

STEM School

Board of Directors Meeting

February 2, 2021

5:30pm – 7:00pm- Zoom meeting

Minutes

I. Call to Order 5:35 by Rudy Lukez, chair

Announcements:

- a. All STEM staff and faculty who have chosen to participate have received the first round of COVID-19 vaccines and the second round are on schedule to be completed this week.
- b. Welcome our newest board member, Nate Angell,
- c. We are now waiting on our final confirmation of our acceptance to CHSSA for the next school year and will need an Athletic/CHSSA committee member on the board.
- d. Congratulations Liz Dougan and Jenny Johnson for your new leadership roles in STEM

II. Roll Call: conducted by Rudy Lukez

Board Members Present: Nicole Smith, Roy Martinez, Nate Angell and Rudy Lukez

Staff present: Penny Eucker, Executive Director, ex officio

III. Pledge of Allegiance lead by Roy Martinez

IV. Reciting of the STEM Mission Statement by Rudy Lukez

Review and approval of previous board meeting minutes

Roy Martinez requested that all slides used be included in the board book moving forward

Motion: Approval of the previous board minutes with no corrections

Motioned to approve: Roy Martinez

Seconded by: Nicole Smith

All directors approved and motion passed

V. Student leadership report 5:40 (slides included)

Presenters: Rebekah Vaughn (Student Government President) and Sophia Barrette (Student Government Treasurer)

Slides detail current and upcoming events and feedback from student surveys and planning new virtual activities for student participation.

VI. Public comment 5:45 PM

1. First speaker: Kelly Fitzgerald- With the staff now becoming vaccinated, can we expect to come back full time for students for the spring semester? Some other charters in our district have been able to be open full time this year. What parameters or procedures do other charters have in place that have allowed them to successfully operate?

2. Second Speaker: Karyn Weiffenbach- Are there any updates on board action regarding teacher retention and what were the results from the PBL that Stephanie Mendrala was working on?

VII. CFO annual report- 5:50 PM (18 slides included)

Presenter: Star Ake, CPA

- a. The slides detail what the Business Office duties are, resources used, audits, budgets, expense/revenue fluctuations, bonds, compliance and DCSD Benchmarks.
- b. Our collective team and resources allow us to consistently do better for STEM Families, meet specific benchmarks as well as maintain transparency to industry standards.
- c. COVID-19 and the 8920 Barons building purchase have required unexpected budget fluctuations. We were able to spend conservatively and meet our required expenses.
- d. As promised, we were able to give a 5% increase and a Costco Membership to our staff
- e. STEM is able to cover its expenses for 34 weeks. We could pay off the Admin building (P-Tech) in 14 years.
- f. STEM is meeting or surpassing all CDE and insurance requirements and have scored very well in audit reporting.

Presenter: Matthias O'Meara of Choice Advisors: a team that has built financial models for the 2019 bond, and helped refinancing into the 2014 bond. (1 slide)

Matt is here to answer some questions to better help us understand school needs versus bond covenants.

- a. What is the purpose of bond covenants? There are two purposes- to ensure that the school can repay the investors that made the school possible, and to establish a healthy business that can weather any financial storms or address pressing financial matters.
- b. Why days cash on hand is important to our bond ratings: having 5 months cash on hand reflects how financially healthy a business is and contributes to bond metrics, leading to lower interest rates and increased savings.
- c. What to consider when looking at the coverage ratio? The ratio requires that the school generated positive coverage ratio which reflects that STEM is focusing on the long term.
- d. How can STEM balance a healthy fund balance, and how to balance all the CDE and DCSD requirements? Best practices are to maintain the legal covenants that you have and keeping a high credit rating. A good financial position allows you to take advantage of fleeting business opportunities with cash.

Board Comment: Nicole Smith: This is akin to what you would see in large corporations that have teams to manage their strategic plan initiatives. We have an adverse to conservative risk initiative that allows us to survive in hard times as well as an aggressive robust risk initiative to finance our school and change the game. How can we continue to mature our financial risk position in coordination with our strategic planning to best engage with the community?

VIII. Executive Director's Report 6:45 PM presented by Dr. Eucker

- a. Nate Angell and Mr. Shallenberger will work on engineering labs/cyber security.
- b. We are coordinating with the school nurse to allow for more in in-person for secondary school in the near future.

- c. 4th grade student provided what she would like to see in the 2022 sister school. (Video)

IX. Resolution to policy proposal for high school grades 6:50 PM

We have a resolution. The policy is included in the board book.

X. Class A and B board member discussion 6:40-6:45

We will table this discussion until the March meeting to discuss the details for the upcoming May Election for board positions.

XI. Adjourn public session

Motion: Convene the public meeting at 6:51 PM

Motioned to adjourn: Roy Martinez

Seconded by: Nicole Smith

All directors approved, and motion passed

Meeting adjourned at 6:51

XI. No executive session this evening