

## Regular Meeting Minutes

August 24, 2011  
10:00 AM

Clark Hill Law Offices  
151 S. Old Woodward Ave., Suite 200  
Birmingham, MI 48009

If unable to attend in person, please participate via conference call at  
**(888) 824-5783 x 30178241#**

Some business reports will be given by using the following link:

<https://sas.illuminate.com/m.jnlp?sid=559&password=M.866E8C465F9FD55A673A18DD996A07>

1. *Call to Order*

President Marlow called the meeting to order at 10: 31AM

President Marlow requested that Director Mary Tolle fill the role of interim recording secretary for this meeting due to the absence of recording secretary, Christina Taylor.

2. *Oath of Office*

President Marlow said this was not necessary for Director Bender as had been stated on the agenda for the August meeting, because Director Bender had taken his 3-year oath of office, not an exigent oath, at the July 13<sup>th</sup> meeting. Director Odum was not present.

3. *Roll Call*

**Present:** Director Marlow, Director Bender, Director Tolle, Director Pye, IV.

**Also Present:** Stephanie Hargens and Susan Brown (MVCA), Jim Dekorne (GVSU).

Kelly Gnepper and Leslie Schott (K12) via conference call, Joe Urban and Sarah Geddes (Clark Hill) who came in for their reports.

**Absent:** Director Odum and Director Taylor, GVSU-approved Board nominee Marva Foster

**Member of the Public:** Chaz Musey, a representative of Falcon Research, Clearwater,FL.

4. *Approval of Agenda*

**Motion** by Director Pye to approve the agenda as amended

**Seconded** by Director Bender

**Approved:** unanimously

5. *Approval of Minutes*

**Motion** by Director Pye to approve minutes of the July 13, 2011, meeting as amended.

**Seconded** by Director Bender

**Approved:** unanimously

**Motion** by Director Pye to approve minutes of the July 27, 2011, meeting.

**Seconded** by Director Bender

**Approved:** unanimously

6. *Public Comment (limited to agenda items)*

None

7. *Business Pertaining to Student Performance*

- a. Stephanie Hargens reported on the three meetings that are being held virtually for the School Improvement Plan. She requested that the Board of Directors give Director Bender the authority to approve the final plan since he is the Board representative to the SIP committee. This is being requested in the interest of expediency, since the goals must be turned into the MDE by September 1<sup>st</sup>. Director Bender said that he wanted the Board to have the opportunity to view, make comments and ask Stephanie questions about the final draft. The Board agreed on the following plan: 1) members will review the draft plan (minus "Goals") sent

in the packet, 2) Stephanie will send the "Goals" section when compiled for member review, 3) any Board member who has a question or comment for Stephanie, will email it to her and copy all other Board members to avoid duplication; this will strictly be a transfer of information email, 4) unless he hears otherwise from President Marlow re: Board satisfaction of the SIP, Julius Bender will approve the SIP.

**Motion** by Director Tolle that Director Bender be given authority to approve the SIP on behalf of the Board after any questions from the Board have been satisfied.

**Seconded** by Director Pye

**Approved:** unanimously

b. *Statistics for OHVA graduation rate of former drop-out students*

Stephanie Hargens reported on the OHVA high school goals and how they positively impacted their former drop-out student population. She believes MVCA can take that school's experience and use it to positively impact MVCA's Passport students.

c. *Passport Program students enrollment information*

Stephanie Hargens reported that there are currently 30 Passport students and 140 more are going through the approval process.

d. *Update on future Student Promotion/Retention Policy*

Board Attorney, Joe Urban, and Sarah Geddes, an attorney who specializes in the special needs of charter schools, came into the meeting to discuss suggestions Ms. Geddes had made to a draft of a Promotion and Retention Policy. Board attorney Joe Urban is suggesting this policy due to a parent request for a waiver of failed courses after withdrawing their student. Ms. Geddes explained her suggestions and edits to the draft policy. There was a consensus among the Board members that they would like more time to completely review the policy with the attorney's suggestions. Joe Urban stated that this would not pose a problem with the current situation because it is at this point a matter of MI law.

**Motion to approve tabled** by President Marlow until September meeting.

e. *Annual Education Report*

Stephanie Hargens reported on the AER; there is a link to the data on the MVCA website and it has been sent out to the parents via the school's kmail.

8. *Business Pertaining to Organizational Performance*

a. *Motion to approve Waiver for Conflict of Interest*

Joe Urban explained that some Clark Hill attorneys work for MVCA and others are representing Wayne State University on an issue completely unrelated to the Detroit Learning Center property. WSU is also signing a waiver for conflict of interest.

**Motion** by Director Bender to approve Waiver for Conflict of Interest for Clark Hill

**Seconded** by Director Pye

**Approved:** unanimously

b. *Update report on Letter of Intent for Detroit Learning Center*

Joe Urban reported that he has written the Letter of Intent based on the information provided to him by K12's broker, JD Champine. He was waiting for the waiver for conflict of interest to be approved and signed before submitting it.

c. *Motion to approve June Invoices*

Susan Brown explained that the reason for the adjustment in the management and technology fees for \$3,485.39 was due to an adjustment of MVCA's total revenue at the end of the school's fiscal year.

**Motion** by Director Bender to approve the June invoices

**Seconded** by Director Pye

**Approved:** unanimously

d. *Motion to approve June balance sheets*

The sheets are not yet audited or final. Jim Dekorne stated that the GVSU rebate for Board participation in training sessions must be solely used for affecting students and therefore must flow directly to the students and not go to the management company, i.e., it cannot be used to change the revenue status for the management company's fees. In addition, the monies are given in August and should be reflected on the financial books of the next school year. Kelly Gnepper requested that he send her the GVSU documents pertaining to all this information so that she can look at it and make sure that the auditors have a copy for their records. These changes will be reflected on the Board financial documents in September.

**Motion** by Director Bender to approve the un-audited June balance sheet as presented by K12.

**Seconded** by Director Pye

**Approved:** unanimously

e. *Motion to approve 4th Quarter financial statement*

Kelly Gnepper reported on the 4th Quarter financial statement which is currently pending an audit report. She reiterated that the GVSU Board training grant will be taken out of the statement and posted to the 2011-12 school year. But, even with those monies being removed, the internal audit shows that MVCA did better fiscally than anticipated during its initial school year. President Marlow asks that the variables be shown in the future on all quarterly reports; Kelly agreed and will also forward the variables for this financial statement.

**Motion** by Director Pye to approve the un-audited 4th Quarter Financials as presented by K12.

**Seconded** by Director Bender

**Approved:** unanimously

f. *Grant update report*

Susan Brown shared the federal report on how the funds in the 2010-11 Charter School Planning and Implementation Grant (\$305,000) are being used. This grant expires in October, 2011. She also shared a letter from the MDE dated 8/12/11 which stated that MVCA has been awarded a second Charter School Planning and Implementation Grant for the 2011-12 school year, ending October, 2012. She requested that the Board vote to accept the 2011-12 grant.

**Motion** by Director Pye to accept the 2011-12 grant.

**Seconded** by Director Bender

**Approved:** unanimously

g. *Plan and Explore*

Susan Brown handed out proposal elements submitted by consultant, Kirsten Brown, for implementing the Plan and Explore program, designed to help students with college/career exploration and career pathways testing. \$50,000 has been budgeted this. This is considered a service and is not subject to competitive bidding requirements.

**Motion** by Director Bender to allow MCVA to proceed with the proposal of Kirsten Brown and stipulate that the cost is not to exceed \$50,000 for the entire program.

**Seconded** by Director Pye

**Approved:** unanimously

h. *Motion to approve technology and furniture quotes*

Susan Brown reported on 1 invoice for school technology (Smart Boards and supporting equipment - \$9,453.73) and 5 proposals for additional school technology (totaling \$49,488.90). This technology is being purchased using money in the Charter School Planning and Implementation Grant for 2010-11 school year (expires Oct. 2011). Susan reported that she chose to use REMC for the competitive bidding process and grouped the 5 proposals together, after being told by MDE that going through REMC would satisfy the 3-bid requirement according to state law. Virtual Technologies seemed to her to be the best bid. A discussion ensued concerning the bidding process which she followed and the Board's requirement in their Financial Policies for the need for 3 quotes on items costing \$10,000 or more and 3 competitive bids on items costing \$20,000 or more. Director Bender expressed a desire that at least two more public bids be obtained from MI-based companies. Director Pye expressed a desire that at least one of those bids be from a minority business. Susan stated that she will be taking all of the final information on the competitive bidding process

which she follows to Ron Schneider at the MDE and ask him to verify that proper procedures were followed according to MI law.

Susan Brown also showed the Board a first bid on furniture from Kentwood for informational purposes.

The Board agreed to review the Board's financial policy at the September meeting and to have a discussion in the future re: using REMC as a means of obtaining the required 3 competitive bids.

**Motion** by Director Pye to approve the invoice of item #1 on the list of equipment (Invoice 71461) and that the remaining items (Proposals 19255, 19163, 19301, 19216,19214) be grouped and publicly bidded.

**Seconded** by Director Bender

**Approved** unanimously

i. *Motion to approve 2011-2012 Handbook*

Stephanie Hargens asked the Board members if they had any questions on any of the changes in the school handbook for the 2011-12 school year. She stated that, when approved, the promotion/retention policy will be inserted.

**Motion** by Director Pye to approve the 2011-12 Handbook.

**Seconded** by Director Bender

**Approved:** unanimously

j. *Motion to approve MEAP Testing calendar change*

Stephanie Hargens reported that the dates for MEAP testing have been changed to October 18-20, with make-ups the following week. She asks that the Board approve the change so that the calendar can be updated on the website and in the Annual Meeting Report approved in June.

**Motion** by Director Bender to approve the MEAP Testing calendar change.

**Seconded** by Director Pye

**Approved:** unanimously

9. *Business Pertaining to Board Performance*

a. *Discussion of topic: What kind of Board do we want to be?*

Prior to leaving for another meeting, Jim DeKorne wrote a list of 13 continuum, each of which focused on 2 opposite values; example: consistent -----flexible. He asked that each member, before leaving the meeting today, place him-/herself on each continuum at the point which they feel describes them. Jim said that the Board's discussion re: the kind of Board that members envision and the subsequent Development Plan for this year will be the result of this initial chart. President Marlow agreed to copy down the results after the meeting, send them out to the 3 absent members and bring the finished results to Grand Rapids when the Board meets for training with Brian Carpenter.

b. *Discussion of legislative reviews and plans to ensure compliance*

Joe Urban suggested that Del Chenault, a non-lawyer lobbyist who is employed by Clark Hill to lobby for the interests of charter schools in the MI legislature, would be a good person to ask for monthly legislative reviews. He suggested that these reviews be in the form of a letter and put in the Board packet. The Board agreed that he should be contacted for this purpose.

Jim DeKorne reported that Mike Flanagan, the State Superintendent of Schools, has met with Dr. Wood at GVSU CSO to discuss the format and information which will be required for the state legislative review at the end of 2 years of cyber school existence in MI. They hope to do a trial report after the first year. MVCA will be waiting to hear from GVSU re: what data is needed for the report.

c. *Formulation of Board Development Plan for 2011-2012 school year*

This discussion was deferred until the next meeting because item 9a will need to be distilled and shared first.

10. *Authorizer's comments*

There were no comments due to Jim DeKorne's departure prior to the end of the meeting.

11. *Public Comment (non-agenda items)*

Chaz Musey, a visitor from Falcon Research in Florida expressed praise for our Board. He did request budget information for the 2011-12 school year, which Susan Brown told him is posted on the MVCA website. He also requested current enrollment figures. Stephanie Hargens informed him that K-12, as a publicly-traded company, is under a "blackout period" for enrollment figures so as not to violate SEC rules. He can contact her later in October when this period ends for the figures.

12. *Adjournment*

President Marlow adjourned the meeting at 1:37PM

The undersigned duly qualified and acting Secretary of the Board of Directors of the Michigan Virtual Charter Academy, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on August 24, 2011, the original of which is a part of the Board's minutes and further certifies that a notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, 1976 PA 267, as amended.



~~Recording Secretary~~, Board of Directors  
President

Minutes available at:

Michigan Virtual Charter Academy, 678 Front Avenue NW, Suite 190, Grand Rapids, MI 49504, and on the Michigan Virtual Academy website, [www.K12.com/MVCA](http://www.K12.com/MVCA).