

APPROVED



Elevate School

Minutes

May Regular Board Meeting

Date and Time

Monday May 13, 2024 at 4:00 PM

Elevate Middle School Campus, Room 102
8404 Phyllis Place
San Diego, CA 92123

The public comment portion of the meeting is set aside for members of the audience to make comments or raise issues that are not specifically on the agenda or those items that are on the agenda. These presentations are limited to three (3) minutes per person and the total time allotted to non-agenda items will not exceed fifteen (15) minutes. Individuals wishing to speak please complete a Public Comment Request Form by 10:00am on the day of the meeting.

Directors Present

Adam McWethy, Becky Madeja, Chancellor Brown, Cheryl Gorman, Veronica Maxwell

Directors Absent

None

Guests Present

DeAnna Jones (remote), Ryan Elliott

I. Opening Items

A.

Record Attendance and Guests

B. Call the Meeting to Order

Chancellor Brown called a meeting of the board of directors of Elevate School to order on Monday May 13, 2024 at 4:00 PM.

C. Approve Agenda

Becky Madeja made a motion to approve the May Board Meeting agenda.

Adam McWethy seconded the motion.

The Board agreed to move the item, "Investment Policy Discussion" to immediately following "Non-Agenda Public Comment".

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

D. Approve Minutes from April 15 Regular Board Meeting

Becky Madeja made a motion to approve the minutes from Regular Board Meeting on 04-15-24.

Cheryl Gorman seconded the motion.

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

E. Core Values and Board Meeting Protocol

Core Values were read by aloud by Board Members.

F. Non-Agenda Public Comment

There were no public comments.

II. Agenda Items

A. Executive Director Report

- Ryan Elliott began by highlighting the ongoing activities at Elevate, including enrollment figures. The current enrollment stands at 469, with attendance rates for K-5 at 95.48% and for grades 6-8 at 94.48%. Chronic absenteeism rates have shown improvement from the previous year, with K-5 at 6.9% and grades 6-8 at 8.6%.
- He mentioned a discussion with Kirsten Grimm regarding strategies to further reduce absenteeism. Regarding enrollment for the next school year, there is a waitlist for 6th grade, and if school were to start tomorrow, 475 out of 493 spots would be filled.
- Ryan expressed appreciation for the completion of State testing, noting that it was 99% complete and thanking the community for their efforts.
- He also mentioned the successful Friends of Elevate lunch organized by the foundation, which generated positive ideas for future fundraising.

- The school recently underwent a Leader in Me Lighthouse recertification visit, receiving positive feedback.
- Additionally, Ryan discussed the insurance APA commitment, noting that while there were discussions about switching providers, the commitment with APA would remain in place for the immediate future.
- Ryan mentioned the upcoming 10th-anniversary celebration on May 30th, which will include introducing the school's mascot.
- Other updates included a volunteer appreciation lunch and ongoing work on the LCAP for the next three years, aligning it with the strategic plan.

B. Financial Update

Financial Projections:

- Projections for the next two years are challenging but subject to change.
- Potential for higher COLA or other positive changes.

Discussion Points:

- Importance of accurate budgeting and cautious forecasting.
- Questions about the increased expenses and their justification.
- Comparisons with other schools and their budget strategies.
- Potential areas for cost savings and revenue enhancement.

Action Items:

- Further analysis of after-school services and district oversight fees.
- Exploration of options to increase revenue or decrease expenses.
- Continued focus on improving student attendance to enhance funding.

C. Investment Policy Discussion

This agenda item was moved to Agenda Item A and proceeded the Executive Director's Report.

- Adam McWethy presented the topic, noting that the board had discussed the idea of optimizing their cash reserves for higher returns earlier in the school year. He and Ryan Elliot had mapped out an approach and started reaching out to financial institutions. They had a conversation with Paul and Ryan from Merrill Lynch, which is part of Bank of America, where the board banks. The aim was to consolidate accounts and explore options for a higher return while maintaining a conservative approach.
- Ryan from Merrill Lynch provided background on their firm, emphasizing their experience with nonprofits. He explained the concept of an Investment Policy Statement (IPS) as a roadmap for financial goals and strategies. While not a requirement, an IPS helps ensure alignment and provides a reference for board

members, especially new ones. It also allows for adjustments as the organization evolves.

- In their initial conversations, Adam, Ryan, and the Merrill Lynch team focused on safe, short-term, bond-like investments that could offer a better return. They highlighted a specific fund managed by BlackRock, which has a current return rate of over 5%. This fund invests in stable, secure government securities. They also discussed the need for liquidity and risk considerations.
- Discussion Points and Questions:
- ESG Considerations: Chancellor Brown asked about investments aligning with environmental, social, and governance (ESG) considerations, to which Merrill Lynch confirmed they could structure portfolios accordingly.
- Legal Requirements: Chancellor Brown inquired about any legal requirements for charter schools regarding investments, which led to a discussion about the need for further research.
- Next Steps: The board discussed the need to review the IPS, consider the investment amount, and ensure compliance with public fund regulations.
- The discussion concluded with a reminder of the board's comfort level with low-risk investments and the need for liquidity.

D. Approve Auditor Agreement for 24-25, 25-26, 26-27

Adam McWethy made a motion to Approve Auditor Agreement for 24-25, 25-26, 26-27. Chancellor Brown seconded the motion.

- Approved Auditor Agreement for fiscal years 2024-25, 2025-26, and 2026-27, including an additional Schedule R for the foundation as a supporting organization.
- Noted a significant increase in audit services costs due to enhanced federal and state oversight, resulting in higher staffing requirements. Tax preparation costs saw a moderate increase, which is consistent with current market trends.

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

E. 23-24 Board Goal Updates

- **Strategic Plan:** The finalized strategic plan was discussed. It has been shared with the community and the leadership team. Core elements and point persons were identified. Additional tools and tutorials are being developed to monitor the progress.
- **Facility Update:** The project manager reported delays due to missing original "as-built" plans, essential for architectural design work. Efforts to locate these plans are ongoing, including outreach to former architects and the city. Additional costs for architectural services and structural testing are anticipated.
- **Board Succession Planning:** Discussion on planning for board succession, including the development of welcome documents and tools for new members. The process and timeline for vetting and inviting new board applicants were outlined,

with a focus on ensuring candidates have educational leadership and financial expertise.

- **Application Process:** It was confirmed that the application deadline for board candidates is June 5th. Candidates are encouraged to attend the June 17th board meeting to gain insight into the board's work.

III. Closing Items

A. Adjourn Meeting

Veronica Maxwell made a motion to Adjourn the meeting.

Becky Madeja seconded the motion.

The board **VOTED** 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 5:34 PM.

Respectfully Submitted,
Veronica Maxwell