high high end. If we get scalable technology, I am all in favor.

ELKE: so we don’t need to approve tonight.

EXED: I would recommend total IT expense…when do you plan into move into new facility?

ERIKA August 17, 2015

EXED investing in items you will not take with you, not good use.

ELKE so get PD into place and do technology for next year?

FRANK so $63K , do we need to spend by next fiscal?

EXED by June 2015

FRANK by then we know, can we put in big buckets, PD and IT?

EXED I think $63 K not enough to implement common core. The fewer items you have to explain..

SEAN I agree, let’s centralize and create one great computer lab.

EXED I would eliminate lower amounts,

ELKE Sean can you work on that?

SEAN I am happy to work with Gwenis on that

EXED If you can break down into spending on years one and two we can unrestrict $ for this year and roll over for next. How will this help with testing? I see this as more with instruction. Common core from state is about ensuring you can do testing.

JOHN: I thought you were prohibited from using money for instruction?

EXED this is for PD how to deliver instruction, also has time limit to support students in time allowed.

SEAN we have to figure out how to put laptop into all staff members ‘ hands.

FRANK so we will table and be less specific.

FRANK When is budget planning meeting? (we need to plan growth model)

Scaling plan, adopted here, needs to come into budget. We need from EXED unaudited financials for 2013-14, to go for bond financing. I need prelim. For this year and then create prediction for next year. We need to bundle, for bond financing, until capital campaign.

EXED What kind of bond?

SEAN: preferably rated bond, 30 years.

FRANK we have cash flow crisis for next year, We need to get bond financing to get us ready before Capital Campaign.

We need grace period no interest, to scale up and get capacity there to overcome cash flow.

SEAN: by time Bond goes for same, we need interim

EXED what are timelines for bond? We need to create projections?

ELKE after WASC , we had follow up with Biggi and Betty to start budget.

FRANK; we have two plans, 1 and 2, different with 25 students.

Other critical piece, the staffing drives 60 % of our costs. That drives our data. We need you to run 5 year plan budget numbers. We need to meet with Gwenis and the Browns.

EXED for bond, can you give us timelines? Do we have to submit quarterly financials?  
SEAN: Depends. It is big package, company is ..we will take to charter school capital, others.

ELKE: one of our WASC leaders they just got bond, are same size.

FRANK operating costs $6 Million.

IV. F. Approval for Executive Director to Engage Project Manager Not to Exceed $50,000.   
Project manger

ELKE: This week we met with design company who specialize with charter schools, to get idea of what to do. One they can help with predevelopment. TFO [architectural firm] says there are a lot here, this is the best one. I am sure you can get us help.

Other option is to hire one person, separate from predev.

SEAN I think it comes own to cost, I feel like if we have to do bond which is feasible. Service our debt, run leanly.

I know that these guys tend to want to go in and do tier plan. I think it comes down to cost.

If money was no object, it would free us up, but I think it is a luxury. If someone says, why did you not? If it is cost prohibitive…we have ? projects going on,..

When you look at space like that, thee is a lot you can save, a lot you can do from beginning.

ELKE what about risk?

SEAN: We [his company] did a $10 Million capital campaign.

Part of where you can save $ is not just in not spending but in securing donations of materials, supplies, and there are many readily available donations. But when you go with a group like this, they tend to go with group vendors, some of the savings routes not taken. I think many of the strengths of our community…there are many places we can save money. If you take that off table you may lose affordability piece.

ELKE my concern is timeline

We now have attorney, traffic person, we will start bidding, who will oversee?

SEAN: I think where ? is going, you either have one or small group or you have PM who deals with nuts and bolts.

I would say the PM would handle much day to day.

MICHAEL are we doing schematic design ?

You need someone to watch that process.

FRANK I am leaning towards conclusion that we need PM for predev phase. Is there any overlap if we go with design built?

MICHAEL yes. I would say, that makes most sense, most cost effective if person begins early in the process, and you are designing something that person can make money off of, meaning design will be changing over time based on your needs, it will be less and less attractive.

FRANK: Our bottleneck is regulatory process. Would it be prudent to engage someone like Michael?

MICHAEL I have some whom I would be comfortable to recommend.

JOHN: who is in charge of putting this out?

It bugs the hell out of me. There must be accountability,

ELKE I am willing to put up more money.

FRANK: we should see what Michael can do

MIACHEL and we should have someone recommend TFO

ELKE They do predev, so they said it would be better for them to be there now.

Sean, please put out job description, we will look at them and then decide later.

ERIKA so we are talking but we put out RFP to engage?

JOHN but we could vote as stated

SEAN But who will oversee this?

SEAN But talk about bottleneck, and I have great faith in Gwenis, if you put someone who has never done a building project in charge of hiring the person overseeing that, that is a big job.

ELKE would you like to see that?

JOHN yes, it is written this way.

ERIKA but question [on item number of agenda] is to not exceed amount?

ELKE let’s put out RFPs and then talk about it

JOHN I thought it would be someone who has some kind of skin in the game.

ERIKA I went in front of people because there has to be accountability

ELKE question is will we go with one company or one person?

JOHN can his person be a school employee?

SEAN can be but shouldn’t be for liability

ELKE we can post it.

FRANK We come back next week to decide

ELKE what is timeline to get bids in?

SEAN Two weeks.

ITEM G and H tabled until Gwenis can attend and discuss

V.

A. PROP 39 –no response yet

Material revision—all in to charter division but no answer yet

Diversity plan being prepared, suggest that further visits be included

ED evaluation—suggest using same forms

E.