



Marco Island Charter Middle School

1401 Trinidad Avenue • Marco Island, Florida 34145 Phone (239) 377-3200 Fax (239) 377-3201

APPROVED MINUTES SCHOOL BOARD MEETING Monday, May 24, 2010 @ 6:00PM

AGENDA

- I. Call to Order – Jennifer
- II. Roll, Pledge of Allegiance - Jennifer
- III. Approval of Agenda – Jennifer
- IV. Approval of Minutes – Jennifer
- V. Public/Staff Comments - Jennifer
- VI. Fundraising Report – Jennifer
 - a. MIAC Calendar to benefit MICMS – Eleanor Ragazinsky
 - b. Proposed Marco Players fundraiser
 - c. Boogie and Blues Report - Norka
 - d. Cash Raffle Report - Jennifer
 - e. Project Together Report – George
 - f. Recycling Fundraiser - Jennifer
- VII. Treasurer's Report – Jim + George
- VIII. Employee Health Insurance Rate – George + Jim
- IX. Adjournment

Meeting started at 6:05pm

Roll Call: Lisa Meurgue absent.

Jennifer Tenney (JT), President
Dr. Norka Malberg (NM), VP
Jim Young (JY), Treasurer
Cathy Cleary (CC), Secretary
Bill Hollowsky (Bill H)

Bill Morris (Bill M)
Elizabeth Summers (ES)
George Abounader (GA),
Principal/CEO, ex-officio non
voting member

Also in attendance: Maria Hayden (MH), Comptroller

Approval of Agenda:

GA – Add discussion regarding outstanding bill.

Bill H – Add discussion regarding Bylaws.

JY – Add parent request for fund allocation and Friends of MICMS.

Motion by Bill H to approve agenda with changes. Second by Bill M.

Motion passed unanimously.

Approval of Minutes:

Motion by ES to approve minutes. Second by Bill H. Motion passed unanimously.

Public Comment: None.

Fundraising Report: JT - Off budget by \$13,836.00. Some money should come in from recycling program and parent contributions. We may end up w/ small deficit.

- **Calendar Idea** – Item tabled, Eleanor Ragazinsky not in attendance.
- **Marco Players Fundraiser** – NM
This could be a small event offering collaboration with local organizations. If included on calendar, contact info will be provided to chair person.
- **Boogie and Blues** – Revenue came in at \$18,669.00.
- **Cash Raffle** – JT \$5,200.00 sold to date. Still in loss position. Board members to turn in unsold tickets by June 1. Drawing held June 10.

JY asked if board intends to proceed if ticket sales remain below cash prize pay-out, pointing out drawing was extended in previous years. ES and JT expressed confidence ticket sales will come through.

MH - another accountability statement will go out June 1.

- **Project Together** – GA. Response down from previous years. Donations are dribbling in.
- **Recycling Fundraiser** – JT. First batch will be mailed out tomorrow, so funds count toward this year's budget. Some silver, gold, and cell phones have been received. Phones produce an average of \$25.00 ea.

Anyone with items to donate – email me to arrange for pick up.

Fund Allocation Request - JY

Patty Bott, raised \$3,400.00 for the school and wants it allocated toward meeting the financial commitments of the school's neediest families; this was an individually run fundraiser. The money was put into the athletic fund, managed by the Athletic Director, Roger Raymond.

Discussion focused on moving the money from the athletic fund into operations to honor the request. Questions/Concerns discussed include the following:

- Timing of request - Typically, restrictions are identified up-front, prior to event.
- Athletic Fund report shows a deficit.
- The Athletic Director's salary is paid half from operating and half from the Athletic Fund. The Athletic Fund and Booster Club moneys are managed by Roger Raymond, the Athletic Director. All concessions and donations like this go into the Booster Club, which is a separate account not included with board reports.
- Accounting – Auditor recommendation to have all cash or operating moneys accounted for and included on the MICMS books, we could be in violation with Booster Club being excluded from our reports. – BH suggested it should be checked, adding if it is clearly an unrelated fund that is fine.
- Booster Club Fund Balance – The board may not be able to have the Booster Club make up an \$8,400.00 shortfall.
- Request should be honored if the money is available. Follow-up required prior to making decision.

Item tabled until June meeting. MH will check with Roger Raymond; JY will verify auditor recommendation.

Friends of Marco Island Charter Middle School - JT

Non-profit corporation set up. MH said officers currently listed include Vince Magee, Patrick Lane, Tarik Ayason, and Joe Hausauer. None have had involvement for years. Fund Balance \$166,000.00

JY shared documents from amendment to the articles of incorporation:

The corporation shall be governed by the board of directors, consisting of not less than 3 and not more than 7 individuals, who shall be appointed by the board of directors of the Marco Island Charter Middle School.

Purpose: The education and charitable purpose of the corporation shall be restricted exclusively for furthering the operations and purpose of the MICMS.

Discussion addressed questions and comments producing the following:

- Fund balance of \$166K is not MICMS books.
- Original purpose was to start an endowment. Jack Antaramian liquidated lots to raise interest as seed money for an endowment campaign.

- Corporation is 501-C3. Maureen Marcoux pointed out the Federal law changed recently. This corporation is listed as losing non profit status for not filing taxes in 3 years, even though filing has not been required in some cases. MH said an extension had been filed. New deadline is August 15th, 2010.
- JY said funds don't appear to be restricted. Asked board if dissolving the corporation and bring funds into our operating account makes sense. BH asked if a dissolution clause exists. JY – Yes.
- Some members indicated if someone was willing to take over the endowment, the cost to re-establish would be avoided. Filing costs are minimal; however it is a big job.
- JY - MICMS Board is responsible to oversee it. I stumbled on this information after having been on board for two years. New people should be appointed.
- CC asked for regular updates and information on all items like this. If \$166K is sitting in a separate bank account, we should know about it... If isn't overseen by people we've appointed, we should still be able to keep track of what's going on. She stated a need for more transparency...of how this school operates, where we get our funds, and why, and from whom.
- ES – It was a donation done years ago, put there by somebody outside of the board, and it was just sitting in the bank.

Motion by Bill M to appoint Bill H and Jim Y to the board of directors of the foundation (Friends of MICMS). Second by CC. Motion passed unanimously.

- Bill M – If looking to possibly dissolve The Friends of MICMS, have JY and BH look at it and come back with a suggestion.
- **GA will add endowment money report for each meeting.**

ES asked what happened to Capt Brien's Comedy Club Fundraiser.

NM – We aren't good at appreciating people who do things for us. Turnout and support was disappointing, although it was rushed. Potential is good, Brien was willing to it each month. \$18 of \$20 ticket price would go to the school.

ES will talk to Brien.

Treasurers Report - JY Not much has changed since last month. Still ahead of budget, we will be marginally positive for year.

Fundraising should exceed 113K. Expenses should be only problem area.

Categorical expenses are running on budget. Assuming that will continue the next two months – GA confirmed this was a good assumption.

Operating fund projections expected to be fairly close.

I had asked for MH to attach fund statements, which is why there the Athletic Fund is included (with attached reports)...I would like cash flow statements, which show the beginning cash balances with changes up and down...to present the global picture

Bill H asked for YTD main budget report each month to show current time period, plus projected remaining budget with a total for the fiscal year, then show a surplus or deficit. MH will include requested detail with treasurers report each month.

Employee Health Insurance Rate. – JT (See memorandum).

More than anticipated medical expenses were claimed this year, which raised costs.

Budget set for a 15% increase, actual increase is 30%. The proposal is to take about \$18,500 from the \$98,000.00 Employee Benefit Reserve, which is held by a third party administrator.

MICMS has a self insured plan with a renewal date of July 1, 2010.

Interest raised \$2.62

No employee contribution.

A lengthy discussion went back and forth. Comments, questions, and concerns expressed are summarized by individual, not necessarily in order as presented:

- GA – since memorandum, the increase is down from 60% to 30% after several meetings. Concept is still the same, where do we get the difference compared to budgeted amount? Options include:
 1. Send it to committee and authorize committee to make a decision;
 2. Reconvene and decide;
 3. Renew current plan using money from insurance reserve, and look into other plans next year.
- Insurance agent, David – Generally speaking claims settle down to where they had been historically. If they do, if claims are less than expected, there may be no increase, a reduction, or something in between. We saved a lot of money over that last five years, when you have a bad year with a program like this, rates will go up. MH provided historic report of program and how it has worked over the years.
Half of 31% comes from claims.

The third party administrator is of the opinion employee contributions paid into the plan for dependent coverage are restricted.

Security features are built into insurance contract for this program, so it operates like a fully insured plan. It has been a great program; it has saved a great deal of money.

Alternatives:

1. Fall back into the Florida Insurance Market Place for groups with fewer than 51 employees;
 2. Go with Blue Cross Blue Shield - \$230K cost. The Blue Cross Blue Shield - HSA is a different approach, with a higher deductible, co-pays. It is guarantee issue, it does reduce the budget;
 3. The self funded plan at a \$1,000.00 deductible, brings the increase down to 17%. Self funded plan is difficult to leave mid year, you may lose coverage.
- JY – We elected to pay into a maximum amount. The claims incurred less, so money has built up. If you take money from an employee, that is restricted, although the money we've paid for someone to hold is not. There is no "employee benefit reserve" there is money we have paid more than our claims. That's our money.

A self funding program is not usually recommended for companies with less than 100 employees. Risk is to run several bad years, or to the extent you are going to be reaching into your pocket for big money. Then you are buying re-insurance from somebody you hope is viable, who could go out of business while they are holding your money. I don't see any reason for them to be holding our money.

Comparisons provided ...may be good comparisons, but costs to the school have gone up from \$119,000 to over \$200,000.

Our costs keep go up.

News articles state we have to make up for the 2% the county charges us, which comes to just \$50K. We've raised double that. Collier county runs

their schools within their budget and we aren't. We spend more money than that -- a lot more.

Eventually you have to reign in the expense to the revenue side. We are looking to pull \$100K from our reserves with our last budget discussion. If we are facing going into reserves we can't keep adding to the expense line. Our job is to be financially responsible. You cannot continue to overspend.

Clause within employee contracts says we have to provide 30 day notice to employees. I can't see cutting benefits either; I just got this information on Friday. It needs to be looked at longer than one or two days.

The second option is to go back on June 7th and Maria could still meet the June 10th requirement. I can spend some time looking into it and report back. There are other questions to ask before jumping into renewing the plan, such as if the third party administrator increased their rates.

- JT - I have Blue Cross Blue Shield and my rates have gone up almost triple. It sounds like this has been a good plan. I don't see it as a crisis to be reworked right now. If we over pay – if we have a better year, we get the money back. We are taking it out of money that's sitting there.

I don't necessarily agree with one person on the board making the decision.

I don't want to cut benefits, if there are cheaper ways to get the same benefits and coverage. I don't see cutting benefits based on just one year.

With just two fundraisers, I think we've done a sorry job. Part of our job is putting in the correct amount of funds. We don't have a history of overspending. The results are a reflection of our spending.

- Bill H – We budgeted for a 15% increase, correct? (GA - No 20%).
What will be the impact of the new healthcare reform?
David - Nothing until 2014. New additions with children without preexisting will take effect this year.
What if employees were asked to contribute something like \$25.00 per month?

We already have to find \$100K.

We are increasing the potential deficit.

You will go out of business every time if you don't reign in expenses.

- ES asked if insurance costs are subsidized by Collier County Schools, which according to GA is not the case. MH added that Collier County's rate was higher when we started.

Have someone from the board look into it and report back with three options. If we come back on June 7th will it give Maria enough time?

I don't think it (fundraising) has ever been done to the extent it could be.

Motion by ES to keep current plan in place and revisit it for next year. No second.

- CC – I would like to look at it for this year. If we can save some significant money, we are going to need it -- we should not be overpaying...

Suggested providing notice that benefits may change to allow more time for researching the issue.

- NM – Things have changed financially in general. It's not there anymore, there has to be something different. Things have changed, it is important to revisit every so often.
- MH - we have a good history. Property insurance, maintenance and other bills have tripled. Fundraising has to be done. There are a lot of expenses. Normally their effective new rate will be in July. Through the mail it doesn't work.

Motion by JY to request the overpayment back from the third party administrator. Second by Bill M. Motion passed unanimously.

- Mark Albanese – will employees know prior to signing contracts?

Since reserve is overpayment, for those families who do pay into that, shouldn't they get a refund? I pay extra... shouldn't I get some of that money back?

JY said this insurance reserve is not the same overpayment, while JT thought employees would get something back.

Motion by Bill M to have JY meet with insurance people, as well as staff, and report back to the board at June 7th meeting when a decision will be made. Second by Bill H. Motion passed unanimously.

JT asked the meeting notice be posted.

Outstanding Bill for Soccer Field - GA

Board approved \$25K proposal by Turf Masters for improvements to the soccer field. Invoice came in at \$28,230.00. Some work is beyond scope of original agreement. It was not clear as to whether vendor provided notice of expected overrun, although they did do the necessary work. Further costs expected include maintenance.

Motion by Jim Young to approve paying the \$28,230.00. Second by ES.

In favor: NM; JY; ES; Bill M; CC. Against: Bill H. Motion passed 5 to 1.

JY – The city is willing to maintain the soccer field. In previous history with the sports fields, they manage scheduling and have consistently prioritized charter school events. We have a maintenance issue, they have the correct mowers, we should look at it.

JT will call Brian Milk to find out what he is willing to do, and Roger Raymond to hear his concerns.

Mark A – security issue because of going into the main gate. Access. We do get a discount on the water – grey water is used out there.

Bill H – Are there grants for (water) re-use to pursue?

JY – There is a Grant committee.

CC – The Grant Committee is sitting stagnant. No attendance at scheduled meetings, which is a shame because there is a lot of potential. There has been some interest in the Nutrition Committee. We've had three meetings.

NM - People can bring their expertise if you specify what you are looking for. I will provide emails contacts for those who have seen the value in some of these programs.

Bill H – We are missing an incredible opportunity – if our expenses are increasing, grants could be a way to...

JY - If you know of anyone willing to do it, bring them to the table.

NM – a lot of organizations such as the AAUW, YMCA had offered – you have to be very specific.

CC – Cathy Callahan provided a list of priorities as a starting point. You need the participation. I have had some approach me, but they haven't been able to come forward, due to scheduling and other circumstances.

NM – We had an orchestra grant, but I couldn't do it alone. We had all the requirements but Mrs. Miller couldn't help me w/ it. It is important to provide the institutional support.

CC – The Nutrition Committee is looking into grants specific to nutrition and we are working on pulling together a fundraiser.

Bill H – will reach out to Jane Watt to see how they got going.

Bylaws: Bill H –

Typo in Bylaws: article III section 2 promotion of the objectives (not objects)

Attorney as well as IRS regulations for 501 C3 require a statement of dissolution and a Conflict of Interest policy.

JT – I think we do have a conflict of interest policy – I thought we had a separate one.

GA – I don't think it is in the bylaws.

JT – I don't think it has to be in the bylaws.

It is recommended to be in the Bylaws. I recommend we do those two items. Have a statement in Bylaws articulate what a conflict of interest is. Then have a detailed policy. Each board member, at an annual basis, would indicate if any conflicts exist, then disclosure is straight forward. We should address it and it is required by the IRS.

Separate policy was probably prepared, when we submitted our application. I recommend we correct the typo and amend Bylaws to include a Statement of Dissolution and Conflict of Interest Policy. We will need to develop those and have a written suggestion.

Bill M – The Articles of Incorporation should have it. It's always been required.

Bill H – I do have a copy here, and it isn't included.

Bill H will draft and circulate to board Conflict of Interest and Statement of Dissolution.

Scheduling Next Meeting: Board briefly discussed whether the June 7th meeting will be a special meeting specific to insurance, or a regular meeting. The regular meeting schedule had been set through May. Nothing scheduled after May. LM will be away June

14 through July 24. CC will be away all summer, but available electronically. Bill M suggested calling an ad hoc meeting if needed is an option.

NM – School Counselor: As diversity of school is changing there will be increasing situations. Some have occurred already this year, which the staff has handled very well in my opinion. A lot haven't been, and there is only so much people can do. It is wonderful this school does very well academically. Systemically, when things get less efficient due to psychosocial issues academics are impacted. There are things someone with the right training can help with as a communicator. It is very clear we do not have the money right now, but I think you should revisit when things get more clear with expenses.

Bill H – I would be in favor of cuts in general to fund a counselor.

CC – I agree. If we can spend that kind of money on (the soccer field) grass, we should look at things for the kids.

Mark A – I can attest to what she (NM) has observed. Difficulties increase. More problems are cropping up. It is difficult ,because I am discipline and advocate at the same time. They need a safe zone - something to take them off-edge. A lot of kids are on edge with economic conditions the way they are, and it's only getting worse. This would be a great one to do a grant on.

NM - Working with groups would work if we facilitate it a counselor. They could offer something at a reduced rate after school for a small fee..

Bill H – would there be any faculty interested in writing the grant?

GA – I could ask

ES – I thought Amber (Prange) was interested.

JT – Would Amber be interested in the counselor position?

GA – She is a trained substitute teacher. That isn't what was needed for a school guidance counselor, who do career, scheduling counseling. She is taking courses for guidance counselor – but this is not the counseling we're referring to.

NM – It is complicated to get the right kind of person for the school. You need someone who can support the system - mental health counselors. Parents and teachers don't know who to refer children to. We need more community based system for support. You do need licensing – liability issues are really high. We do have a job description

JY suggested posting description to seek licensed volunteer.

Gulf Coast has a good mental health program. Someone licensed could supervise an intern needing hours.

Maureen Marcoux – Regarding Bill's question about faculty working on grants – problem was always that we weren't eligible. Being part of Collier County and technology money went to Collier County; they considered us as already receiving. Also, since we don't have a real lunch program we don't qualify for Title-One school. Basically, you need to look for private foundation money.

NM – Private foundations aren't giving as much money now.

JY - New grants are available. One was a food grant setting up a food program w/in school.

Maureen Marcoux – when push comes to shove they could say, you could be part of TBE.

ES - If something was run in newspaper saying we are looking for a licensed practicing counselors to donate some hours, some would donate time.

NM – this is what I have done this year. Now we have manual.

JY – That is a good point, run an ad requesting a volunteer. See if anyone is willing to donate time if qualified.

NM – We need someone w/ license and insurance.

GA – Pointed out confidentiality issues with counseling and using volunteers.

NM – that’s why you need someone licensed – they know the laws regarding confidentiality.

GA – It is the clinical hour person who may not be good solution.

NM – If you could get someone who is licensed and semi-retired.

Or find someone who is a professor who wants to do research...

JY – The potential is there to find a qualified volunteer. We should discuss it further at next meeting.

Motion by JY to adjourn. Second by CC. Motion passed unanimously.

8:07pm.