

**THE METROLINA REGIONAL SCHOLARS' ACADEMY, INC.**

Open Session

**Meeting of the Board of Directors**

Conference Room, Metrolina Regional Scholars' Academy

Monday, June 27, 2016, 6:30 p.m.

**Voting Members Present**

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**Lee Keel, Chair**

**Jack Wagler**

**Makila Scruggs**

**Katherine Pair**

**Karen Cleary**

**Jen McClave**

**Noelle Sproul**

**Rob Watson**

**Renee Alsop**

**Manish Mittal**

**Call to Order and Mission Statement.** The meeting was called to order at 6:32 p.m. Ms. Cleary read the mission statement.

**Announcements & Adoption of the Agenda.**

**Action:** Ms. McClave moved to approve the agenda with the removal of the policy discussion. Ms. Alsop seconded the motion and the Board approved.

**Approval of Prior Minutes.**

**Action:** Mr. Wagler moved to approve the minutes from the May 23, 2016 board meetings. Ms. Pair seconded the motion and the Board approved.

**Executive Director Report**

Ms. Cuneo presented her report. Highlights:

- The final ADM for year was 365 (out of 372 seats). The administration is planning for 376 students (out of 376 seats) in the upcoming school year.
- The administration is working to create procedures for all policies enacted, with the goal to complete them all over the summer.
- The school may need to temporarily rent shipping containers for storage (at a cost of \$125/month), since we are not allowed to use electrical rooms for storage. Ms. Cuneo will research other options.
- Ms. Cuneo presented a proposal from a **lighting** vendor to replace all bulbs and ballasts. The new bulbs should last ten years, and we could receive up to \$6,000 in savings in our energy bills. Duke Energy is giving a rebate for limited time to make the change. Checking on warrantee. This item already fits within electric line item in budget.
- **Facilities rental** contracts: renting out building on Saturdays and Sundays to language class academies.

**Action:** Mr. Wagler moved to approve the contracts for shipping container, rental, and lighting with the following contingencies: 1) on the lighting, after gathering more information on warranty and cost and sharing information with Mr. Keel; 2) for shipping containers, if Ms. Cuneo deems appropriate after researching additional options; and 3) for facility rentals, Ms. Cuneo has the authority. Ms. Alsop seconded the motion and the Board approved.

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- Proposing a math candidate in closed session
- Will have formal PD schedule at next meeting
- Will work on transitioning to more user-friendly web hosts.

### Development Update

See attached.

### Finance Committee Update

- **Budget amendments:** see attached

**Action:** Mr. Watson moved to approve the budget amendments as provided with the typographical error clarification. Ms. Scruggs seconded and the board approved.

- **Budget for 2016-2017:** see attached

Ms. Sproul requested more information regarding intervention program.

Mr. Watson explained assumptions for upcoming budget recommendation.

**Action:** Mr. Watson moved to approve the proposed budget subject to minor adjustments, contingent on surplus being at approximately \$30K. Amounts in excess will be applied to lower reliance on Annual Giving Campaign. Mr. Wagler seconded. The board approved, 9-1.

### Board Nomination Discussion

Mr. Keel thanked Dr. Matthews, Ms. Sproul, and Ms. Cleary for their three years of service on the Board.

Mr. Mittal reported: the Board Nominating Committee received 6 nominations. They will discuss the recommendations in closed session.

### Board Governance & Development

The Board retreat will be on July 29, and will include a board meeting as well as a training session.

Mr. Keel and Mr. Wagler met with Mrs. Cuneo regarding her annual evaluation.

### Community Comments

Community comments ensued.

- Ms. Hemming thanked the board – past, present, and future.

**Motion to Convene in Closed Session.** Ms. Scruggs moved to convene in closed session pursuant to the following statutes was made by, seconded by Ms. Cleary, and approved by the Board:

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- a. Pursuant to N.C.G.S. §143-318.11(a)(1), to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes, such privilege or confidentiality arising under the Family Educational Rights and Privacy Act (20 U.S.C. §1232g) or N.C.G.S. Ch. 126, Art. 7, and
- b. to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee pursuant to N.C.G.S. §143-318.11 (a)(6).

*The closed session minutes are filed in the office of the Executive Director of the Metrolina Regional Scholars' Academy.*

**Open Session**

**Action:** Ms. McClave moved to approve the part-time math teacher proposed by Mrs. Cuneo. Ms. Scruggs seconded and the board approved.

**Action:** Ms. Alsop moved to offer an invitation to join the board to the nominee discussed in closed session. Ms. Pair seconded and the board approved.

**The meeting was Adjourned.**

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**Annual Campaign: Year-to-date (as of April 23<sup>rd</sup>)**

CAMPAIGN YEAR	2015/16	2014/15	2013/14	2012/13	2011/12
Goal	\$575K (reduced to \$530)	\$600K	\$600K	\$600K	\$600K
Received	\$326K	\$407K	\$463K	\$384K	\$427K
Pledges due	\$178K	\$148K	\$110K	\$122K	unknown
Year-end actuals	Est. \$500K	\$506K	\$565K	\$496K	\$524K

**Annual Campaign: Year-to-date (as of May 4<sup>th</sup>)**

CAMPAIGN YEAR	2015/16	2014/15	2013/14	2012/13	2011/12
Goal	\$530K	\$600K	\$600K	\$600K	\$600K
Received	\$372K	\$422K	\$476K	\$409K	\$446K
Pledges due	\$149K	\$132K	\$99K	\$98K	unknown
Year-end actuals	Est. \$500K	\$506K	\$565K	\$496K	\$524K

**Annual Campaign: Year-to-date (as of May 19<sup>th</sup>)**

CAMPAIGN YEAR	2015/16	2014/15	2013/14	2012/13	2011/12
Goal	\$530K	\$600K	\$600K	\$600K	\$600K
Received	\$402K	\$434K	\$492K	\$434K	\$476K
Pledges due	\$107K	\$121K	\$88K	\$75K	unknown
Year-end actual	Est. \$500K	\$506K	\$565K	\$496K	\$524K

**Annual Campaign: Year-to-date (as of June 16<sup>th</sup>)**

CAMPAIGN YEAR	2015/16	2014/15	2013/14	2012/13	2011/12
Goal	\$530K	\$600K	\$600K	\$600K	\$600K
Received	\$450.6K	\$485K	\$555K	\$473K	\$524K
Pledges due	\$ 54,780	\$34,808	\$41K	\$39K	unknown
Year-end actual	Est. \$505K	\$506K	\$565K	\$496K	\$524K

**Annual Campaign: Year-to-date (as of June 27<sup>th</sup>)**

CAMPAIGN YEAR	2015/16	2014/15	2013/14	2012/13	2011/12
Goal	\$530K	\$600K	\$600K	\$600K	\$600K
Received	\$455.5K	\$505K	\$561K	\$490K	\$517K
Pledges due	\$ 51K	\$27K	\$37K	\$21K	unknown
Year-end actual	Est. \$506.5K	\$506K	\$565K	\$496K	\$524K

**NOTES:**

1. Data before 2011/12 AGC is not fully entered in the database.
2. Gifts from families of multiples tend to decrease as children graduate.
3. Gifts from families of children in middle school only tend to decrease.
4. The school lost many parent major gift donors in 2013/14 and 2014/15; new or current parent donors have not accounted for the loss of approximately \$65,000.
5. Many SA families reduce their gift each year they attend the school with only a nominal number of families maintaining or increasing their annual gift.
6. According to the donor database, the AGC has not achieved the goal of \$600K in unrestricted funds since 2011.

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7. For the years prior to 2015/16, it is unclear if reported AGC year-end funds did not include some of the previous campaign year's matching gift funds.
8. Of our current 259 families, 90 have more than one child attending SA (77 families with 2 children and 13 families with 3 children); at least 47 of our current families have alumni. Of the 77 families in respect to giving based on the per student deficit, 46 gave less; 21 met or exceeded and 10 have either not pledged or yet fulfilled their pledge. Of our 13 families in respect to giving based on the per student deficit, 5 gave less, 5 met or exceeded and 3 have either not pledged or yet fulfilled their pledge.
9. As of June 16<sup>th</sup>, we have 25 non-pledged families: 1) 14 with no recent or no giving history; of the 14, four are new to the school as of the 2015/16 school year 2) 11 families with recent giving history; last year's gifts from these families have a cumulative total of \$17,691 plus \$3,700 in match gifts for a total of \$21,391.
10. As of June 16<sup>th</sup>, all default pledges and match gift pledges have been removed from the pledges due. Pledges expected to be fulfilled including ongoing payroll deductions, EFTs, match gifts, and recent pledge fulfillment promises have been included.
11. Company disbursement (payroll deductions) and match gift payment schedules, such as Wells Fargo, do not line up with our fiscal year; about 10% of funds come in up to 7 months past our fiscal year-end each year. For campaign funds tracking purposes, all funds will be entered in the donor database according to the campaign year.
12. Twenty-one of the Class of 2016 grade families no longer have siblings at SA. Their total cumulative giving for the 2015/16 year is \$19,100.
13. As of June 27<sup>th</sup>, \$51K pledges due includes ongoing payroll deductions and match gifts. These funds will come in in batch checks between July, 2016 and February, 2017. Of the \$51K balance, only \$200 is from EFTs.

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Budget Amendments

	Original	Adjusted	Difference	
<b>Revenue</b>				
Rev -Field Trip	20,000.00	21,564.98	1,564.98	to adjust to actual
Rev - Rental of School Property	10,000.00	10,438.00	438.00	to adjust to actual
Rev - Contributions/Donations	526,392.37	524,933.57	(1,458.80)	to adjust for stock contributions
Rev - Stock Contributions	3,607.63	5,066.43	1,458.80	to adjust for additional stock contribution
Rev - Interest Income -8163	170.00	100.00	(70.00)	to adjust to projected
Rev - Various	5,500.00	1,052.98	(4,447.02)	to adjust to actual
Rev - Athletic Participation Fee	2,115.00	1,661.99	(453.01)	to adjust to actual
Rev - Union County	65,010.00	72,681.87	7,671.87	to adjust to actual
Rev - Fundraising	5,000.00	6,611.53	1,611.53	to reflect proceeds from spring bookfair
Rev - Fees/Supplies	7,000.00	6,350.00	(650.00)	to adjust to projected
Rev - Before & After Care	85,000.00	88,000.00	3,000.00	to adjust to projected
<b>Total Revenue</b>			<u>8,666.35</u>	
<b>Expenses</b>				
#1 Salary - Substitute	31,000.00	25,000.00	(6,000.00)	to adjust to projected
#1 Salary - Guidance	24,038.08	25,540.46	1,502.38	to adjust to actual
#1 Salary - Office	100,000.00	75,000.00	(25,000.00)	to adjust to projected
#1 Salary - Accountant	8,000.00	6,000.00	(2,000.00)	to adjust to projected
#1 Salary - Facility Rental Coordinator	1,800.00	1,855.25	55.25	to adjust to actual
#3 Books & Supplies - Textbooks	20,000.00	17,500.00	(2,500.00)	to adjust to projected
#3 Books & Supplies - Library Books	6,104.24	6,348.29	244.05	to adjust to actual
#3 Band Repairs	500.00	270.00	(230.00)	to adjust to actual
#4 Non-Capitalized Hardware	750.00	1,100.00	350.00	to adjust to projected
#4 Supplies & Materials	200.00	1,300.00	1,100.00	to adjust to projected
#6 EC Services	6,900.00	12,089.00	13,189.00	to adjust to actual
#6 Athletic Services	1,500.00	2,250.00	750.00	to adjust to projected
#6 Field Trips	20,000.00	22,500.00	2,500.00	to adjust to projected
#7 Workshops	25,000.00	18,000.00	(7,000.00)	to adjust to projected
#7 Education Reimbursements	14,000.00	10,000.00	(4,000.00)	to adjust to projected
#8 Advertising	5,000.00	3,000.00	(2,000.00)	to adjust to projected
#8 Developmental/Marketing	10,000.00	8,000.00	(2,000.00)	to adjust to projected
#8 Human Resources	26,000.00	24,000.00	(2,000.00)	to adjust to projected
#9 General Liability	19,000.00	25,000.00	6,000.00	to adjust to projected
#10 Rents & Debt Service - Interest	113,000.00	91,000.00	(22,000.00)	to adjust to projected
#11 Facilities - Contracted Custodial Services	43,000.00	45,000.00	2,000.00	to adjust to projected
#11 Facilities - Custodial Supplies	8,000.00	9,000.00	1,000.00	to adjust to projected
#12 Utilities - Water & Sewer	10,000.00	11,000.00	1,000.00	to adjust to projected
#12 Utilities - Waste Management	3,500.00	4,000.00	500.00	to adjust to projected
#12 Utilities - Telephone	9,000.00	8,000.00	(1,000.00)	to adjust to projected
#13 Nutrition & Food - B&A Care	5,000.00	3,200.00	(1,800.00)	to adjust to projected
#13 Nutrition & Food - Office	250.00	55.69	(194.31)	to adjust to actual
#14 Transportation - Vehicle Repair	2,000.00	1,000.00	(1,000.00)	to adjust to projected
#14 Transportation - Vehicle Supplies	500.00	10.66	(489.34)	to adjust to actual
#14 Vehicle Gas	2,500.00	1,000.00	(1,500.00)	to adjust to projected
#15 Cap Instructional Equipment	10,000.00	5,000.00	(5,000.00)	to adjust to projected
#15 Misc. & Other Contracts	15,000.00	12,587.03	(2,412.97)	to adjust to actual cost for the fence
<b>Total Expenses</b>			<u>(51,935.94)</u>	
<b>Net change to budget surplus (deficit)</b>			60,602.29	

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Proposed budget

	FY16 Actuals thru May	FY16 Budget thru May	One-Times	FY16 Normalized	Budget Review	Adjustments	FY17 Proposed
<b>Revenue</b>							
State	1,826,951	1,826,951	(29,500) <b>1</b>	1,797,451		19,200 <b>15</b>	1,816,651
Federal	55,041	67,179	(27,179) <b>2</b>	40,000			40,000
Local + Other	820,388	892,848		892,848	6,096 <b>4</b>	8,800 <b>15</b>	907,744
Local- Cash Balance	1,636,244	1,636,244		1,636,244			1,636,244
Local-Development	426,593	530,000		530,000			530,000
Local-Fundraising	43,104	41,344		41,344	(17,725) <b>5</b>		23,619
Before/ After	79,867	85,000		85,000	3,000 <b>6</b>		88,000
	4,888,189	5,079,566	(56,679)	5,022,887	(8,629)	28,000	5,042,257
<b>Expenses</b>							
1 Salaries, Bonus	1,445,489	1,937,176		1,937,176	14,372 <b>7</b>	29,000 <b>16</b>	1,980,548
2 Benefits	333,648	447,429		447,429	37,208 <b>8</b>		484,637
3 Books & Supplies	83,085	116,496		116,496	(20,446) <b>9</b>	5,000 <b>17</b>	101,050
4 Technology	4,595	3,950		3,950	1,050 <b>10</b>		5,000
5 Equipment, Leases	7,468	8,900		8,900	(900) <b>10</b>		8,000
6 Contracted Student Services	64,917	70,271		70,271	(4,571) <b>10</b>	7,500 <b>18</b>	73,200
7 Staff Development	23,097	40,001		40,001	(7,001) <b>11</b>		33,000
8 Administrative Services	124,309	153,112	(23,000) <b>3</b>	130,112	(312) <b>10</b>		129,800
9 Insurance	24,821	32,578		32,578	6,022 <b>12</b>		38,600
10 Rents & Debt Service	213,805	291,500		291,500	(13,000) <b>13</b>		278,500
11 Facilities	89,721	108,988		108,988	(3,988) <b>10</b>		105,000
12 Utilities	69,308	92,500		92,500	(5,000) <b>10</b>		87,500
13 Nutrition & Food	3,009	5,652		5,652	(652) <b>10</b>		5,000
14 Transportation & Travel	1,604	6,700		6,700	(1,600) <b>10</b>		5,100
15 Capital Purchases	5,373	38,030		38,030	(18,030) <b>10</b>		20,000
16 Confucious Classroom	249	6,675		6,675	(249) <b>14</b>		6,425
17 Selembo Foundation	4,418	21,611		21,611	(4,418) <b>5</b>		17,193
20 Jimmie Johnson Grant	-	203		203	(203) <b>5</b>		-
	2,498,915	3,381,772	(23,000)	3,358,772	(21,718)	41,500	3,378,554
Net Surplus	2,389,273	1,697,794	(33,679)	1,664,115	13,089	(13,500)	1,663,703
Net Surplus (excl. Fund Balance)	753,030	61,550	(33,679)	27,871	13,089	(13,500)	27,459
Budget margin (cushion)	23.16%	1.79%		0.82%			0.81%

- 1** – FY16 included a one-time bonus from the State
- 2** – FY16 included a one-time grant received from the Federal gov't (EC)
- 3** – FY16 included costs for an Executive Director search
- 4** – Includes true-up to FY16 actual run rate as well as higher rental income and Union County funds
- 5** – Restricted gifts are budgeted based on remaining funds in the program
- 6** – Increased based on actual FY16 revenues
- 7** – Includes true-up to FY16 actual run rate as well as anticipated salary increases
- 8** – Expected increase in medical costs
- 9** – Includes true-up to FY16 actual run rate and removed restricted funds spending to match revenue
- 10** – True-up to FY16 actual run rate
- 11** – Expect lower tuition reimbursements in FY17 with fewer teachers in programs
- 12** – General liability insurance expected to increase
- 13** – Interest has remained low
- 14** – Expenses for restricted funds are lined up to match the revenue from those funds
- 15** – Increased class size expected to bring in 4 more students – per pupil funding from state and county
- 16** – PT Chinese, PT MS Math and increased Receptionist hours, offset by removal of Strings
- 17** – Costs for SEL and Apprentice Scholars programming
- 18** – Increased cost for intervention specialists