

# CONFIRMED MINUTES

## METHOD SCHOOLS- BOARD OF DIRECTORS MEETING



At the **Board of Directors Meeting** on **Dec 12, 2023** these minutes were **confirmed as presented**.

<b>Name:</b>	Method Schools Corporation
<b>Date:</b>	Tuesday, September 12, 2023
<b>Time:</b>	5:59 PM to 7:22 PM (PDT)
<b>Location:</b>	Method Schools HQ, 38750 Sky Canyon Drive, Suite B, Murrieta, CA 92563
<b>Board Members:</b>	Steven Dorsey, Tyler Roberts, Carolyn Andrews
<b>Attendees:</b>	Tracy Robertson, Jessica Spallino, Jade Fernandez, Mark Holley, Sarah Delawder, Stefanie Bryant, Yvette Serratos
<b>Apologies:</b>	Gloria Vargas, Shannon Clark
<b>Guests/Notes:</b>	Method Representative- Cory Cavanah

### 1. Opening Meeting

#### 1.1 Roll Call

##### Board Members

1. Carolyn Andrews
2. Tyler Roberts
3. Steven Dorsey

##### Staff

1. Jade Fernandez
2. Jessica Spallino
3. Mark Holley
4. Yvette Serratos
5. Tracy Robertson
6. Stefanie Bryant
7. Sarah DeLawder
8. CBO- Cory Cavanah

## 2. Management Reports

### 2.1 CEO Report

#### OKR/CAASPP Data

- Jessica Spallino: I'd like to revisit the 22-23 academic OKRs. The goal was that 50% of all grade levels would be proficient in ELA and 30% in Math, and only one grade level met each target. We need to improve. When we're getting reauthorized, we're comparing to other schools like us that are going to get reauthorized.
- Question: Carolyn Andrews: How do these compare to the state average?
- Jessica Spallino: It is similar.
- Carolyn Andrews: Do they come in to test, and could that be part of the challenge?
- Jade Fernandez: It is all remote. I think it could be part of it, but there's also a huge burden on parents to bring them to testing.
- Jessica Spallino: 2023-24 Updates: 1) Our current enrollment is 575, 2) We're hiring new teachers, student success managers, and a receptionist, 3) We are using a new assessment tool NWEA and we're hoping it'll help. We feel the diversification of content may fill some gaps. We have a variety of trainings that all instructional staff are required to attend. 2023-24 OKRs: 1) Academics Objective- we want our academic performance to be competitive to schools similar to ours. 2) Experience Objective- our program exceeds expectations of students, parents, and staff. 3) Development Objective- advance our tools and practices in order to serve more students in need of our model.

### 2.2 CBO Report

#### Marketing Update

- Mark Holley: We had a brand update. We have a new website, we try to update it every 3 years, it should be ready next month. We have a Dehesa Method Sports Academy website. Online reviews- we really try to push people to review Method. Net Promoter Score- we started net promoter score in 2018, and I think it is the most critical metric for us. Website Chats- this is a key business indicator. ADA Update- because we have an increased volume of enrollments in July-August, ADA is a much better measure of enrollment.
- Question: Jessica Spallino: Could we hire some part time homeroom teachers to work on the night chats?
- Jade Fernandez: Yes.

### 2.3 CFO Report

#### Banking Issue

- Stefanie Bryant: We had some fraudulent checks come in at the end of July. Tracy R. and I worked on it and had the checks reversed. We suspect that a vendor's employee photocopied a check. We put a freeze on the bank account, shut it down, and have a new account now. We reported it to the local authorities and have it under control.

### 2.4 CAO Report

- Jade Fernandez: We met most of our summer objectives- we're currently at 93% attendance, 89% of courses were passed, and the NPS score was 44. Diagnostic Testing- we had 98% iReady participation rate, and 78% NWEA participation rate. Upcoming events- flag football season started yesterday, we have some field trips coming up, and will be having ASB elections. We have about 20 students at DMSA (Dehesa Method Sports Academy).

### 3. Major Decisions

#### 3.1 Unaudited Financial Statement

- Stefanie Bryant: These are unaudited numbers, but I don't foresee these numbers changing much when we get to the final report. The two schools together netted about \$1.7 million, our ending fund balances are steady at \$24.8 million, our cash in the bank is \$29.6 million.



##### Approval of 6/30/2023 Unaudited Reports

- Steven Dorsey
- Tyler Roberts
- Carolyn Andrews

**Decision Date:** Sep 12, 2023  
**Mover:** Steven Dorsey  
**Seconded:** Tyler Roberts  
**Outcome:** Approved

#### 3.2 Investment Diversification and Accounts

- Stefanie Bryant: Investment Policy 3040 was previously approved. We have about \$12 million or \$13 million in our bank and we're ready to get it moved to an investment broker. Charles Schwab and Fidelity seemed to be at the top. We would like to have the approval of transferring funds of up to \$10 million. We estimated we could generate about half a million.



##### Approval for Investment Diversification and Accounts

- Steven Dorsey
- Tyler Roberts
- Carolyn Andrews

**Decision Date:** Sep 12, 2023  
**Mover:** Tyler Roberts  
**Seconded:** Steven Dorsey  
**Outcome:** Approved

#### 3.3 K-12 Course Catalog

- Sarah DeLawder: We added the company K12 to support middle school. All underperforming middle school students were moved to K12, and all on-grade level are in SmartFox.
- Question: Carolyn Andrews: Is K12 written for NGSS, includes the Fair Act, and such?
- Sarah DeLawder: Yes.



##### Approval of K-12 Course Catalog

- Steven Dorsey
- Tyler Roberts
- Carolyn Andrews

**Decision Date:** Sep 12, 2023  
**Mover:** Steven Dorsey  
**Seconded:** Tyler Roberts

**Outcome:** Approved

### 3.4 UC Scout Course Catalog

- Sarah DeLawder: We went with UC Scout for high school. They offer AP courses, college-prep courses, and all are a-g.



#### Approval of UC Scout Course Catalog

- Steven Dorsey
- Tyler Roberts
- Carolyn Andrews

**Decision Date:** Sep 12, 2023  
**Mover:** Steven Dorsey  
**Seconder:** Tyler Roberts  
**Outcome:** Approved

### 3.5 Dehesa-Method Agreement

- Jessica Spallino: These next four items are for DMSA. The agreement went back to another review with the attorneys and then went back to Dehesa, they board-approved it, and it came back to us. This is the same version you've previously seen; no changes were made. It represents the agreement between us and Dehesa, on all of the parameters of DMSA.



#### Approval of Dehesa-Method Agreement

- Steven Dorsey
- Tyler Roberts
- Carolyn Andrews

**Decision Date:** Sep 12, 2023  
**Mover:** Tyler Roberts  
**Seconder:** Steven Dorsey  
**Outcome:** Approved

### 3.6 Dehesa Facilities Use Agreement



#### Approval of Dehesa Facilities Use Agreement

- Steven Dorsey
- Tyler Roberts
- Carolyn Andrews

**Decision Date:** Sep 12, 2023  
**Mover:** Tyler Roberts  
**Seconder:** Steven Dorsey  
**Outcome:** Approved

### 3.7 Dehesa Charter Material Revision



#### Approval of Dehesa Charter Material Revision

- Steven Dorsey
- Tyler Roberts
- Carolyn Andrews

**Decision Date:** Sep 12, 2023

**Mover:** Tyler Roberts  
**Seconder:** Steven Dorsey  
**Outcome:** Approved

### 3.8 DMSA Student/Parent Handbook



#### Approval of student-parent handbook for Dehesa Method Sports Academy families

- Steven Dorsey
- Tyler Roberts
- Carolyn Andrews

**Decision Date:** Sep 12, 2023  
**Mover:** Tyler Roberts  
**Seconder:** Steven Dorsey  
**Outcome:** Approved

### 3.9 Proposed CEO Vehicle Allowance Amendment

Removed from agenda.

Decision:

- Mover: Tyler Roberts
- Seconder: Steven Dorsey
- Ayes: Tyler Roberts, Steven Dorsey, Carolyn Andrews
- Noes: 0
- Action: Removal of item 3.9 "Proposed CEO Vehicle Allowance Amendment" from the agenda, passed.

### 3.10 2023-24 Creative Back Office Services Contract

- Stefanie Bryant: This contract hasn't changed much since last year's. There was a bit of addition in regard to the growing number of restrictive programs, and a bit of a price increase of \$7,500 per year. It needs approval because it exceeds our purchasing approval threshold.
- Mark Holley: Cory's expertise provides at a much more affordable price rather than creating a finance team. It is a good value.



#### Approval of 2023-24 Creative Back Office Services Contract

- Steven Dorsey
- Carolyn Andrews
- Tyler Roberts

**Decision Date:** Sep 12, 2023  
**Mover:** Tyler Roberts  
**Seconder:** Steven Dorsey  
**Outcome:** Approved

## 4. Consent Items

### 4.1 Confirm Minutes- 6-15-2023



#### Approval of 6-15-2023 Meeting Minutes

- Steven Dorsey
- Tyler Roberts
- Carolyn Andrews

**Decision Date:** Sep 12, 2023  
**Mover:** Tyler Roberts  
**Seconder:** Steven Dorsey  
**Outcome:** Approved

### 4.2 Check Register



#### Approval of Check Register

- Steven Dorsey
- Tyler Roberts
- Carolyn Andrews

**Decision Date:** Sep 12, 2023  
**Mover:** Tyler Roberts  
**Seconder:** Steven Dorsey  
**Outcome:** Approved

## 5. Actions from Previous Meetings

### 5.1 Action List

None

## 6. Discussion

### 6.1 FDIC Insurance Amounts

- Stefanie Bryant: FDIC insurance amounts with banks are \$250,000. I think the likelihood of banks going completely bankrupt are slim. The board just needs to be aware that our cash balances are in excess of the FDIC's amounts.

### 6.2 Amazon Purchases

- Stefanie Bryant: There were some questions about some Amazon purchases in the audit. Our Amazon purchases are on a business account, there are three of us that are administrators on the account, and there are four people who are allowed to purchase on that site. I added some controls regarding levels of approval. There is internal control in case something looks odd.

### 6.3 Gym Pass

- Tracy Robertson: This is a new perk we added to our employee benefit program. It gives them access to go to one gym everyday. 58 out of 84 employees have registered, and 34 are using it. We pay per employee enrolled.

## 6.4 BoardPro

- Tracy Robertson: We've been looking at options. BoardPro is about \$2000 per year, it helps us compile our board packets easily.

## 7. Close Meeting

### 7.1 Close the meeting

**Next meeting:** Board of Directors Meeting - Dec 12, 2023, 6:03 PM

Signature: \_\_\_\_\_

Date: \_\_\_\_\_