

BOARD OF DIRECTORS MEETING MINUTES

April 20, 2017

Call to Order / Roll Call

President/CEO Margaret Fortune called the meeting to order at 5:03pm. Board Secretary

Michelle Grace called the roll:

Paulette Brown Hinds: present

Bertha Gorman: present

Scott Loehr: present

Rick Rubino: present

Ollie Watson: present

Quorum reached.

President/CEO Margaret Fortune led the flag salute.

Adoption of Agenda

Member Watson made a motion to adopt the agenda as presented.

Member Rubino seconded.

Roll call vote:

Brown Hinds: AYE Gorman: AYE Loehr: AYE Rubino: AYE Watson: AYE

Motion carried.

Public Comment

None heard.

Approve February 23, 2017 Meeting Minutes

Member Gorman made a motion to approve the February 23, 2017 meeting minutes.

Member Brown Hinds seconded.

Roll call vote:

Brown Hinds: AYE Gorman: AYE Loehr: AYE Rubino: AYE Watson: AYE

Motion carried.

Approve 2017-18 Academic Calendar

Chief Financial Officer Bonnie Bensen and Chief Operating Officer Michelle Grace presented the item. Changes to the calendar include aligning Fortune's academic calendar to Cosumnes River College's (CRC) academic calendar as Rex & Margaret Fortune Early College High School opens in August, 2017: school will begin slightly later and spring break will mirror CRC. In addition, teacher work days were revised to align with the 11-month pay calendar: work calendar will begin in August and end in June. Finally, revisions were made to Summer Intersession, moving it to August (closer to the first day of school) with a focus on school culture, and reducing the duration of Spring Intersession by 4 days.

Member Loehr made a motion to approve the 2017-18 Academic Calendar.

Member Watson seconded.

Roll call vote:

Brown Hinds: AYE Gorman: AYE Loehr: AYE Rubino: AYE Watson: AYE

Motion carried.

Approve Hardy Brown College Prep’s Revised Single Plan for Student Achievement

Due to illness, staff was not available to present the item. The Board will hear this item at the June 8, 2017 Meeting. No action taken.

Approve Form 990 Tax Return

Chief Financial Officer Bonnie Bensen presented the item. The return is for 2015-16. Figures came from audited financial statements from 2015-16. From a revenue generating standpoint, the K-8 charter schools are the organization’s largest program, followed by the District Intern Program, and then the After School Program. Those are the significant differences in this year’s 990 from prior years. The Form 990 reflects the organization’s growth each year, which is interesting to note. Before the Form 990 can be submitted to the Internal Revenue Service, the Board of Directors must approve it. The Board did not have questions on the Form 990.

Member Loehr made a motion to approve the Form 990 Tax Return.

Member Rubino seconded.

Roll call vote:

Brown Hinds: AYE Gorman: AYE Loehr: AYE Rubino: AYE Watson: AYE

Motion carried.

Approve Crowe Horwath contracts: Annual Financial Audit and 403b Plan Audit

Chief Financial Officer Bonnie Bensen presented the item. As it relates to the Annual Financial Audit, Crowe Horwath has provided a proposal to perform the audits for Fortune School of Education for the next three (3) years without increasing the fee for 2016-17. Increases in the subsequent years are minimal. The Audit Committee, comprised of Member Rubino and CFO Bensen, met to review the proposals, and the recommendation from the Audit Committee is to approve the proposal for 2016-17 audit services. In addition, enrollment in Fortune’s 403b Plan has reached the participant threshold requiring the 403b Plan to undergo an audit, which is separate from the Annual Financial Audit. For the purposes of the 403b Plan audit, participant is defined as “persons eligible” versus “persons actually participating”.

Member Rubino made a motion to approve the Crowe Horwath Contracts for the Annual Financial Audit and the 403b Plan Audit.

Member Brown Hinds seconded.

Roll call vote:

Brown Hinds: AYE Gorman: AYE Loehr: AYE Rubino: AYE Watson: AYE

Motion carried.

Ratify Turner Agassi Charter School Facilities Fund Term Sheet for William Lee College Prep and Ephraim Williams College Prep

Chief Financial Officer Bonnie Bensen presented the item. Turner Agassi is a social investment fund led by Bobby Turner and Andre Agassi. The landlord of the William Lee College Prep / Ephraim Williams College Prep property in Oak Park has decided to sell the property, and Turner Agassi is interested in purchasing it. Fortune has the opportunity to enter into a long-term lease with Turner Agassi with an option to purchase the property between years three and five. Fortune will renegotiate the lease with Turner Agassi and will attempt to coordinate a possible buy out of the Oak Park property in conjunction with the buy out the future high school property in Elk Grove, so that when bonds or new market tax credits come into play it will be more cost efficient to combine the two and spread the costs over the two properties. Rent on the William Lee College Prep / Ephraim Williams College Prep site will remain close to the current rent being paid. The term sheet provides preliminary information on the terms of the

agreement. The lease will be brought back to the Board for review/approval once it has completed legal review.

Member Gorman made a motion to ratify the Turner Agassi Charter School Facilities Fund Term Sheet for William Lee College Prep and Ephraim Williams College Prep

Member Watson seconded.

Roll call vote:

Brown Hinds: AYE Gorman: AYE Loehr: AYE Rubino: AYE Watson: AYE

Motion carried.

Ratify Amendment to Lease for Concord Campus – Higher Education

Chief Financial Officer Bonnie Bensen presented the item. The current lease for the Concord higher education campus, serving the Bay Area, ends on May 31, 2017. Rent in the Concord market has gone up significantly since 2012, and the current suite is much larger than what is needed to serve the Concord students. As a result, Fortune has elected to move into a smaller suite in the sister building located across the street, which will reduce Fortune's footprint and result in a slight rent reduction over the term of the lease. A tenant improvement will be provided by the building to create a small kitchenette in the space for students and staff.

Member Loehr made a motion to ratify the Lease Amendment for the Concord Campus.

Member Rubino seconded.

Roll call vote:

Brown Hinds: AYE Gorman: AYE Loehr: AYE Rubino: AYE Watson: AYE

Motion carried.

Approve Name Change for Future Middle School

President/CEO Margaret Fortune presented the item. The item was originally heard by the Board in February as an information item with the commitment to bring the item back to the Board in April for formal action. If approved, a letter informing Ms. Huffman of the Board's decision.

Member Gorman made a motion to rescind naming a future middle school Alice Huffman College Prep Middle School.

Member Brown Hinds seconded.

Roll call vote:

Brown Hinds: AYE Gorman: AYE Loehr: AYE Rubino: AYE Watson: AYE

Motion carried.

Member Loehr excused himself at 6:00 pm.

Smarter Balanced Assessment Consortium (SBAC) Preparation Presentation

Margaret Fortune, President/CEO, introduced the presentation. All scholars in the appropriate grade levels are preparing for the SBAC in English-Language Arts and Math. As shared with the Board at the February 2017 meeting, there was funding available for each campus to implement additional resources to prepare students to SBAC. In Sacramento, each campus received \$10,000 and at Hardy Brown College Prep, \$54,000 of Title I funds were used to provide additional support for scholars preparing for SBAC. The strategy was three-pronged: Rapid data cycles (assessments that provided students with immediate feedback; focus on goal setting); Vibrant culture (focus, investment, encouragement and joy - inspirational messages, pep rallies, etc.); and Small group intervention (hiring of additional teachers for the 9 week testing period, Saturday Academies and tutoring).

Ms. Tamara Williams, Hazel Mahone College Prep Principal, presented the strategies Hazel Mahone College Prep has implemented around SBAC Prep. Culture was a focus in third grade; the Five Pillars were used as the foundation. High Expectations: Culture was reestablished in the classroom. Each student created a binder that included their handbook and goal setting chart, and all began a program called *The Leader in Me* which will be in place for the duration of SBAC prep and testing. Students are prepared, identify themselves as leaders, and write positive affirmations daily. Choice and Commitment: Reallocation of resources is the choice made by the organization. At Hazel Mahone College Prep there are 3 teachers for 28 students to allow for small group instruction. Other classroom teachers are serving as tutors and two additional teachers run the Saturday Academy. The Commitment to Excellence contract was resigned to refocus on what it means to be a Fortune scholar. Focus on Results: Students were not familiar with goal setting, so students began setting daily goals to get in the practice of goal setting in addition to weekly classroom goals. Test corrections and data-driven instruction are also part of this strategy. Re-teaching is a component of the strategy, as well as connection to state standards.

There being no additional business, the meeting was adjourned at 6:27 pm.

Submitted by,

A handwritten signature in black ink that reads "Michelle Grace". The signature is written in a cursive, flowing style.

Michelle Grace
Board Secretary