APPROVED

Magnolia Public Schools

Minutes

Regular Board Meeting

Date and Time
Thursday March 9, 2017 at 6:30 PM

Location
MSA Santa Ana: 2840 W. 1st Street Santa Ana, CA 92703 1st Floor Rm 120

AGENDA
Regular Meeting of the MPS Board of Directors

MPS Board Members:
Ms. Noel Russell- Unterburger, President
Dr. Umit Yapanel, Secretary
Mr. Serdar Orazov, Treasurer
Dr. Saken Sherkhanov
Dr. Salih Dikbas
Dr. Remzi Oten
Ms. Diane Gonzalez
Mr. Nguyen Huynh
Mr. Haim Beliak

CEO & Superintendent:
Dr. Caprice Young

Notice of Closed Session Agenda Items
Due to space limitations on the following pages of the agenda, notice of closed session agenda items is provided here.

IV. A Conference with Legal Counsel—Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9

IV. B Public Performance Evaluation: Chief Executive Officer and Superintendent

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Directors Present
H. Beliak (remote), N. Huynh, N. Russell-Unterburger, R. Oten, S. Dikbas, S. Orazov, U. Yapanel

Directors Absent
D. Gonzalez, S. Sherkhanov

Directors who arrived after the meeting opened
S. Orazov

I. Opening Items

A. Record Attendance and Guests

H. Beliak participated from Magnolia Science Academy-6, all other board members whom participated attended in person from Magnolia Science Academy- Santa Ana. Chief Executive Officer, C. Young, did not participate. Refer to attendance information above for more details.

B. Call the Meeting to Order

N. Russell-Unterburger called a meeting of the board of directors of Magnolia Public Schools to order on Thursday Mar 9, 2017 at 6:50 PM.

C. Pledge of Allegiance

MSA-Santa Ana student lead the Board and attendees in the Pledge of Allegiance.

D. Public Comments

There were no public comments.

E. Oral Communications

No oral communications were made.

F. Approval of Agenda

N. Russell-Unterburger made a motion to approve the agenda as presented.
R. Oten seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

H. Beliak	Aye
S. Sherkhanov	Absent
R. Oten	Aye
D. Gonzalez	Absent
N. Russell-Unterburger	Aye
S. Orazov	Absent
S. Dikbas	Aye
U. Yapanel	Absent
N. Huynh	Aye

G. Approve Minutes of Regular Board Meeting; February 9, 2017

N. Russell-Unterburger made a motion to approve minutes from the Regular Board Meeting on 02-09-17 Regular Board Meeting on 02-09-17.
N. Huynh seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

H. Beliak	Aye
S. Sherkhanov	Absent
S. Dikbas	Aye
U. Yapanel	Absent
N. Huynh	Aye
D. Gonzalez	Absent
R. Oten	Aye
N. Russell-Unterburger	Aye
S. Orazov	Absent

II. Consent Agenda

A. Approval of Additional Teacher Substitute Vendor for 2016-17; Direct Ed.

N. Russell-Unterburger made a motion to approve Consent Items A-D as presented.
S. Dikbas seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

S. Dikbas	Aye
R. Oten	Aye
D. Gonzalez	Absent
H. Beliak	Aye
U. Yapanel	Absent
S. Orazov	Aye
N. Russell-Unterburger	Aye
N. Huynh	Aye
S. Sherkhanov	Absent

S. Orazov arrived.
S. Orazov, MPS board member, arrived at 7:04 pm and begin voting from consent items moving forward.

B. Approval of Safe Zone Resolution

N. Russell-Unterburger made a motion to approve consent items A-D as presented.
S. Dikbas seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

U. Yapanel	Absent
N. Huynh	Aye
S. Dikbas	Aye
S. Sherkhanov	Absent
N. Russell-Unterburger	Aye
R. Oten	Aye
D. Gonzalez	Absent
H. Beliak	Aye
S. Orazov	Aye

C. Approval of 2017-18 School Calendars for all Magnolia Science Academies

N. Russell-Unterburger made a motion to approve the consent items A-D as presented.
S. Dikbas seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez	Absent
U. Yapanel	Absent
S. Sherkhanov	Absent
S. Orazov	Aye
S. Dikbas	Aye
N. Huynh	Aye
R. Oten	Aye
N. Russell-Unterburger	Aye
H. Beliak	Aye

D. Approval of Revised 2016-17 Employee Handbook Re: STRS and PERS

N. Russell-Unterburger made a motion to approve the consent items A-D as presented.
S. Dikbas seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

S. Sherkhanov	Absent
S. Orazov	Aye
H. Beliak	Aye
N. Russell-Unterburger	Aye

Roll Call	
R. Oten	Aye
S. Dikbas	Aye
N. Huynh	Aye
U. Yapanel	Absent
D. Gonzalez	Absent

III. Action Items

A. Conflict of Interest Training for MERF Board of Directors

J. Simmons, attorney from Young, Minney & Corr, LLP, gave the training to Form 700 filers of Magnolia Science Academy -1, 2, 3, MPS home office, and MPS Board of Directors. This item was a training, no actions required.
U. Yapanel arrived in person at 8:10 p.m.

B. Approval of Revised Fiscal Policies to Align with LACOE MOU Requirement

N. Montijo, Chief Financial Officer, spoke on the policies that are being presented. She explained that these changes would apply to all Magnolia Public Schools (MPS) and they are in alignment with the requirements from Los Angeles County of Education's (LACOE's) Memorandum of Understanding requirements. The policies presented for approval are the following; Bank Account Reconciliation, Fixed Asset Control and Leased payroll desk policy. N. Montijo explained each policy in depth and addressed all questions.
S. Orazov made a motion to approve the Revised Fiscal Policies for all MPS.
N. Russell-Unterburger seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call	
U. Yapanel	Aye
N. Huynh	Aye
R. Oten	Aye
H. Beliak	Aye
S. Orazov	Aye
S. Dikbas	Aye
D. Gonzalez	Absent
N. Russell-Unterburger	Aye
S. Sherkhanov	Absent

C. Approval of Anti-Nepotism Policy

A. Rubalcava, Chief External Officer, presented the Anti-Nepotism policy. He explained that legal has worked on and has reviewed these policies. J. Simmons from Young Minney and Corr, LLC (YMC) provided background on this policy.
R. Oten made a motion to approve the Anti-Nepotism Policy.
S. Orazov seconded the motion.

The board **VOTED** unanimously to approve the motion.

Roll Call	
N. Huynh	Aye
S. Sherkhanov	Absent
S. Dikbas	Aye
U. Yapanel	Absent
N. Russell-Unterburger	Aye
H. Beliak	Aye
R. Oten	Aye
D. Gonzalez	Absent
S. Orazov	Aye

D. Approval of Conflict of Interest Policy for Magnolia Science Academy 1, 2 and 3

A. Rubalcava, Chief External Officer, explained the Conflict of Interest Policy for MSA-1, 2, and 3 along with the Conflict of Interest Code. He explained the reason for the changes and explained that this policy aligns with the request in LACOE's MOU. A. Rubalacava He addressed questions.
S. Orazov made a motion to approve Conflict of Interest Policy for MSA-1, 2, 3.
N. Russell-Unterburger seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call	
S. Dikbas	Aye
D. Gonzalez	Absent
N. Huynh	Aye
H. Beliak	Aye
N. Russell-Unterburger	Aye
U. Yapanel	Aye
S. Orazov	Aye
R. Oten	Aye
S. Sherkhanov	Absent

E. Approval of Revised Conflict of Interest Code for Magnolia Science Academy 1, 2 and 3

A. Rubalcava, Chief External Officer, spoke on the revised Conflict of Interest Code for MSA-1, 2, and 3. This will only impact schools that are authorized by LACOE. By approving this item our Conflict of Interest Code will align with LACOE's MOU requirements. J. Simmons, attorney from YMC, explained the difficulty of having different schools authorized by different authorizers and therefore having schools comply with different conflict on interest codes that include specific language requested by each authorizer. He explained that the organization should get their own Conflict of Interest Code approved by the Fair Political Practice Commission (FPPC), with this, all MPS will be responsibly to comply with only one Conflict of Interest Code. Attorneys and MPS staff addressed all questions.

N. Russell-Unterburger made a motion to approve the revised Conflict of Interest Code for MSA-1, 2, and 3.
N. Huynh seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call	
S. Sherkhanov	Absent
S. Dikbas	Aye
S. Orazov	Aye
N. Huynh	Aye
D. Gonzalez	Absent
U. Yapanel	Aye
R. Oten	Aye
H. Beliak	Aye
N. Russell-Unterburger	Aye

F. Approval of Investment Policy for all MPS

N. Montijo, Chief Financial Officer, presented the Investment Policy to the Board. N. Unterburger and S. Orazov, MPS Board Chair and MPS Board Treasurer, presented their concerns of the policy and made suggestions of additions and edits.
N. Russell-Unterburger made a motion to table the Investment Policy for Magnolia Public Schools.
S. Orazov seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call	
S. Orazov	Aye
S. Dikbas	Aye
D. Gonzalez	Absent
N. Russell-Unterburger	Aye
U. Yapanel	Aye
S. Sherkhanov	Absent
H. Beliak	Aye
N. Huynh	Aye
R. Oten	Aye

G. Approval of 2016-17 Second Interim Reports and January 2016 Financials for all MPS

K. Dietz, EdTec representative, presented the second interim reports to the Board. She reviewed the positive and negative financials for all MPS. K. Dietz, mentioned the improvement in expense coding and the reduction numbers of uncategorized expenses. O. Revish, Human Resource Director, explained the STRS implementations that are going to be put in place into Paycom to address the reporting needs and streamline the process. S. Acar and E. Acar, Regional Directors, elaborated on the STRS and PERS concerns and explained the steps that have been put in place to ensure that these

concerns are addressed. N. Montijo, Chief Financial Officer, informed the Board of the current status with FCMAT.

N. Russell-Unterburger made a motion to approve the 2016-17 Second Interim Financials for all MPS.
S. Orazov seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

H. Beliak	Aye
S. Orazov	Aye
S. Dikbas	Aye
N. Russell-Unterburger	Aye
N. Huynh	Aye
S. Sherkhanov	Absent
D. Gonzalez	Absent
U. Yapanel	Aye
R. Oten	Aye

H. Approval of MSA Santa Clara Deficit Transfer Treatment

N. Montijo, Chief Financial Officer, explained the loss treatment of MSA Santa Clara due to the closure of the site. The total loss of 1,176,563.13 will be recorded in the MERF books for the current year. She explained that legal's advice is to not distribute the loss to schools, MERF home office should absorb the full loss. K. Dietz, EdTec representative, assisted in explaining the 4 year absorption plan. The Board discussed the comparison of the loss when the closure of PTS- Orangevale took place. All questions were addressed.
S. Orazov made a motion to approve the proposed inter-agency loan to MERF in the amount of $442,020.37.
N. Russell-Unterburger seconded the motion.
The board **VOTED** to approve the motion.

Roll Call

N. Huynh	Aye
R. Oten	Abstain
N. Russell-Unterburger	Aye
U. Yapanel	Aye
S. Orazov	Aye
S. Dikbas	Aye
S. Sherkhanov	Absent
D. Gonzalez	Absent
H. Beliak	Aye

I. Approval of Project Update and Approvals Related to MSA 1 Facility

F. Gonzalez, Chief Growth Officer (CGO), updated the board on the MSA-1 Facility and the construction of the new building. He explained the work that has already been done

and what work is still needed. He explained the challenges with working with the City of Los Angeles regarding the gymnasium and the project with the LA Kings. S. Acar, Chief Operations Officer, presented more detail on the MSA-1 project. F. Gonzalez, CGO, addressed all questions.
U. Yapanel made a motion to approve the project updated and approvals related to MSA-1 Facility.
S. Orazov seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

N. Russell-Unterburger	Aye
N. Huynh	Aye
U. Yapanel	Aye
R. Oten	Aye
S. Dikbas	Aye
S. Sherkhanov	Absent
D. Gonzalez	Absent
H. Beliak	Aye
S. Orazov	Aye

J. Approval of Project Update and Approvals Related to MSA San Diego Facility

F. Gonzalez, Chief Growth Officer, gave an update on MSA-San Diego facility. He explained the expected timeline and details of the project. F. Gonzalez, gave details on the demolition of the current building. He explained the cost and the reimbursement procedure of the expenses. S. Acar, Chief Operations Officer, presented details on the time constraints with the construction and the projected opening day of the school.

The costs will be reimbursed as soon as the Hamlin Bond comes through. The time frame is 30 days to demolish. Hamlin funding would close on April 26.
S. Orazov made a motion to approve project update and approvals related to MSA-San Diego Facility.
S. Dikbas seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

N. Russell-Unterburger	Aye
H. Beliak	Aye
S. Dikbas	Aye
S. Sherkhanov	Absent
S. Orazov	Aye
U. Yapanel	Aye
N. Huynh	Aye
D. Gonzalez	Absent
R. Oten	Aye

K.

Approval of Bridge Financing for MSA-San Diego and MSA-Santa Ana Projects

N. Montijo, Chief Financial Officer, presented the Bridge Financing item. N. Montijo, Chief Financial Officer and N. Huynh, MPS Board Director, presented details on the financing. They explained the projects and the current financial needs. All questions were addressed.
N. Huynh made a motion to approve the Bridge Financing for MSA Santa Ana and San Diego Projects as needed up to $7 million. Because final proposal analysis is incomplete and due to the urgency of the decision timeline, the board delegates the final decision on this item to a closed session of an ad hoc committee consisting of the board president (Noël Russell Unterburger), the facilities committee chair (Nguyen Huynh), and S. Dikbas.
N. Russell-Unterburger seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

U. Yapanel	Aye
S. Dikbas	Aye
R. Oten	Aye
D. Gonzalez	Absent
S. Orazov	Aye
S. Sherkhanov	Absent
N. Huynh	Aye
H. Beliak	Aye
N. Russell-Unterburger	Aye

L. Approval of Amended Project Budget and Prop 1D Financing for MSA Santa Ana

F. Gonzalez, Chief Growth Officer,presented the MSA Santa Ana (MSA-SA) Amended Project Budget and Prop 1D Financing item. He explained the changes to the original plan that came along the way as the construction was in progress. He also elaborated on the past MPS Board approved budget for this project. The project budget and 5% contingency was approved in July of 2015 but the source of this contingency amount was not identified. Staff is requesting and intra-company loan with MSA-Santa Ana to cover this contingency. MSA-SA will payback this loan when its ADA has increased. Staff addressed all questions.
N. Russell-Unterburger made a motion to approve the inter-agency loan according to the attached schedule to fund the portion of the MSA Santa Ana phase one school site project not covered by the Proposition 1D bonds.
N. Huynh seconded the motion.
The board **VOTED** to approve the motion.

Roll Call

D. Gonzalez	Absent
S. Sherkhanov	Absent
N. Huynh	Aye
S. Orazov	Abstain
S. Dikbas	Aye

Roll Call

H. Beliak	Aye
U. Yapanel	Aye
R. Oten	Abstain
N. Russell-Unterburger	Aye

IV. Closed Session Items

A. Conference with Legal Counsel—Anticipated Litigation

Closed Session discussion was postponed.

B. Public Performance Evaluation: Chief Executive Officer and Superintendent

Closed Session discussion was postponed.

V. Discussion Items

A. Academic Update

Written report was delivered, there was no discussion.

B. 2017 Bond Financing Update

Discussion of the 2017 Bond Financing item was postponed until the next board meeting.

VI. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 10:30 PM.

Respectfully Submitted,
N. Russell-Unterburger