LOTUS SCHOOL FOR EXCELLENCE BOARD MEETING
Minutes

Date: 12/13/2018
Time: 5:30 PM (Mountain Time)
Place: Executive Director's Office; 11001 E Alameda Ave Aurora, CO 80012

Board Members in attendance:
Mr. Mustafa Ozkaynak, President
Mr. Don Knapp, Treasurer
Mrs. Angela Velez-Reyes, Secretary

Additional attendees:
Mr. Tim Farmer, Attorney
Mr. Bart Skidmore, CPA

Executive Director:
Mr. Michael Hecker

Agenda: (Motioned by Mustafa for agenda approval, seconded by Don, Agenda adopted)
✓ Call to order
✓ Pledge of allegiance

✓ Public comments: Coach Jackson and Ms. McCullin gave a brief athletic department update:
  o Athletics has raised $30,000 thus far this year
  o Middle school will have CHASA status in 2019
  o Overall growth in multiple sports and the additions of programs

✓ Executive Director's Report / Action items:
  o Current student enrollment is 858 (Mr. Hecker noted that the drop-in enrollment was due to the recent bomb threat.)
  o There was a bomb threat at LSE on December 12, 2018. All students and staff were evacuated and the police were called. However, there was a breakdown in communication between LSE and parents and LSE and the media department of the APD. LSE policy improvements are being implemented to support future communication efforts.
  o STEAM festival will be held February 9, 2019 at The Aurora
Town Center.
- LSE had approximately 134 people in attendance for the Holiday party! Very successful!
- Elementary Robotics took 1st place in the Core Values competition and qualified for state. High school robotics will be competing in New Mexico.
- An LSE staff bonus and administrator salary market adjustment were proposed (see attached). A motion for the approval of staff bonuses was made by Mustafa, seconded by Don unanimously approved. A motion to increase LSE administration salaries was made by Mustafa, seconded by Angela, and unanimously approved. A motion to increase the Executive Director’s Annual Salary by $10K as of December 1st, 2018. Motioned by Mustafa, seconded by Don, and unanimously approved.
- A motion for the revised Executive Director Evaluation Tool was made by Mustafa, seconded by Don, and unanimously approved.
- The MidWest One Bank, banking resolution (see attached) was proposed.
- A motion to approve the banking resolution was made by Mustafa, seconded by Don and unanimously approved.

Financial Report: Bart’s Memo (see attached) in summary states that LSE has approximately $800-900k in new funding to use by June 2019.

Additional Action Item’s:

1) Construction update from JHL Construction / presented by Kristine Wille-Matney:
   The Engineering and Science building is on schedule to meet the March 2019 completion deadline. The final change order has been submitted and reviewed and with a budget relocation. A copy will be emailed to Mustafa to be included in the minutes. A motion for a JHL construction changes order was made by Mustafa, seconded by Angela, and unanimously approved.

2) Executive Session
- A motion for the commencement of the Executive Session (closed to public pursuant to C.R.S. & 24-6-402(4)(f)) was made by Mustafa, seconded by Don, and approved.
- Executive Session ended and public session resumed.
Discussion Items:

1) The board has received comments and complaints out-side of public meetings. Tim, in care of Mustafa will draft a letter regarding LSE board and administration transparency for the LSE staff.

2) The LSE Board will interview two protentional board members at the January 2019 board meeting.

3) Tentatively, LSE school board will hold a retreat in May of 2019 to introduce a strategic plan based on Mustafa's model.

4) Interviews for the LSE school board will be held at next month's meeting January 10, 2019.

Tim’s Board training:

Tim’s training for this month covered fiduciary duties of care (duty of loyalty and duty of obedience) for the role of board members.

Mustafa motioned for the meeting to be adjourned, seconded by Don, meeting adjourned at 8:22pm.
MEMORANDUM

TO: BOARD OF DIRECTORS
FROM: MICHAEL HECKER, ED.S. - EXECUTIVE DIRECTOR
SUBJECT: STAFF BONUS AND ADMINISTRATOR SALARY MARKET ADJUSTMENTS
DATE: DECEMBER 13, 2018

Funds Available:

- We have $800,000 available to allocate between now and June 30, 2019 largely as a result of local tax measure 5A.

Proposal 1:

- Distribute a one-time, all-staff bonus in the amount of 5% of gross salary before January 1st.
- The total cost is approximately $225,000.

Proposal 2:

- Increase the Administrative team salaries by a yearly total of $54,000, beginning December 1, 2018. The budget impact will be approximately $37,000 total to be paid out December-June.
- Rationale: LSE Administrator salaries do not meet base salary minimums of Aurora Public School District.
December 13, 2018

Banking Resolution

WHEREAS, the debt covenants require the School to maintain a banking relationship with MidWestOne Bank.

WHEREAS, the School desires to set up credit card accounts, a checking account and a savings account with MidWestOne Bank.

Be it resolved by the Lotus School for Excellence Board in Arapahoe County that the accounts referenced above will be set up by the administration team and MidWestOne representatives.

Signed this 13th day of December, 2018,

Lotus School for Excellence President

Lotus School for Excellence Treasurer
MEMORANDUM

TO: LOTUS FINANCE COMMITTEE/BOD
FROM: BART SKIDMORE, CPA, MBA – FINANCIAL CONSULTANT
SUBJECT: 2018 OCTOBER FINANCIAL NOTES
DATE: DECEMBER 13, 2018

The following is a discussion of the October 31, 2018 Financial Statements:

FY 18-19 Budget:
The FY19 budget will need to be amended for the January Board meeting. The District has confirmed LSE will receive $865/FPC (Funded Pupil Count), for FY19 as a result of the passage of the Mill Levy Override ballot measure. Based on this information we project a surplus of approximately $953,000. Considering we are required to manage a surplus of $61.5K, the majority of the remaining $891.5K should be appropriated. We will present to the Board an updated budget resolution and list of new spending during the January Board meeting.

Balance Sheet Analysis:
The School’s current cash position at 10/31/18 was $952K more than the same period last year. At October 31, 2018 Lotus held approximately $1,936,154 in cash compared with $984,016 on October 31, 2017. Other current assets increased approximately $22K. Current liabilities decreased $5K over the prior year due to a reduction in unearned revenue.

FY20 Funding and Change Analysis:
The District confirmed we are Title I eligible for the middle school, this will allow LSE to transition from a targeted assisted model to a Title I schoolwide model.

Summary of K-12 Funding:
2017-18
• Budget Stabilization Factor = $822.4M (-$5.9M)
• Average Per Pupil Funding = $7,662 (+$242)
• Total Program = $6.63B (+$250M)
2018-19
• Budget Stabilization Factor = $672.4M (-$150M)
• Average Per Pupil Funding = $8,137 (+$475)
• Total Program = $7.08B (+$450M)
2019-20 Nov 1 Request
• Budget Stabilization Factor = $595.4M (-$77M)
• Average Per Pupil Funding = $8,495 (+$358)
• Total Program = $7.4B (+$356.3M)

If the FY20 proposed increase is passed, the PPR increase for LSE for the three years would be $1,117. Coupled with the MLO increase of $1,468 for the three years, LSE funding per FPC will have increased $2,585 or 31% ($2,585/$8,327).

Please let any finance committee members know if you have any questions.