APPROVED

Magnolia Public Schools

Minutes

Board Meeting

Date and Time
Thursday March 10, 2016 at 5:00 PM

Location
Teleconference Dial:1.844.572.5683 Code: 1948435

Directors Present
A. Korkmaz (remote), N. Huynh (remote), N. Russell-Unterburger (remote), R. Oten (remote), S. Orazov (remote), S. Sherkhanov, U. Yapanel (remote)

Directors Absent
D. Gonzalez, M. Kaynak

Directors who left before the meeting adjourned
N. Huynh

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

U. Yapanel called a meeting of the board of directors of Magnolia Public Schools to order on Thursday Mar 10, 2016 at 5:20 AM.

C. Approve Minutes of Regular Board Meeting- February 11, 2016

U. Yapanel made a motion to approve minutes from the Board Meeting on 02-11-16 Board Meeting on 02-11-16.
S. Orazov seconded the motion.
The board **VOTED** unanimously to approve the motion.

II. Action Items

A. Approval of SPSA Plans for MSA 4, MSA 6 and MSA San Diego

A. Rubalcava, Chief External Officer, presented the SPSA item to the Board. He explained that this was a continued item to the SPSA item presented in the last February MPS Board meeting, now presenting the SPSA plans for MSA 4, MSA 6 and MSA San Diego. It was explained that SPSA plans are approved by each school's School Site Council (SSC) and ratified by the MPS Board annually. These plans outline how schools will be using their federal funds including Title I, Title II, and Title III Funds.
U. Yapanel made a motion to approve the Single Plan for Student Achievement (SPSA) for MSA-4, MSA-6, and MSA- San Diego.
N. Huynh seconded the motion.
The board **VOTED** unanimously to approve the motion.

B. Approval of Modifications from 12 to 10 Month Employee Contracts

T. Boatman, Director of Human Resources, presented the change from 12 Month Agreements to 10 Month Agreements item to the Board. She explained that this change will not change salaries, therefore there are no budget implications. With this modification, teacher salaries will be paid evenly through out 12 months. MPS will institute summer holdback, this system spreads teacher salaries out evenly through 12 months. This new proposed contract dates will align with the school calendar in order to better comply with STRS & PERS reporting. The approval of these changes will allow MPS to begin this new process in fiscal year 2016-17.
N. Huynh made a motion to approve the change from 12 month agreements to 10 month agreements for teacher salaries.
S. Orazov seconded the motion.
The board **VOTED** unanimously to approve the motion.

C. Approval of Benefit's Broker Services

T. Boatman presented the Benefit's Broker Services to the board. She explained the RFP and interview process of the four companies that applied. She also explained that MPS has been using the same broker for several years and it was for the best interest of the organization to re bid the contract at this time. Re-bidding allowed MPS to search for competitive prices. The interview team selected Montage Insurance Solutions to be the new MPS broker due to recommendations of other of their clients and their experience with other CMOs, they are familiar with the HRIS system that MPs uses and they demonstrate commitment to customer service. T. Boatman explained that this broker set a $75,000 cap of commission and anything over that will be reimbursed back to MPS.

Current health benefits will not be changing but we will have the option to add other benefits. There will be no budget implications with this change. However, MPS might benefit financially from the change due to the cap on this broker. T. Boatman addressed all Board member questions and concerns.
N. Huynh made a motion to approve MPS to move forward with the agreement with Montage Insurance Solutions as the broker on record for Magnolia Public School's benefits program.
S. Orazov seconded the motion.
The board **VOTED** unanimously to approve the motion.

D. Approval of 2015-16 2nd Interim Financial Report for MSA 1-8

O. Diaz, Chief Financial Officer, presented the 2015-16 Second Interim Financial report for Magnolia Science Academies (MSA) 1-8. He informed the Board that the second interim reports for MSA Santa Clara, MSA Santa Ana and MSA San Diego would submitted during the next board meeting. Second interim reports for MSA 1-8 were submitted to LAUSD March 9, 2016 after they were discussed with one of the Magnolia Public Schools (MPS) Finance Committee member. Each authorizer has their own internal deadlines, therefore reports for schools are submitted on different days.The Board requested that any feedback reported out from the authorizers be presented to the MPS Finance Committee as an information item. The Board also requested that all loan transactions within MPS schools be approved by the board and they requested to receive a monthly update on loan balances. Mr. Diaz explained that a loan item was approved by the board a few meetings ago, which allowed for the MSA 8 to MSA Santa Ana (SA) loan transaction to move forward. This loan was approved by the principal of the school giving the loan the CEO and CFO. O. Diaz also explained that this loan will in no way harm the school it is a short term loan which MSA SA will repay when it receives the CSFA grant. O. Diaz addressed all Board members' questions.
S. Orazov made a motion to approve the 2015-16 Second Interim Financial report for Magnolia Science Academies (MSA) 1-8.
N. Russell-Unterburger seconded the motion.
The board **VOTED** unanimously to approve the motion.

E. Revision of Policies and Procedures Relating to Bidding Requirements

O. Diaz explained the changes and additions made to the bidding requirements policy. He explained the reasoning behind the changes and the benefits these changes would provide. Changes included; updates in the conflict of interest code in regards to vendors and family members benefiting, staff receiving anything having a monetary value and disciplinary action items. Internal auditors reviewed and approved the changes. This policy covers third party consultants, and anyone working on behalf of Magnolia Public Schools. O. Diaz addressed all Board members' questions and concerns.
U. Yapanel made a motion to approve the changes in the Financial Policies and Procedures Relating to Bidding Requirements.
N. Russell-Unterburger seconded the motion.

The board **VOTED** unanimously to approve the motion.
N. Huynh left.

F. Approval of 2015-16 Educator Effectiveness Spending Plan

O. Diaz explained to the Board that the 2015-16 Educator Effectiveness Spending Plan has to be presented to the Board in order to use the funds. This plan explains how schools are planning to spend the money. Principals, home office staff and Edtec worked on the funding plans together. These funds have been included in the approved budget. Edtec keeps these funds on a separate account, allowing for controlled use of the funds. There is specific reporting timeline which Edtec will be completing the reporting for.
A. Korkmaz made a motion to approve the 2015-16 Educator Effectiveness Spending Plan.
S. Orazov seconded the motion.
The board **VOTED** unanimously to approve the motion.

G. Possible Action- Approval of Changes in 2016-17 Salary Scales

T. Boatman explained the proposed changes in the 2016-17 Teacher Salary Scale. O.Diaz and C. Young explained the over all finance impact the new Teacher Compensation pay scale would have on next year's budget. O. Diaz explained in depth the impact it would have on certain schools, the reasoning and action plan behind these situations as well as different budget scenarios. T. Boatman explained to the Board that teachers' and principals' feedback was received and incorporated into the presented scale. The raise in the pay scale will equalize base salary by removing the difference in pay between teachers, teaching different subjects. Regional Directors and Principals gave their feedback and experiences on their sites to the Board. Staff explained the affects that would be produced if the current scale has if affect for 2016-17 fiscal year. Board members obtained feedback from two current MPS teachers who spoke and gave their public comments on this item. This item was tabled until Sunday, March 13, 2016 where the item was discussed further and approved.

N. Russell-Unterburger made a motion to approve the changes in the 2016-17 teacher salary scales.
N. Huynh seconded the motion.
The board **VOTED** to approve the motion.

Roll Call

U. Yapanel	Aye
N. Russell-Unterburger	Aye
A. Korkmaz	Aye
S. Orazov	Abstain
S. Sherkhanov	Abstain
R. Oten	Absent
M. Kaynak	Absent
D. Gonzalez	Aye

Roll Call

N. Huynh	Aye

III. Discussion Items

A. MPS Baseline Capital Plan

MPS Baseline Capital Plan item was not discussed. This item will go to the Board during the next Board meeting.

B. Update on Back Office Service Provider

A written report was provided to the Board, there was no further discussion.

IV. Written Updates

A. MPS January 2016 Financial Update

A written report was provided to the Board, there was no further discussion.

B. Academic Board Report

A written report was provided to the Board, there was no further discussion.

C. Update on State Audit Recommendations

A written report was provided to the Board, there was no further discussion.

V. 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 7:00 PM.

Respectfully Submitted,
U. Yapanel