EMPIRE SPRINGS CHARTER SCHOOL BOARD OF TRUSTEES

43466 BUSINESS PARK DRIVE • TEMECULA, CA 92590

REGULAR MEETING
MINUTES

April 11, 2013
2:00 – 3:00p.m.
43448 Business Park Drive / Temecula, CA 92590
Teleconference: (218) 844-3366 / Code: 041113#

I. PRELIMINARY

1. **Call to Order**: Board President, Ms. Mammoth, called the meeting to order at 2:02p.m.

PRESENT:

Robin Mammoth, Board President *(c.c.)* Marlene Darrow, Board Secretary *(c.c.)* Tracey Vela, Board Trustee *(c.c.)* Heidi Chan, Board Trustee *(c.c.)* Linda Rhoads Parks, Legal Counsel *(c.c.)*	Kathleen Hermsmeyer, Executive Director *(c.c.)* Kyla Shofner, Executive Assistant/Board Secretary *(c.c.)* Amy Podratz, Sr. Director of Business & Admin Operations *(c.c.)*

2. *Action*: **Approval of Agenda**
   a. **Ms. Darrow moved to approve the agenda.**
   b. **Ms. Chan seconded.**
   c. Discussion: None
   d. **4 AYES (Darrow, Chan, Mammoth, Vela); 0 NOES; 0 ABSENT. Motion adopted.**

II. BUSINESS

3. *Action*: **Approval of Meeting Minutes – February 27, 2013**
   a. **Ms. Vela moved to approve the February 27, 2013 meeting minutes.**
   b. **Ms. Darrow seconded.**
   c. Discussion: None
   d. **4 AYES (Vela, Darrow, Chan, Mammoth); 0 NOES; 0 ABSENT. Motion adopted.**

4. *Action*: **Approval of Meeting Minutes – March 20, 2013**
   e. **Ms. Chan moved to approve the March 20, 2013 meeting minutes.**
   f. **Ms. Vela seconded.**
   g. Discussion: None
   h. **4 AYES (Chan, Vela, Darrow, Mammoth); 0 NOES; 0 ABSENT. Motion adopted.**

5. *Action:* **Approval of Bylaws**
   a. **Ms. Vela moved to approve the bylaws.**
   b. **Ms. Darrow seconded.**
   c. Discussion:
      i. Ms. Darrow: Can we consider amending Article VII, Section 4 (page 4) to allow for 49% interested parties?

ii. The board all agreed to do this.

iii. Ms. Darrow: Can you clarify the names of the charters and Sole Statutory Member?

iv. Ms. Shofner: There are three charter schools (which are also non-profit 501c3 corporations):

1. River Springs Charter School
2. Empire Springs Charter School
3. Harbor Springs Charter School

v. Ms. Shofner: The sole statutory member is called Springs Charter Schools, Inc. and, in essence, will be our "mothership" or "umbrella organization," serving to unite the three charters under one umbrella.

vi. Ms. Shofner: Finally, we have established two additional foundations – both with separate purposes:

1. Brain Springs Foundation will sell intellectual property created by the Springs Charter Schools employees.
2. Summit Springs Educational Foundation will raise funds to support the Springs Charter Schools network of charters.

vii. Ms. Chan: Do we have to mention the names of the foundations in our bylaws?

viii. Ms. Parks: You will not mention the foundation names in your bylaws, but the foundations will mention the charters in their bylaws. The foundations' bylaws will state their purpose as supporting the schools affiliated with Springs Charter Schools, Inc. Summit and Brain Springs are completely separate entities from the charters.

ix. Ms. Mammoth: The purpose of Springs Charter Schools is to serve as the umbrella?

x. Dr. Hermsmeyer: Yes; the goal of forming the sole statutory member is to keep our charters as a unified coalition, moving in the same direction with a shared mission/vision.

xi. Ms. Parks (in response to a question from Ms. Darrow): Only Empire and Harbor have the sole statutory member bylaws, not River Springs.

xii. Dr. Hermsmeyer: When we renew our River Springs charter in five years, we will put this same sole statutory member structure in place and seek approval from the RCOE on that structure. It is more likely that the newer charters would break off anyways – not River. This is actually a fairly common charter school structure. Even Governor Jerry Brown had this structure in place for the charters he started.

xiii. Ms. Chan: Is the Sole Statutory board an actual "member" of the Empire Springs Board?

xiv. Ms. Parks: No; the sole statutory member is an actual corporation although this is a very confusing term. In this case, the only member is Springs Charter Schools, Inc. which will appoint and remove the board member and make edits to the bylaws as specified in Article XVII (page 12 of the bylaws).

xv. Ms. Parks (in response to a question from Ms. Chan): Empire Springs will not be an independent board; they will have a member with significant powers as outlined in the bylaws.

xvi. Dr. Hermsmeyer: The Empire Springs board will not have to focus on the political side, i.e., keeping the board filled with qualified candidates. The Empire Springs board will be able to focus on the governance duties (fiscal solvency and student achievement). We've had some difficulty keeping our boards full in the past, and this sole statutory member structure will help ensure we can keep our boards full – moving and developing in a unified way.

xvii. Ms. Podratz: This board will still be approving budgets.

xviii. Dr. Hermsmeyer:... and evaluating me

xix. Ms. Parks: This structure ties our three charters together.

xx. Ms. Chan: As a board member, my main goal is to ensure that the charter is a successful document. I am not 100% clear on the sole statutory member setup; I haven't had the time to ensure that all the articles in the bylaws are consistent with ensuring the success of the charter.

xxi. Ms. Mammoth: In regards to Article XVI (Required Reports) – Is this in River Springs' bylaws?

xxii. Ms. Parks: This is not adding an additional report; this is the annual audit we do each year.

d. **Ms. Darrow moved to approve the bylaws with the following change: amendment to Article VII, Section 4 (page 4) to allow for 49% interested persons.**
e. **Ms. Vela seconded.**
f. **4 AYES (Darrow, Vela, Chan, Mammoth); 0 NOES; 0 ABSENT. Motion adopted.**

6. *Action:* **Approval of Final Petition Budget**
   a. **Ms. Darrow moved to approve the final petition budget.**
   b. **Ms. Vela seconded.**
   c. Discussion:
      i. Ms. Chan: May I have clarification of "other local revenues" in the amount of $370k; where are those funds from?
      ii. Ms. Podratz: This is the grant that goes to new charter schools. We are assuming that the State-funded new charter implementation grant will happen.
      iii. Ms. Chan: So if we don't get that funding, we will be in the red?
      iv. Ms. Podratz: That is correct; we will be tracking this carefully. We will need to adjust hiring and needs based on the money we have coming in. We will not be operating in the red.
      v. Ms. Darrow: What is our projected enrollment?
      vi. Ms. Podratz: Our current projection (with San Bernardino Homeschool and the Hemet programs) is an enrollment of 852 for year one (ADA = 811). I believe this is a very conservative enrollment projection. I think when the word gets out about our program, our enrollment will increase dramatically.
      vii. Ms. Darrow: What is the oversight fee we're paying to our sponsor?
      viii. Ms. Podratz: 1% of the State aid + $45,000 to pay for a district liaison
      ix. Dr. Hermsmeyer: I visited the Helendale Board of Trustees as their board meeting last night. They are very excited about sponsoring our charter.
      x. Ms. Chan: How much is that oversight fee? 1% of the $3,674,813 + $45k?
      xi. Ms. Podratz: Correct.
   d. **4 AYES (Darrow, Vela, Chan, Mammoth); 0 NOES; 0 ABSENT. Motion adopted.**

7. *Action:* **Approval of (Final) Charter Petition**
   a. **Ms. Darrow moved to approve the (final) charter petition.**
   b. **Ms. Chan seconded.**
   c. Discussion:
      i. Ms. Chan: In any of these documents, can we go back and make revisions if we notice something we didn't see initially?
      ii. Dr. Hermsmeyer: This document still needs the approval of the Helendale Board of Trustees and their legal counsel. It is highly unlikely this document will be approved by their board as is. That means we have some time to make additional revisions on our end.
      iii. Ms. Parks: Also, any changes made will come back before this board.

iv. Ms. Chan: Regarding Section II. (Educational Program Description) – Is that typical to have two Governing Laws noted?
v. Ms. Shofner: Yes; the Governing Laws indicated throughout the charter are a standard inclusion for all new charter petitions. The language comes directly from the legal opinions of Young, Minney & Corr, LLP who have extensive experience in drafting charter petitions and in ensuring those petitions conform with current laws.

d. 4 AYES (Darrow, Chan, Mammoth, Vela); 0 NOES; 0 ABSENT. Motion adopted.

8. *Action:* **Approval of (Final) MOU with Helendale School District**

a. Ms. Vela moved to approve the (final) MOU with Helendale School District.
b. Ms. Chan seconded.
c. Discussion:
i. Ms. Parks (in response to a question from Ms. Darrow): As you requested, we added an arbitration clause clearly defining that we will go to mediation and arbitration.
ii. Ms. Darrow: I just want to make sure we go to mediation first (over arbitration).
iii. Ms. Parks: That is implied in this added clause.
d. 4 AYES (Vela, Chan, Darrow, Mammoth); 0 NOES; 0 ABSENT. Motion adopted.

9. *Action:* **Ratification of Final MOU with River Springs Charter School**

a. Ms. Chan moved to ratify the final MOU with River Springs Charter School.
b. Ms. Darrow seconded.
c. Discussion:
i. Ms. Chan: Does the board feel that we are being clear enough in terms of delineating which budgets are being paid from what (Section III, Subsections A.1. and A.2)?
ii. Ms. Podratz: I will rewrite this section to make it more clear.
d. Ms. Darrow moved to approve the MOU with River Springs Charter School with the following amendments:
i. Section III. A. 1. to state, "These services are calculated at 6.0% of the Empire Springs unrestricted operating budget. Empire Springs will owe this amount to River Springs."
ii. Section III. A. 2. to state, "These services are calculated at 1.0% of the River Springs unrestricted operating budget. River Springs will owe this amount to Empire Springs."
e. Ms. Chan seconded.
f. 4 AYES (Darrow, Chan, Mammoth, Vela); 0 NOES; 0 ABSENT. Motion adopted.

10.*Action:* **Approval of Certificate to Amend Articles of Incorporation**

g. Ms. Chan moved to approve the certificate to amend the Articles of Incorporation.
h. Ms. Vela seconded.
i. Discussion:
i. Ms. Parks: We are amending the articles to identify the sole statutory member.
j. 4 AYES (Chan, Vela, Darrow, Mammoth); 0 NOES; 0 ABSENT. Motion adopted.

11. **There being no further business, it was moved by Ms. Darrow and seconded by Ms. Chan that this meeting be adjourned at 2:50pm.**

Marlene Darrow, Board Secretary

5/24/13
Date

In compliance with the Americans with Disabilities Act (AB3035; CH 300, Statutes of 2000), if you need special assistance, disability-related modifications or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the governing board, please contact the Administrative Office at (951) 252-8891. Notification by noon on Monday prior to the board meeting (48 hours) will enable the school to make reasonable arrangements to assure accessibility to this meeting. Upon request, the school shall also make available this agenda and all other public records associated with this meeting in appropriate alternative formats for persons with a disability.

EMPIRE Springs CHARTER SCHOOL