

APPROVED



Veritas Preparatory Charter School

Minutes

Board of Trustees Meeting

Zoom Meeting

Date and Time

Thursday July 25, 2024 at 4:30 PM

Location

Join Zoom Meeting <https://vpcs-org.zoom.us/j/87944697628?pwd=RE43LzRVRWhpVC9iOTBwZEZ4YS9NZz09>

Meeting ID: 879 4469 7628

Passcode: 912934

One tap mobile [+13126266799,,87944697628#](tel:+13126266799,,87944697628#)

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+1 929 205 6099 US (New York)

Meeting ID: 879 4469 7628

Find your local number: <https://vpcs-org.zoom.us/u/k8aG053ZG>

Trustees Present

A. Errichetti (remote), A. Hickson-Martin (remote), D. Fuller (remote), L. Doherty (remote), M. Freeman (remote), R. Martin (remote)

Trustees Absent

A. Martínez, A. Mendelson, D. Ford, M. Landon, R. Sela, T. Maxey, X. Delobato

Guests Present

N. Gauthier, R. Romano (remote)

I. Opening Items

A. Call the Meeting to Order

A. Errichetti called a meeting of the board of trustees of Veritas Preparatory Charter School to order on Thursday Jul 25, 2024 at 4:36 PM.

B. Approve minutes

L. Doherty made a motion to approve the minutes from Board of Trustees Meeting Annual Retreat on 06-27-24.

R. Martin seconded the motion.

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

II. CEO Report

A. Annual Report

D. Fuller made a motion to approve the 2023-2024 annual report.

R. Martin seconded the motion.

Rachel discussed the annual report, outlining its purpose within the Department of Education's charter school accountability system. She highlighted that while there were minimal changes from last year's requirements, this year's report included updated data and academic progress. Rachel also mentioned that any new leadership or board changes are typically shared in this report.

Ann inquired about significant differences from last year's report, to which Rachel explained that there were no substantial changes as they had reverted back to standard reporting guidelines after adjustments made during COVID years. She emphasized that much of the content had been previously shared throughout the year and welcomed questions or comments before moving for approval.

Rachel explained how their annual reports are reviewed by relevant authorities who may provide feedback or request additional information around October each year. She noted Esther's thorough review process and anticipated potential queries based on past experiences with review timelines.

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

B. Activity Van Lease

A. Errichetti made a motion to allow Rachel to execute the lease agreement with the provision that insurance coverage will be increased to 10 million dollars.

D. Fuller seconded the motion.

Lisa provided an update on insurance matters related to increasing limits for insurance coverage from five or ten thousand dollars per occurrence. She shared insights from her conversation with Mike from Fred C. Church regarding potential cost savings associated with opting for higher coverage limits.

Ann shared her past experience dealing with insurance issues when their previous insurer went bankrupt which led them into financial difficulties but emphasized how crucial it is to have reliable carriers and adequate insurance coverage in place.

Rachel detailed an upcoming lease agreement between Friends of VPCS and the school for activity vans received recently. She mentioned plans to increase insurance coverage up to \$10 million due to concerns about existing coverage being insufficient according to Lisa's advice.

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

C. School-Owned Vehicle Policy

A. Errichetti made a motion to approve the school-owned vehicle policy as is.

D. Fuller seconded the motion.

Rachel discusses the various uses of vans, including transportation for athletics, field trips, and ad hoc trips for students who miss their bus. She mentions that operations associates and coaches will likely be drivers. The high school operations team and athletics director are working on the schedule and driving plans. Additionally, she notes that anyone driving the vans must review and agree to a policy.

David inquires about branding or identification on the vans. Rachel explains that they received vans with 'Friends of VPCS' stickers but finds it unappealing as it doesn't effectively advertise the school. She plans to remove these stickers and considers branding them with the school's name, logo, and possibly its mascot.

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

D. Student and Family Handbook SY24-25

Rachel informed the group about upcoming revisions to the student and family handbook, particularly related to Title 9 policy changes. She mentioned that due to federal changes in Title 9 laws, they needed to revise grievance procedures and were purchasing software for investigations. Additionally, she discussed tightening high school policies regarding food delivery, attendance protocols, and cell phone usage. The new handbook for students who will be taking classes at the STCC campus was also mentioned as forthcoming.

The discussion revolved around revising the cell phone policy for high school students. It was noted that there had been issues with excessive use of phones by students during school hours leading to distractions in class. As a result, it was decided that cell phones would be collected at the start of the day and returned at the end of it.

Vote delayed until next month.

E. Fundraising Update

Rachel provides an update on fundraising efforts stating that they raised \$47,983 from individual private donors against their goal of \$50,000 through two appeal letters sent to 30 donors including eight trustees.

III. Board Chair Report

A. Employee Wage Complaint

Ann shares details about an employee wage complaint regarding FMLA maternity leave benefits which were investigated by Rachel in collaboration with legal counsel resulting in no underpayment but rather overpayment due to misunderstanding by the employee who chose not to return.

Rachel expressed confidence in the organization's handling of employee complaints, citing a history of successful resolutions and minimal grievances. She highlighted the need for formal commitments and signatures to provide psychological reassurance to employees, emphasizing the importance of clear documentation for succession planning. Additionally, she discussed concerns about an increase in baseless claims and frustration with legal processes that lead to unnecessary resource allocation.

Matt questioned whether emailing Ann was part of the standard escalation process or an attempt to escalate matters further. The discussion revolved around why certain steps were bypassed in this particular case.

Rachel explained how a former employee contested being overpaid after resigning earlier than planned. Lynne addressed the issue by informing her that she had been overpaid without providing detailed explanations, leading to further discontent from the ex-employee.

The team deliberated on their decision not to pursue recovery for overpayments due to its lack of feasibility despite a complaint being filed initially. They emphasized their solid response outlining how the ex-employee had been overpaid and discussed potential legal implications if pursued further.

B. CEO Evaluation Update

Ann commended Robbie's progress on completing Rachel's evaluation and finalizing the CEO letter for review at an upcoming meeting in August. She also proposed scheduling an executive committee meeting involving key members including Matt, Marie, Robbie, herself (Ann), as well as others involved in reviewing salary information before presenting it at said August meeting.

IV. Finance Committee

A. Finance Committee Report

Rachel provided an update on the ongoing audit process, highlighting positive financial results and surplus for the fiscal year. She mentioned upcoming meetings where auditors would present detailed reports to ensure transparency. Additionally, she discussed capital investments in school infrastructure projects such as window upgrades at middle school.

The meeting agenda included discussions about July financials showing positive trends partially as a result of reduced spending. Furthermore, updates were given regarding van purchases along with plans for engaging auditors during September's finance committee meeting.

Rachel addressed concerns about enrollment levels for fifth grade and eleventh grade students, noting that efforts were being made to manage under-enrollment challenges through strategic planning and community engagement initiatives. She emphasized ongoing recruitment efforts while expressing potential considerations for future grade level configurations based on demand.

Rachel discussed the challenges with enrollment, particularly in fifth grade, due to a decrease in demand despite an increase in cohort size. She mentioned that the school typically received around 150 applications for 81 seats when it started but is now struggling to fill 105 seats. The pandemic years also contributed to unusual enrollment patterns. Rachel expressed concerns about managing this issue and suggested potential changes in the future if strategies do not yield positive results.

Rachel highlighted efforts to utilize social media for outreach, indicating that they have significantly improved their social media presence over the past year. However, she noted that there may not be enough demand for fifth grade despite these efforts.

Rachel proposed targeted recruitment of tenth graders who meet specific criteria as a potential solution to address enrollment challenges. She explained that enrolling tenth graders could help offset any potential decrease in fifth-grade enrollments and emphasized the need for eligible candidates who can seamlessly integrate into their program.

Matt suggested leveraging current students by encouraging them to invite friends who meet admission criteria as a means of increasing applications and potentially addressing enrollment challenges.

B. Covenant Language Revision

M. Landon made a motion to Approve the updated covenant language as follows: DSCR: Borrower (Friends) and Guarantor (Veritas) on a combined basis, shall maintain a Debt Service Coverage Ratio (DSCR) of not less than 1.20:1.00 Defined as: Combined Change In Net Position (aka Net Income) less cash paid on lease liabilities (GASB 87 adjustment) plus depreciation, amortization and interest expense divided by annual principal and interest payments.

L. Doherty seconded the motion.

The team prepared for discussing debt covenant ratio issues with Denise absent from this session by briefly explaining its accounting nature along with past compliance challenges due to regulatory changes impacting asset calculations during bank covenant assessments.

Rachel discussed the modification of the language in the financing documents to align with accounting regulations, ensuring compliance without requiring waivers. Matt and Ann expressed understanding and support for the change, emphasizing its importance in maintaining a favorable relationship with People's Bank.

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

C. Investment Subcommittee Update

Ann informed the group about technical difficulties leading to postponement of an investment subcommittee meeting with Steve due to issues with Zoom links during Niki's absence on vacation.

Matt provided an update on progress related to revising the investment policy statement and allocation decisions made within equities while acknowledging ongoing work regarding prohibited investments raised by Lynn which requires further clarification from state authorities.

V. Retreat Debrief & Discussion

A. Strategic Priorities

Ann and Rachel discussed the draft form of strategic priorities, focusing on oversight and monitoring progress towards learning goals, board engagement and participation for sustaining a mission-driven culture, and succession planning for key leadership positions. Rachel suggested including teacher compensation under an umbrella priority of recruiting and retaining top talent. Matt emphasized the importance of leadership organization in retaining best people for long-term benefits.

The discussion expanded into recruitment strategies with considerations about competitive salaries compared to other educational institutions. There was an emphasis on being at least competitive with other charter schools while aiming to be on par with district standards as a minimum goal.

Matt emphasized the importance of maintaining aspirations to be the best in academic achievement and suggested focusing on recruitment and sustainability of talent. Ann proposed adding a board sub-bullet for developing leadership succession. The group agreed to revisit this topic periodically.

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 6:00 PM.

Respectfully Submitted,
A. Errichetti

Documents used during the meeting

- VPCS 2023-24 Annual Report.docx
- Vehicle Lease Agreement 2024 July Meeting.pdf
- Veritas School Vehicle Use Policy.pdf
- Financial Reports to the Board July.pdf
- Veritas Performance Monitor July 2024.pdf
- Strategic Priorities June 2024 DRAFT.docx