

Notice & Agenda

Meeting Notice

This notice was published at www.kairosacademies.org/board at least one day prior to the meeting.

With the spectre of Coronavirus is keeping us apart, we invite you to join us in conducting the public's business virtually. Please join this Kairos Academies board committee at the above date & time by going to [Kairos Board Calendar](#), clicking "More Details" on the relevant event, and clicking "Join with Google Meet."

Pursuant to Missouri Revised State Statute Section 610.021, the Committee may close this meeting for an Executive Session to discuss permissible subjects.

Agenda

Sunshine Law

Review MCPSC's requests regarding the board's adherence to Sunshine Law.

Board Policy

Review MCPSC's requests about the board's policies.

Finance Committee Overview

Review MCPSC's requests for changes in the board's financial oversight.

Invoicing & Contracting

Review MCPSC's request for changes in the board's contracting and invoicing with Kairos Vanguard.

CEO Search

Review MCPSC's request for changes in the board's CEO search.

Inaccuracies in letter

Review inaccuracies in MCPSC's letter of concern to the Kairos board.

Actions

Vote on Discussed Items

- Vote to approve minutes from the following Governance Committee Meetings:
 - ☰ 21-7-14 Governance Committee Meeting (Notice & Agenda | Minutes) ,
 - ☰ 21-8-19 Governance Committee Meeting (Notice & Agenda | Minutes) ,

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- 21-9-8 Governance Committee Meeting (Notice & Agenda | Minutes) ,
- 22-1-12 Governance Committee Meeting (Notice & Agenda | Minutes) .

- Direct the Committee Chair to Review Discussion with Full Board

Minutes

A virtual meeting of this Kairos Academies Board Committee of Kairos Academies was held at the above date and time.

Attendees

The following were in attendance:

- Aaron Jackson (Board Governance Committee Chair)
- Kevin Kerr (Board Secretary)
- Eloise Schlafly (Board Treasurer)
- Gavin Schiffres (Management Support, Kairos Vanguard)
- Brittany Kelleher (Management Support, Kairos Vanguard)

Agenda

Sunshine Law

- Board subcommittee meetings from FY22 and ongoing need public notice, agenda, and minutes on the Kairos website. They also need to be submitted individually to MCPSC.
 - Subcommittee meeting notice, agenda, and minutes have been created to the best of recollection and record for FY22. They have also been uploaded to MCPSC. All previous and future subcommittee meeting notices are on the website.
- MCPSC needs a subcommittee meeting schedule, notification if they're canceled, and ongoing MCPSC uploads.
 - Schedule provided. Training is ongoing for board committees for how to structure public agendas correctly. Gavin and team monitor meetings to support on compliance and notify MCPSC/update the website in case of cancellation.
- Correct Exec Session Minutes from 12-16-2021 to clarify that Gavin stepped out.



- Release to the public all minutes from sections of the board meeting that were inappropriately closed
- Request feedback from Martha on Board minutes.
- Have legal counsel or another provider train board members regarding compliance with Missouri Sunshine Law.
- Maybe someone we know, e.g., MCPSA training, Charter Board Partners, Tueth Keeney
- The Missouri Attorney General Office provides online Sunshine Law training. The point of contact for training and webex link is Casey Lawrence at casey.lawrence@ago.mo.gov or 573-751-8905. Available times are:
 - Wednesday, February 16th, 2022 from 6-8pm CT
 - Thursday, February 24th, 2022 from 6-8pm CT
 - Wednesday, March 16th, 2022 from 6-8pm CT
 - Thursday, March 24th, 2022 from 6-8pm CT
- It would also be helpful to train for Robert's Rules of Order.
- Also need to find training for Robert's Rules of Order
 - One of the callouts is that we're not using Robert's Rules of Order
 - Maybe include Vanguard representatives to this. Ex: Gavin, Jack, Britt
 - Need to change board meeting agendas to say we're calling to adjourn, not calling to close.
- For subcommittee meetings/training
 - Who makes agendas? What's the process/protocol for review beforehand?
 - We have a committee agenda instructional. Add to that.
- Secure legal counsel experienced in nonprofit and/or public school law, policy, and management.
- Have legal counsel review board meeting procedures and minutes to ensure compliance with RSMo 610.022's provisions regarding closed sessions and appropriate fiscal and performance oversight of the Vanguard contract.
- Mike Vachow has identified two lawyers/firms: Tueth Keeney and Chanz Elbert/Tom Durphy. Tom Durphy has connections to the charter school world. Ballpark price of \$15,000.
- Correct Exec Session Minutes from 12-16-2021 to clarify that Gavin stepped out.

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- Review all executive session minutes for discussion of independent contractor personnel and review the same items in a public session meeting.

Board Policy

- Update and submit board approved financial policies to the Commission that prohibit employees of vendors--including providers of management services--from serving on Kairos Academies' board."
- Review with legal counsel that our current conflict policy satisfies this requirement.
- Kairos Academies has a Conflict of Interest policy in its [Board Governance Policies](#) that derives from MCPSC's exemplar. It requires annual conflict of interest questionnaires, which are submitted to our sponsor, as well as the Missouri Ethics Commission disclosures, a duty to disclose, and recusal from any votes that "directly or indirectly" affect a board member's compensation.
- This MCPSC request is clearly meant to prohibit an employee of Kairos Vanguard (ex: Gavin) from serving on the Kairos Academies board.
- The MCPSC requested amendment is not considered a best practice, and there's a reason the MCPSC exemplar does not include it. It would preclude Kairos Academies from contracting with a third party that employs a board member regardless of whether (i) that contract actually poses a conflict for a best value option or (ii) the relationship allows for a a better than market option.
 - **(i)** Suppose Kairos Academies wanted to contract for basic technology support. It would mean that Kairos Academies could not contract with World Wide Technology, even if the part of the org was unrelated to Aaron Jackson division of the massive company. This might even mean we couldn't buy Energizer batteries from Amazon because Whitney Young, an Energizer employee, sits on the board. As drafted, the policy does not protect evaluate for actual conflicts or establish ways to mitigate them while allowing Kairos Academies to pursue its best interest.
 - **(ii)** One way that nonprofit board members support organizations is by using their personal networks and connections to arrange for better-than-market deals. For example, in the past, Brooks Goedecker and Amanda Sullivan (board members) have arranged for hundreds of thousands of dollars worth of free architectural services. We considered paying a heavily discounted rate to Amanda's firm for additional services. The rate was only accessible because Amanda was on the board and made their services by far the best value option for Kairos Academies. This policy would preclude Kairos Academies from taking advantage of those offers. (Another example: We almost had Jason Deem join our board. Jason runs Nebula Coworking and has offered

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us a significantly discounted rate. Kairos is considering getting coworking space there. This amendment would make that benefit impossible for Kairos to obtain.)

Finance Committee Overview

- Check register needs check numbers.
- Broadly, needs a consecutive sequence of unique identifiers so Fin Comm can supervise all \$ that leaves Kairos.
- Connect with Shannon Spralding (does financials for Guadalupe and La Salle) and Paul Fletcher (CFO @ KIPP, on MCPSC Board)
- Establish controls to ensure we withhold payment until we are satisfied with services, e.g., withholding invoices until independent contractor or vendor delivers high quality product, withhold payment if product is not advertised, withhold credit card payment/dispute charge for items not delivered or broken, etc.
- Confirm how Fin Comm should best review invoices that are received late using the modified cash basis that DESE requires. (Ex: How does Fin Comm review a January invoice received in February?) Discuss with DESE, EdOps, or Shannon Spralding/Paul Fletcher. Get solution approved by MCPSC.
- Budget vs actuals need to be in the financial statements.
- Treasurer should include full review of Fin Comm discussion in board agenda, not just presentations
- Academies-Vanguard MOU
 - Fixed amount monthly for specific services. Academies needs to confirm that Vanguard is the best value option.
- MCPSC wants to see Vanguard refund Academies for its December payment.
- February invoice should reflect the costs of a signed interim contract.
- Submit board-approved monthly financial records showing payments to Vanguard for contracted services.
- "Coding School Expenditures," review coding to improve transparency (public vs private funds)

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- Hire auditors to audit the school's FY 2021-22 financials separate from the audit of Vanguard, and have Vanguard submit its audit to KA for review.
- Confirm whether it can be the same auditor with different contracts
- Is it appropriate for Academies to require the audit of a contractor?

Invoicing & Contracting

- By the end of February, secure an interim 30 day fee for service contract for specific services and consistent fees. Then secure a broader CMO contract with MCPSC review by the end of March. Then secure an improved CMO contract with a full terms sheet by the end of June.
 - Submit the proposed management contract between KA and Vanguard to the Commission as a material amendment to the current performance contract.
 - Following Commission review and approval, have the KA - Vanguard contract approved by the full board and execute the contract.
 - Have contract reviewed by legal counsel independent of Kairos Academies Vanguard and the board's finance committee,
 - Make clear the employment status of individuals employed by the school and by Vanguard, and
 - Clearly state the performance expectations of the management organization and the school's remedies for inadequate performance or breach of the agreement.
- Clarify whether Chad (lawyer) represents Academies or Vanguard
- Resolve Hugh conflict of interest
 - Recuse himself from entire process and/or step down from one of the two boards
- Identify a consultant to support with CMO contract
- Vanguard invoices should be more detailed
- Submit a revised organization chart for Kairos Academies, including which employees report to and are evaluated by the KA board.


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CEO Search

- Cancel contract with EOS
- Academies will just decide whether to continue contracting with Vanguard for management services
- Academies will determine a way for Vanguard to give input in their decision making process
- Include the input rights in the contract

Inaccuracies in letter

-  Kairos Academies Letter of Concern January 2022.pdf
- It doesn't allege malfeasance, impropriety, or incompetence. It is a way to officially alert us to an issue that MCPSC would like Kairos to take action on.
- Didn't do anything unethical. Kairos Academies Board had full oversight of Vanguard contracting process. Aimed to be transparent with MCPSC and communicate evolving relationship. Formalizing was delayed because of COVID, started work on it this fall.
- We the appreciate attention brought to some unintentional errors in our process. We are committed to correcting these so all information is available to the public & our sponsor. Our goal has always been to respond quickly and productively to feedback and improvement
- We believe the following statements are inaccurate but not worth a written response:
 - In 2019, the Commission understood that Kairos Academies Vanguard had been formed mainly to raise funds for the school and that the chief executive officer of Kairos Academies would be employed by Vanguard.
 - Last week, based on our review of required submissions and discussions with Kairos Academies, we learned that an agreement with Vanguard for management services was discussed in the July school's 2019 board meeting but that no written agreement was executed at that time.

Questions Kairos Academies Has Strong Answers To

Supplementary answers to these have been created as work product. We can draw on or answer as helpful

- **1. KA and KV contract**

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- **2. KV employees on the management team for KA, what management role they play, for each year of the school's operation**
- **3. Gavin was paid by Vanguard from the beginning out of philanthropic dollars. When did KA start paying Vanguard for Gavin?**
- **4. First payment from KA to Vanguard for services? How often is KA paying Vanguard?**
- **5. Please send me the closed meeting minutes for 10/21 and 11/19 as it relates to "discuss employment of particular employees."**
- **6. KV is a foundation, and therefore KA is making regular payments to a foundation.**
 - **False**
- **7. KA employs and compensates Gavin, Britt, or Jack.**
 - **False**
- **8. KV is getting a new CEO, but KA is paying for the search.**
 - **False**
- **9. KA minutes are taken incorrectly.**
 - **Possibly. If so, let's rectify.**
- **10. KA Board should not have discussed its relationship with KV on 12/16/2021 in executive session.**
 - **True, KA will work to rectify.**
- **11. KA didn't follow its procurement policy when contracting with KV.**
 - **False**
- **12. KV's contract should have been written and updated annually to reflect fees and expanded responsibilities.**
 - **Possibly, although it's not clear & opinions may differ. Moot because KA is already changing.**
- **13. KV has become a CMO and, as such, the relationship with KA is a material change to the approved charter. Material changes require charter amendments.**
 - **Possibly, although it's not clear & opinions may differ. Moot because KA is already changing.**
- **14. KA is dependent on KV, which could pull out at any time.**
 - **Moot because KA is already in the process of changing.**

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- **15. KA does not have a consistent policy on which services it hires employees to provide vs which services it contracts with external vendors for. (There's no standard of who works for KA vs KV.)**
 - **False**

- **16. Gavin Schiffres, an employee of KV, attended the 12-16-2021 executive session where the KV contract was discussed.**
 - **False**

- **17. KA, a governmental entity, paid bonuses to public employees.**
 - **False**

- **18. It is uncommon for KA to pay increasing rates to service providers based on its student enrollment.**
 - **False**

- **19. KV wrote a personnel letter to its employees using KA letterhead.**
 - **True, KA will work to rectify.**

- **20. How will KV use the new fees? What do invoices look like?**

- **21. Do KA's actions warrant a public letter of concern or reprimand?**

Actions

- Vote to approve minutes from the following Governance Committee Meetings:
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 - ☰ 22-1-12 Governance Committee Meeting (Notice & Agenda | Minutes) .

- The committee directed the Committee Chairman to Review Discussion with Full Board

- At 7 p.m. on February 9, 2022 the Committee Chairman adjourned the meeting.

