



Board of Directors Meeting
30 June 2003

Members Present: Scotti Haney, George Smith, Al Stopka, Todd Thompson, Rex Harrison, Tracey Adcock

Others Present: Tim Kitts, Chris Reiss, Brad Hacker, Dan Rishavy, Ed Pazzuoli, members of the public

Call to Order: 6:25

Pledge

Prayer

Motion to approve minutes for previous meeting by Todd, seconded by Al. Motion passed.

Report of designation of insurance agent: Board had discussed using Fisher-Brown as one option for insurance needs. Chris reported that Bob Bell of Brown and Brown would also be interested. After discussing both agencies, Rex made a motion that we change insurance agents from Fisher-Brown to Brown and Brown. Seconded by Tracey. Motion carries.

Update on status of insurance issues: Bob Bell met with Chris after reviewing policies and reported that there are several issues to bring us into compliance. He will be reviewing what will be needed and will make a presentation to the board. He also will make recommendations for additional insurance not in contract but the school should have.

Report on transition options: Todd spoke with some people prepared to bring info at a future date and he has feelers out for additional companies to handle payroll. Scotti asked if he would provide a list of services.

New Business-Student Claim: A student broke his/her arm and the parents asked the landlord to handle medical bills. Bob Bell looked into insurance policies to confirm that there is accident insurance in place. There will be approximately \$700 in medical expenses. Chris asked for authority to pay for medical expenses for a full release after it has been confirmed that it is for medical bills. Rex motioned to give Chris authority for payment of up to \$800 for a full and complete release pending confirmation of medical expenses. Seconded by Todd. Motion passed.

Dan Rishavy spoke to the board to address the nature of services provided by CSUSA. Chris reported that she had met with Ed, Dan, and Brad regarding a temporary 30 day agreement between CSUSA and Bay Haven Charter Academy. It would include payroll issues, audit, and end of year of reporting. We would also re-visit an on going relationship between CSUSA and BHCA with defined services from CSUSA, cost for services, and accountability for services performed. Both sides have agreed to disagree on the issue of termination of the original contract. CSUSA's position is that the contract has not been terminated, while the Bay Haven Board of Directors contends that the contract has been terminated. We also have the understanding that we will try to work with CSUSA during this time toward a long term relationship while looking at outside options. Chris requested an electronic copy of all financial books and records. Brad said that he had sent a general ledger in May that covered the last year. Chris asked for the records since the inception of the school. Brad informed the board that CSUSA uses the Solomon software package and doesn't know if the information can be transferred to

a format that can be utilized by the school. Rex asked about the licensing agreement for the software to see if we could use it for an interim time to check the records. Brad said he would work with Chris to get the records in some usable form to the board.

The board gave Chris parameters and discretion to work on a temporary agreement that would be subject to board approval. Dan Rishavy offered to drop the fee for services during the 30 day agreement to 10% of June FTE. George made a motion for Chris to work with CSUSA on a 30 day agreement and to explore the possibility of a long term agreement. Todd seconded the motion. Motion carried. We will have a meeting to review the 30 day agreement on Thursday, July 3rd at 12:15 at Harrison Avenue.

Public input and questions: Shannon Stopka voiced her concerns about availability of books for the beginning of the school year. Her concerns were based on past history of students having to share textbooks. Chris relayed that the board has control of the school's funds and we're current with the book depository and should have no problems this year.

Tom Shaw asked for clarification on the board's decision to terminate the contract with CSUSA. Chris informed Mr. Shaw that after a lightening strike at the school it was made apparent that the school was not properly insured. The board then asked for evidence that the proper insurance was in place. The insurance certificates presented did not properly insure the school. This led to a default in the contract between the Bay Haven Board of Directors and CSUSA. After being noticed CSUSA had 30 days to cure the default. They did not. At this point, Ed wanted the board not to take CSUSA's silence "as admitting default or acceptance of facts presented."

Motion to adjourn by Tracey. Seconded by Al. Meeting adjourned at 6:55.