



Harmony Public Schools

Minutes

December 15, 2018 Board Meeting

Date and Time

Saturday December 15, 2018 at 12:00 PM

Location

9321 W. Sam Houston Pkwy. S, Houston TX, 77099

Items will not necessarily be discussed or considered in the order they are printed on the agenda above. If, during the course of the meeting, discussion of any item on the agenda should be held in an executive or closed session, the Board will convene in such executive or closed session as permitted by and in accordance with the Texas Open Meetings Act, Texas Government Code Chapter 551. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Texas Open Meetings Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

Directors Present

D. Morales, E. MacDonald, H. Koc, H. Stewart, O. Celepcikay, O. Kanlioglu

Directors Absent

C. Keskin

Guests Present

Adebowale Adebisi, Ali Kaba, C. Lambert, Ebru Akyildiz, F. Ay, K. Camuz, M. Bayar, M. Schneider-Vogel, N. Bayhan, O. Ozer, R. Avsar, Sadan Gunonu, U. Alpaslan

I. Opening Items

A. Call the Meeting to Order

O. Celepcikay called a meeting of the board of directors of Harmony Public Schools to order on Saturday Dec 15, 2018 at 12:09 PM.

B. Record Attendance and Guests

C. Public Comments

None.

II. Consent Agenda

A. Approval of Previous Board Meeting Minutes for November 17, 2018

D. Morales made a motion to approve minutes from the November 17, 2018 Board Meeting on 11-17-18 November 17, 2018 Board Meeting on 11-17-18.

O. Kanlioglu seconded the motion.

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

III. Finance

A. 2017-18 Financial Integrity Rating System of Texas (FIRST) Public Hearing

Dr. Bayhan presents the Financial Integrity Rating System of Texas (FIRST) Public Hearing for San Antonio, El Paso, Austin, and Waco Districts. According to Texas Administrative Code chapter 109 each open enrollment charter school district is required to report information and financial accountability ratings to parents, tax payers and other stakeholders and provide the community to comment on the report at a public hearing. The report include current and previous years accountability ratings, a copy of the Superintendents current employment, reimbursement receipts by the superintendent and each board member, compensation from superintendent, and gifts more than 250K and business transactions with open enrollment charter school. Dr. Bayhan congratulates all board members, employees, parents and students according to FIRST rating all of our clusters have superior rating. This hearing is for San Antonio, El Paso, Austin, and Waco Districts and the hearing for Houston Districts will be January 11, 2019. The San Antonio, El Paso, Austin, and Waco Districts received the highest score of 100 out of 100. Since this is the 2017-2018 financial rating all the records are from the fiscal year 2017. Thus, when looking at the package all reimbursements are from the 2016-2017 school year but the current agreement with our CEO is current as of today. All scores for each district are 100 out of 100 and Dr. Bayhan congratulates everyone for these scores and asks if there are any questions.

Ms. Morales asks regarding financial statements for Austin aren't they not doing well. Dr. Bayhan informs the board that the transactions are from the 2016-2017 school year we are above the standards but next year can be different. This data is for the 2016-2017

transactions and this means the 2017-2018 ratings are superior for all districts. However, whenever sharing district problems we are always working with the district to assure corrective actions are taken to remain in good standings. Dr. Bayhan states that just yesterday Mrs. Akyildiz informed him that S&P are possibly increasing our ratings due to our surplus so we are in good shape.

Dr. Celepcikay asks if we make this public on our website or if the hearing is just public and Dr. Bayhan states it is for the hearing but we publicize it 10 days prior to the hearing.

Dr. Kanlioglu asks regarding the external audit team that is hired and what their role is or if there is any relationship between this and the external audit company. Dr. Bayhan states that they are totally different but there are some similarities such as material findings from the audit report could mean a failure from one aspect of the FIRST ratings.

Dr. Koc asks regarding Austin this year we had some financial challenges for Austin but do we see any issues for financial ratings for next year. Dr. Bayhan states that each year we need to assure our enrollment for the campuses meets our goals but the finance team is monitoring them regularly and believe they will be fine and receive the same score.

Ms. Morales asks if it were the end of the year now for the Austin District would it affect their rating and Dr. Bayhan stated no. Mr. Ay states this year they met their goal and looking at their spending habit they will have a balanced budget by the end of the year. Dr. Bayhan states they are much better than last year and considering 60 is a passing score we received 100 for each district.

Dr. Koc asks if 60 is a passing score and will they be changing this and Dr. Bayhan informs them yes they will move it to 70 and the new indicators will be harder than the original/current ones.

Dr. Celepcikay congratulates the finance department for their hard work regarding this and the great results.

B. Consider approval of Inventory of Assets Policy

Dr. Bayhan states that our IT and Operations department is working to create a system wide solution for monitoring inventories. Our operations department is working together to assure all of our inventory assets are working appropriately. With the current system if a principal purchases a laptop for 200 to 300 dollars and we will centrally monitor the inventory through the software and in the past we did not have this ability. Working with operations department currently for our disposal policy. Working with attorneys for this policy for the next board meeting.

Dr. Kanlioglu asks if there is a bar code or tagging system currently and Bayhan states yes we do but the problem we have is it was school wide or district wide but now it will be tracked centrally.

H. Stewart made a motion to approve the Inventory of Assets Policy.

D. Morales seconded the motion.

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

C. Consider Approval of Auditor Engagement Contract and the Form 990 Engagement Contract

Dr. Bayhan states that last year we started to work with a new audit company Whitley Penn and that each year the contract must be approved by the board. In the past we combined the form 990 and contract together and this year there are two sections. We are spending \$47,000 for auditing our system and \$5,000 to file the form 990. In the past it was more than 200K with the previous company and this current company is much more inexpensive.

Mr. Stewart asks prior to the current company how long did we have the previous company. Bayhan states around 10 years and states it was a good company but our current company is much more well-known and a lot more inexpensive.

Mr. Stewart asks how long we will be with this new company. Dr. Bayhan states every five to ten years is typically good to keep the same as when you change the company they have different standards and expectations.

Ms. Morales states we need to make sure the company is on their toes by putting it out to bid. Ms. Morales recommends to continue to bid to assure good costs.

H. Stewart made a motion to approve the Auditor Engagement Contract and the Form 990 Engagement Contract.

O. Kanlioglu seconded the motion.

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

D. Consider Approval/Ratification of the Minutes and of the Actions

Dr. Bayhan informs the board that the meeting was held yesterday, Friday December 14, 2018 and all members were present. There were 3 review items, 2 review and approval items, and 1 contract award item. The committee reviewed Financial Auditor and the Form 990 engagement letters, Inventory Assets Policy and results of 2017-2018 Financial Integrity Rating System of Texas (FIRST) for the public hearing that would be held on December 15, 2018. The committee reviewed and approved contract with attorney Hunton Andrews Kurt LLP and approved a forty seven thousand dollar change order for HSA-Beaumont for AC Repairs. Finally, the committee approved construction bid award for HPS Houston North District Sports Field Project after the third attempt for four hundred twenty five thousand.

Dr. Celepcikay states he would like to highlight that the committee canceled bid twice and saved 30 percent on tax payer money. This was a great effort and we appreciate that the system and people are working hard.

D. Morales made a motion to approve the Minutes and Actions of the Finance Committee Meeting held on December 14, 2018.

E. MacDonald seconded the motion.

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

IV. Academic

A. Consider Approval/Ratification of the Minutes and of the Actions

Dr. Ozer informs the board that the Academic Committee team met yesterday, December 14, 2018. Dr. Ozer states that during the meeting they talked about the T-Stem Program and the state created a new blueprint regarding the application for schools to be designated as T-STEM. This change was regarding the aspect of changing from project based to college and career readiness. The first bench mark is there must be zero cost for T-Stem which means we should not charge for AP and Dual Credit courses thus we will be coming back to the board for this. The next blue print was on target community. The T-STEM academy shall serve or include plans to serve grades 6-12 and shall target and enroll students who are at risk of dropping out of school and who might not otherwise go to college. Benchmark 3 is regarding strategic partnerships. Currently this benchmark is promoting industry partners and not just limiting MOU's. These MOU's will be supported by an advisory board and our districts are creating these and some are starting these meetings already. This also creates the need for a T-STEM academy website for each campus. Benchmark 4 is curriculum and assessment. There is an emphasis on industry related courses for career and technology education and must be outlined in student pathways. The fifth benchmark is worked based learning opportunities for students. These include facility visits, career fairs, guest speakers, field trips, mentoring and apprenticeships. The sixth benchmark is how we provide student support.

Its about intervention, tutoring and extracurricular activities. Mr. Ay has already started a team here to assure we meet the demands of the new T-STEM academies. The last thing is there are now student outcomes that will be taken from PEIMS data and they will calculate student numbers to look further into demographics, gender, economically disadvantages, etc. You must meet all 6 benchmarks to be listed as a T-Stem Academy. We are expecting at the end of this year for all of our campuses to be designated.

Dr. Koc asks there are 6 benchmarks how many do we have to meet? Dr. Ozer states there are 19 criteria to meet and out of these we only need to meet six. This new blueprint is about equal access and representation from all subgroups.

Dr. Kanlioglu asks when the first designation will be give? Dr. Ozer states at the end of this year and all of ours are designated.

Ms. MacDonald states it is great how the academic team keeps us current for these new initiatives because we have been staying current all along. Dr. Ozer states we have started new partnerships with Houston Community College and they were introduced by Mr. Stewart.

E. MacDonald made a motion to approve the Minutes and Actions of the Academic Committee Meeting on December 14, 2018.

H. Stewart seconded the motion.

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

V. Other Business

A. Consider Approval/Ratification of the Minutes and of the Actions

Dr. Celepcikay informs the board that the Governance Committee met on December 14, 2018 and all members were present beside Dr. Koc. There were two main items discussed which were follow-up items from the previous meeting. The committee decided to have two packages for board members, one being for perspective board members and the other for existing and new board members. Also, the main difference for new board members package would be a checklist for new board members. An example for this would be the online trainings used this year to assure completion.

Celepcikay asks the board attorney if new board members must submit their training hours sooner. Merri states yes new board members have the public information act and open meetings act that must be completed within 90 days of taking office.

Celepcikay states in regards to the Board member handbook some items are ready such as Board Member insurance information, latest annual audit, mission and vision of HPS, and other are in the progress like Board Member duties and expectations, the committees structures. The last item discussed was the board summer retreat plan. Dr. Celepcikay informs board that a survey will be sent out to the board members regarding the summer retreat being one or two days and also regarding their available schedules.

Ms. Morales asks if there is an agenda for the board retreat that will last 2 days. Dr. Celepcikay states that there is enough items to cover for 2 days and this will allow us to go more in depth and detail to help us understand more regarding financial and academic and all other department items as well as any legislative updates and new items about charter schools. This will allow us to understand and provide better feedback for future board meetings. Thus, there are enough items to cover a full 2 days.

Ms. Morales recommends at least having a day and a half training for the board retreat so that everything is not rushed. Dr. Koc agrees and believes that an agenda should be created first to estimate the amount of time needed to cover all items.

Dr. Kanlioglu asks if the board retreat will be on a weekend or weekday and who would attend. Dr. Celepcikay informs him the weekend and the thought was to check in on

Friday night and start an early breakfast on Saturday and second day could be a half day.
This would include the executive team and several staff members.

Dr. Celepcikay informs the board that there will also be a comment section for the survey to allow for them to comment as well. Ms. Morales states she has a comment and that is if we are informed far enough in advance there is no way that everyone could not make it for two days. Dr. Celepcikay agrees with Ms. Morales and thanks her for bringing this up.

Dr. Ozer asks if this retreat will be held at an office like Central Office or somewhere else.

Dr. Celepcikay states no it will be held at a nice place and a location a couple hours away from Houston. He states possibly the location that Harmony had their leadership retreat La Toreta which is several hours outside of Houston.

D. Morales made a motion to approve the Minutes and Actions of the Governance Committee Meeting held on December 14, 2018.

H. Koc seconded the motion.

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

VI. Closing Items

A. Closing Remarks

Dr. Celepcikay thanks everyone for their attendance and wishes them a Happy New Year and Happy Holidays. There have been a lot of changes this year and great results for Harmony regarding accountability rating, financials, grants and again thanks the board members for their hours, time, energy and wisdom. Dr. Celepcikay also thanks Mr. Ay for his team and for the staff, teachers, and most importantly parents and students. Ms. MacDonald thanks everyone and commends Harmony for how well they have handled this years transitions.

B. Adjourn Meeting

H. Stewart made a motion to adjourn the meeting.

D. Morales seconded the motion.

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

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 12:56 PM.

Respectfully Submitted,
C. Lambert