

\*Unofficial Board Minutes - Subject to Board Approval  
11/12/2013

Seacoast Charter School Board of Trustees at the Seacoast Charter School  
Board Members in attendance: : Robert Wise, Stacy Eaton, Steve Liponis, Marc Wood, Kelly Arp, Bill Jordan, Matt Broadhead, Jacki Rice, Jocalyn Beaton, Bill Wood, Rhett Walton (new member)

At 7 PM Chairman of the Board Robert Wise calls the meeting to order.

Rob starts: This is a strict working session for the board. On advice of counsel there is no public session. With that, we're going to look directly to completion of board minutes for the last meeting.

People are asking why there is no public comment. Rob states he will not explain the reasons why. Matt Broadhead says there are a lot of untrue things being spread in the community, and if there is something that's spoken here that is untrue, and they're published in the minutes, that is a very real concern.

Rob does not want to be rude, but he has a strict timeline tonight. He can not address these questions on advice of counsel. Absolutely everything that goes out of here goes through counsel.

Amendment of minutes - paragraph 2 - about how e-mail comes into the board. That is in violation of the bylaws. It was corrected at the October 15th non-public session. We're going to be dealing with personal and confidential info - all e-mails now coming through Stacy who is a member of the executive board. Kylee is the clerk for public session. Minutes are taken by Stacy for non-public session, and they're sealed. Matt motions to change the second paragraph to reflect all communication through e-mail will be directed to Stacy only. (because it is in violation of bylaws) and Stacy will be taking non public session minutes. Things that are day to day operations are forwarded onto Bill. People are under the impression that communication goes to all board members. Someone states that in the bylaws, communication is supposed to go to all board members. Jacki would like to look it over again. Matt states that this is an amendment to change minutes, not the policy. Rob asks the public not make comments because we need to get some work done here. This needs to go through governance first. Amendment is moved and seconded. All in favor. Jacki abstains.

Minutes - third page, first full paragraph - Reap Grant.

Approval of minutes - all in favor. Vote to end discussion. All in favor.

Minutes approved as amended. All in favor.

Rob's report: This has been a difficult month for all of us. The BOT has been engaged in the review of confidential personnel issues, and we are thankful to all for your patience and understanding as we have done this. The process is ongoing and it is not clear when resolution may be expected, but there is work occurring in regard to this on an almost daily basis. At every step this board is following the lead of corporate counsel at least three times weekly -- as an average -- for the past month, and our communications with everyone have been within the strict boundaries of the law. It is my expectation that this course will continue until all the issues are successfully resolved. There have been no problems related to health or safety of any student, faculty member, or staff member identified at any juncture in the ongoing evaluations.

During this month there has been significant progress in our negotiations with the internal revenue service, and it appears that we can expect to enter into a phase where we need not fear that we will be forced into an economically untenable position consequent to the problems that were identified in the spring of this year. More detail will come as this meeting proceeds.

The next several months promise to be very challenging. Additional and unexpected changes may face the adults here as we move forward. We must maintain an objective and analytical tone during this time, and seek to accentuate

the positive. The key objective needs to remain the education of our students in an environment where there is as little discontinuity and interruption as can be achieved, given the unique and difficult variables we have to contend with. The BOT remains absolutely committed to this goal, and will continue to act promptly to achieve this goal.

Rob's report is concluded.

Stacy - correspondence 7:13 PM

Received e-mail - Karen Abromowitz - regarding personnel we can not answer.  
Katherine Eaton - Personnel. Questions about administration - passed on to Bill.  
Kristie Carrigan - Lockdown and pickup and drop off - passed on to Bill.  
Mike Motherway - Non-public meetings and minutes - Matt Broadhead responded directly.  
Gordon Muench - asking for information that we're not able to give. Prompted e-mail that was sent out to parents.  
Parent interested in a position on the board. Passed along to governance.  
Matt Broadhead - letter drafted by Marc and it was circulated to all board members. Specifically about Bill's experience and about what was going on in terms of the transition. It was something that needed to be done, and we need to ratify that statement and approve it. I motion to approve this statement. Jacki seconds. All in favor.

Bill - Interim head of school report - 7:18 PM

We have filled both positions for middle school. Louise Mold - Math Teacher, and Sam Doughty is the Social Studies Teacher. Both candidates did mock class presentations and Bill attended those. He also interviewed them himself. Staff is now full. We are very happy to have them.

Current census - 276. 244 1-8 and 32 Kindergartners.

DOE submitted, verified, and certified. Adequacy payments will flow as they're supposed to. December will be our next payment. All i's have been dotted and t's have been crossed, and he thanks Maria for the hard work.

Safety and Security - locksmith to install locks on the second set of doors at the main entrance. Buzzed in through second set after checking in. We need to be absolutely certain whoever is buzzed through the first set of doors, is verified at the window. Highly recommended by the Police Chief. Thinking about making it a policy - if they don't have business, we would like people to stay in the vestibule to minimize traffic flow, and will make for better security.

New emergency procedure manual in each room. Jen Bova is the chair of the safety and security committee. There are three or four other members and the Chief of Police and Chief of Fire have offered their services as well. Very successful lockdown drill, and they were very, very complimentary. Also had a recent fire drill with Chief Seamen. We evacuated the building in 2 minutes. They were very pleased with that. Traffic flow was as it was supposed to be, and we're expecting another fire drill in the next week or so. Students were not informed. Responsibility of ours is to account for every single person in the building. We're continuing to work on that.

Very recently you would have received two emergency cards. Ongoing process of going through all student files. We need those back as soon as possible. Double sets - one in the office and one copy in the classrooms.

Heath and fitness - school has received \$1000 grant for ASAP. Start moving program - Michelle Obama. Discussed this at a faculty meeting - good response. We're moving forward. We've received \$500, and are expecting another \$500 as the program progresses and we follow it.

Seacoast Charter School is a code green school. All products are environmentally friendly.

Facilities - Swasey Gymnasium is no longer available except for the stage. We've just gotten back after a three week hiatus. Installed new bleachers and new floor and is now not available - that effected drop off and pick up. Changed back to lower pick up and drop off. It's going well.

Final approval from the SAU to divide the downstairs middle school wing. Divide that in half to make two classrooms. One for math and one will be kept as ELA. Awaiting fire departments approval.

Student news - Whole School Meetings did resume last Friday. It went very well. Lots of parents. We will meet in the music room now. We all fit. Fire department checked that out as well to make sure the occupancy could accommodate all students.

Tomorrow, 7th & 8th graders leave for Merrowvista Trip.

We're meeting in Judy's art room today because the book fair is set up in the music room.

Sink WILL BE installed in the elementary wing. Bill's report is concluded.

Matt thanks Bill so much for coming into a difficult situation. Teachers very much appreciate him being here for us, and offering his guidance, help and support.

Marc - IRS - Rob - reading communication from David Barridale - tax attorney. No more than 2 or 3 members on the board that are receiving these e-mails, and the business manager as well. (Matt) The revenue officer said that we are in "currently uncollectible" status due to economic strain. Requested statements. All pages of each bank statement. Financial situation will be reviewed every 2 years to see if we as a school are still in a state of economic hardship. Notice of lien remains in place and there will be no collection as long as the school remains in this status. 10 year period - 2023. Form 990 every year. Equivalent to income tax form for non profit organization. Form 433B.

Matt - getting complete IRS issue - as close to an "inside the park home run" as we can get. Not only are we not being forced to pay anything at this time, but it puts us in a two year period where we are not likely to have to pay for those two years. And this gives us a chance to settle at a much smaller amount. We can pay what we can and try to resolve the claim and we never have to try to bring it up and renew it, or we're back here in two years, and if nothing changes as far as budget goes, we can pay it and we're not financially strapped. It allows us to focus on the kids and keep the doors open. Pleased to have a reasonable officiant working on our case. Very beneficial to us. Next phase is to amend payroll from the previous years. All of the teachers get credit for social security they've paid over the years. Automatically get the credit once it's settled. For every employee. Maria said they'll most likely be doing corrected w2s and w3s for a small fee. (People's Bank) Whichever is cheaper. Barridale or People's. Marc says Rob has covered all bases. Fundraising will be another question.

Jacki asks about form 990. Related to fundraising? Marc says that fundraising is part of our overall budget. Matt - fundraising goes directly back to the students. Does not change our status. It is part of our budget. Nice to have some good news!

Marc's report. 7:30 PM

We can add section to our site with current financials.

October was a light month financially. Two drivers - payroll and benefits. Light on operational expenses. Key topics - updated financial aid line item to equitable aid projections. Push down financial aid by about \$45,000. Overall total cash receipts to \$1.65 million for fiscal year. As enrollment changes, that will be adjusted. That reflects current enrollment. We're on plan for fiscal year. We're at 33 percent YTD. Exactly where we projected we would be. Some hot areas - miscellaneous facilities. Make sure that's paid attention to. Heath Benefits - over plan. Driven by increased participation. 18 members of staff in program. We need to absorb that and we will adjust that into next fiscal year. Student enrollment is driving forecast - equitable aid. Make sure we are actively working with admin to

make sure enrollment is well planned moving forward. As year progresses it becomes more challenging. Donations - \$66,000. Illustrated in May of 2014 period. That has an impact on where we land at the end of the fiscal year. Talk about as a board. Committee needs to put a plan together and address that to the board in the near future. Legal fees forecast. Still plans to pay off line of credit by Q2 - state modified schedule so we won't be able to pay line of credit off in November. May need to dip slightly into line of credit in Nov, (payroll) but will immediately pay it off in December. Projecting that we don't dip into line of credit for the remainder of the year. Align rent to equitable aid then we won't have to dip in. Enrollment is at 276. Marc will meet with Optima to review Nov period. But they're very pleased with overall management. End of school year - balance at the end, would we be using line of credit in summer? Marc says it depends. Final 10 percent - we may need to dip in to make payroll, but when we get equitable aid, we immediately pay it off. Significant change from past practice. Much better position from last year. But again, donations are a key factor.

7:52 Matt's report.

Governance. Number of issues to address.

Issue with agenda making, powers of the chair, and how the agenda is to be managed. Head of school/board authority - where the lines are drawn. Boundaries between the two.

Clerk position - issue is out there - we'll take a look at that.

Hiring policy. - Submitted by Jacki. Will be looked at. Termination/Demotion as well.

Jacki will talk about that with Matt.

Board expansion. Suggested that we might need to expand. We need members of community.

Matt asks if there's anything else that needs to be added. No one replies.

Two community member spots are open.

The board currently consists of 2 teachers, 3 parents & 4 community members.

Parent opening - nomination - does not want to say who it is because he does not want to force him into accepting.

But we would be happy to have him join. Community member is in the works. Not prepared to nominate tonight, but hopefully next meeting.

Rhett Walton - nominated by Matt. He is an employee of US Postal Service. Saved government money. \$130,000 in his department. Leadership skill and know how is something we need on this board. Marc is good, but Rhett is better! Summa Cum Laude - UMASS business management. Well balanced individual, active in church and school. Member of head of school hiring committee. Rhett's specific skill set would be a great asset to the board. Jacki seconds it. All in favor. Rhett is now a board member. We now have 4 parents, 2 teachers, and 3 community members. Stacy is a parent member, not community.

Matt says to Stacy that they did vote on that. Terms end in January - that is how the bylaws are written.

Matt's report is concluded.

Rob - we have a lot to talk about here. Will motion to enter non-public session with respect to confidential investigation on personnel matter. The meeting is concluded.

The meeting is now entered into non-public session.