

MINUTES
of the meeting of the
BOARD OF DIRECTORS of SOMERSET ACADEMY OF LAS VEGAS
January 14, 2014

The Board of Directors of Somerset Academy of Las Vegas held a public meeting on January 14, 2014 at 6:00 pm at 385 W. Centennial Parkway, North Las Vegas, Nevada.

1. Call to order, roll call

Board Chair Crystal Thiriot called the meeting to order. Present were Board Members Cody Noble, Eric Elison, Scott Hammond, Amy Malone and Crystal Thiriot.

Also present was Principal Jefferson, Principal Barlow, Principal Kelley, Principal Lea, Principal Farmer and Academica Nevada Representatives Ryan Reeves, Robert Howell, Kristie Fleisher and Carlos Segrera.

2. Public Comment

Public Comment were made and received by the Board. Due to technical difficulties the opening public comment portion of the meeting was not recorded.

3. Approval of the Minutes of the November 13, 2013 Meeting.

Mr. Hammond asked that a correction be made regarding a Board vote to the November 13, 2013 minutes. Mr. Hammond motioned to approve the minutes of the November 13, 2013 meeting subject to his requested change. Mrs. Malone seconded the motion. The Board unanimously approved.

4. Nomination and Election of two new Members to fill vacancies on the Board of Directors.

Mr. Reeves addressed the Board. Mr. Reeves reviewed the process that was taken to identify new Board Members. Mr. Reeves stated that two finalists had been identified. Mr. Reeves introduced Eric Brady and William Harty as the two finalists. Mr. Reeves gave a brief introduction and background of the two finalists to the Board.

Mrs. Thiriot opened the floor for nominations to fill the office vacated by Brian Smith. Mr. Elison nominated Eric Brady. There were no other nominations. Mrs. Thiriot closed the floor for nominations. The Board unanimously approved the nomination. Mr. Brady was asked to sit among the Board.

Mrs. Thiriot opened the floor for nominations to fill the office vacated by Dana Dingee. Mr. Noble nominated William Harty. There were no other nominations. Mrs. Thiriot closed the floor to nominations. The Board unanimously approved the nomination. Mr. Reeves acknowledged Mr. Harty's absence.

5. Selection of a High School Principal for the new, proposed Losee Campus.

Mr. Howell addressed the Board. Mr. Howell stated that Principal Kelley, Principal Lea, Principal Barlow and Mrs. Thiriot were all involved in identifying a Principal for the proposed Losee Campus. Mr. Howell stated that several candidates were interviewed. Mr. Howell stated that the strongest candidate for the position was identified as Dan Phillips.

Mr. Noble was excused from the meeting.

Mr. Phillips addressed the Board. Mr. Phillips stated that he was currently Principal of Palo Verde High School. Mr. Phillips stated that he had 29 years of experience in Clark County School District. Mr. Phillips gave a brief overview of his administrative and teaching history.

Mrs. Thiriot motioned to approve Dan Phillips as the Principal of the proposed Losee Campus. Mr. Elison seconded the motion. The Board unanimously approved.

6. Approval of Lease and/or Purchase Agreement for Playground addition at North Las Vegas Campus.

Arthur Ziev addressed the Board. Mr. Ziev stated that after a very long wait, all of the required signatures had been received for the addition of the North Las Vegas Campus playground. Mr. Ziev stated that the presented purchase agreement contained 2 errors. Mr. Ziev explained that 2 necessary corrections would be made.

Mrs. Thiriot asked Mr. Ziev if a lower interest rate could be attained by the school for the playground addition. Mr. Ziev responded that the proposed interest rate for the playground loan was below market rates for the type of loan being discussed.

Mr. Elison asked Mr. Ziev if the loan was structured in a way that if the school made a large down payment on the loan, interest and principal payments would be readjusted to reflect the new amount owed. Mr. Ziev stated that section 3C in the purchase agreement would be corrected to state that the loan would be pre-payable at any time and the payments would be adjusted to the loan amount outstanding after pre-payments are made.

Mr. Elison motioned to approve the proposed loan agreement for the playground addition at the North Las Vegas Campus subject to the discussed changes to section 3C. Mrs. Malone seconded the motion. The Board unanimously approved.

7. Approval of Lease for Phase II of Sky Pointe Campus.

Mr. Howell addressed the Board. Mr. Howell reported that the proposed construction to the Sky Pointe Campus would add an additional 30,000 square feet to the facility. Mr. Howell stated that with the proposed addition to the facility the rental rate for the Sky Pointe Campus would increase by \$475,000 a year.

Mr. Howell stated that based upon his cash flow projections, the Sky Pointe campus would need to enroll approximately 1400 students to maintain appropriate fund balances. Mr. Howell stated that the demand for enrollment at the Sky Pointe campus would be able to fill the new openings.

Mr. Elison asked Mr. Howell if the proposed addition would increase the amount that Somerset Academy was paying per square/foot on the Sky Pointe Campus facility. Mr. Howell responded that the proposed additional 30,000 square feet would reduce the rental rate per square/foot from approximately \$20 per square/foot per year to \$17.50 per square/foot per year.

Mrs. Malone motioned to amend the lease with Boyer Company to include the proposed additional lease terms for phase II on the Sky Pointe Campus. The motion was seconded and followed by unanimous approval.

8. Discussion and Action regarding construction of Solar PV System at North Las Vegas Campus.

Clayton Howell addressed the Board. Mr. Howell reported to the Board that the school had been awarded a 135kW incentive for the construction of a solar system from NV Energy. Mr. Howell stated that he had asked Bombard Electric to present a proposal based upon the incentives the school had received.

Bo Balzar from Bombard Electric addressed the Board. Mr. Balzar presented the Board with proposals for a 135kW, 150kW and 200kW solar systems. Mrs. Thiriot asked for an explanation regarding the out of pocket costs that would be incurred by the school if they decided to construct a solar system using the incentive from NV Energy. Mr. Reeves stated that a large amount of the unforeseen out of pocket costs to the school would be incurred because of the necessity to replace the roof. Mr. Reeves stated that just the installation of a new roof would cost approximately \$100,000.

Mr. Elison asked Mr. Balzar if a roof replacement was necessary. Mr. Balzar confirmed that his roofing contractor had informed him that installation of a new roof would be required at the proposed site.

Mr. Brady asked Mr. Howell how long it would take the school to see a return on investment if they decided to contract a 135kW solar system. Mr. Howell responded that with the energy savings the school would receive from the solar system it would take 11-12 years to see a return on their investment.

Mrs. Thiriot stated that she felt the Board should not move forward with the Solar Project. Mr. Hammond stated that he felt the Board should take more time looking into the project.

No action was taken by the Board on Agenda Item #8.

9. Report and Update on Accreditation Process.

Director of Education for Somerset Academy Inc., Dr. Ruth Jacoby addressed the Board. Dr. Jacoby stated that the accreditation review team would visit Somerset Academy's campuses in February. Dr. Jacoby stated that she was confident with the current administration in place Somerset Academy of Las Vegas would have no issues becoming accredited by Advanced Ed. Dr. Jacoby gave an overview of the accreditation process that would take place.

Mrs. Thiriot asked Dr. Jacoby if the accreditation review team would visit every Somerset Academy campus. Dr. Jacoby confirmed that the review team would examine every campus with the exception of the Sky Pointe Campus. Mrs. Thiriot thanked Dr. Jacoby for her time and effort in helping Somerset Academy of Las Vegas with their accreditation.

10. The Discussion and Action regarding scope of duties of Principals of Elementary/ Middle and High School Campuses, and action to designate future Administrative Structure.

Mr. Reeves addressed the Board. Mr. Reeves presented the Board with multiple options for future administrative structures. Mr. Reeves stated that Somerset Academy Inc. of Florida the affiliate school of Somerset Academy of Las Vegas had designated an Executive Director of Education to oversee all of the Somerset campuses in Florida. Mr. Reeves stated that he felt it was important that the Board start considering new administrative structures to keep continuity among all Somerset campuses.

Mr. Hammond stated that he would like to hold off for a while on choosing a new administrative structure. Mr. Hammond stated some of the presented administrative structures contained too many administrators. Mr. Hammond stated that he would prefer to see an administrative structure where there would be one point of contact such as a superintendent of education or executive director of education.

Mrs. Thiriot stated that she agreed with Mr. Hammond. Mrs. Thiriot stated that she would prefer an administrative structure where there would be one point of contact such as an executive director of education.

Mr. Brady asked for the principals in attendance to share their thoughts on the presented administrative structures. Principal Jefferson stated that with Somerset Academy still in its' early stages, her opinion was that the school's money could be better used towards obtaining curriculum coaches for the training of their young teachers. Principal Lee stated that she agreed with Principal Jefferson's statement but that she felt that a single point of contact such as a director of education would have been very helpful when she started at Somerset Academy.

Mrs. Thiriot stated that she would like to readdress the topic of administrative structure at the following Board Meeting.

No action was taken on this agenda item.

11. Discussion and Action regarding the scheduling of Board Retreat.

Mr. Reeves addressed the Board. Mr. Reeves presented the Board with the possibility of having a Board Retreat for Board training. Mr. Reeves asked the Board if they would be interested in traveling to a location to hold the proposed retreat or if they would like the retreat to be held locally.

The Board expressed concerns with scheduling. Mr. Reeves stated that he would work on scheduling for such an event and report back to the Board.

There was no action taken on the agenda item #11.

12. Discussion regarding Teacher Survey and Action Plan Review.

Mr. Reeves gave a brief overview of the presented teacher surveys and action plan reviews.

13. Review of School Financial Performance.

Mr. Segrera addressed the Board. Mr. Segrera stated that the State Public Charter School Authority had reduced their fee from 1.5% of school revenues to 1%. Mr. Segrera reported that per pupil funding had decreased from \$6,406 per student per year to \$6,395 per student per year.

Mr. Brady asked why the school was financing the cost of a playground addition when they had significant a cash balance. Mr. Reeves responded that the school had the option to pay down as much of the playground loan as they would like at any time. Mr. Reeves stated that he felt it was important for the school keep large cash reserves as the school was growing at a very fast rate.

Mr. Segrera spoke at length regarding the presented balance sheet and profit/loss statements.

14. Discussion and Action regarding the use of Standards Based Report Cards.

Mr. Reeves addressed the Board. Mr. Reeves stated that all of the Somerset Academy campuses were using standards based report cards in grades K-5. Mr. Reeves reported that all campuses were using an A-F grading system for grades 6-9.

A lengthy conversation was held among the Board Members and Principals about the characteristics and quality of standards based grading.

Mrs. Thiriot motioned to continue with the standards based grading in grades K-5 until the end of the school year, after which the Board would readdress the grading system of standards based report cards and any future changes to grading systems would come before the Board. Mr.

Brady seconded the motion. Mrs. Thiriot, Mr. Brady, Mrs. Malone, Mr. Elison voted in favor of the motion. Mr. Hammond voted against the motion.

15. Approval of Master Signature Cards with Nevada State Bank.

Mr. Segrera addressed the Board. Mr. Segrera recommended that the Board approve the use of a master signature card to improve efficiency whenever a signer is added to the school's Nevada State Bank account.

Mrs. Malone motioned to approve the use of master signature cards with Nevada State Bank. Mr. Elison seconded the motion. The Board unanimously approved.

16. Report on Enrollment.

Mrs. Fleisher addressed the Board. Mrs. Fleisher reported on Somerset Academy's enrollment status.

A discussion was held regarding the enrollment process and class sizes. Mr. Hammond stated that he would like a policy to be implemented so that if a dire situation ever arose in which the school would need to enroll more students than their target class size the Board Chair would be informed before action is taken. Mr. Howell stated that he agreed with Mr. Hammond's suggestion.

Mrs. Thiriot stated that she would like the topic of class sizes to be discussed at the following Board Meeting. Mr. Reeves responded that the topic of class sizes would be on the following Board Meeting agenda.

17. Public comments and discussion.

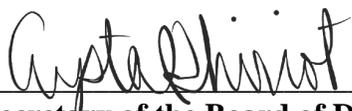
Melanie Smith addressed the Board. Mrs. Smith stated that she was a Somerset Sky Pointe teacher. Mrs. Smith expressed her feelings and experience about standards based grading.

Nichole Yoakum addressed the Board. Mrs. Yoakum stated that she was a Somerset Academy parent. Mrs. Yoakum expressed her experience with standards based grading.

18. Adjournment.

Upon motion and second, the Board unanimously voted to adjourn the meeting at 9:52 p.m.

Approved on: March 14, 2014



Secretary of the Board of Directors
Somerset Academy of Las Vegas

Board Chair

