

**MINUTES**  
**of the retreat and meeting of the**  
**BOARD OF DIRECTORS of SOMERSET ACADEMY OF LAS VEGAS**  
**January 8, 2015**

The Board of Directors of Somerset Academy of Las Vegas held a public meeting on January 8, 2015 at 4:00 p.m. at 1378 Paseo Verde Parkway Suite 200, Henderson, Nevada 89012.

**1. Call to order, roll call.**

Board Chairperson Cody Noble called the meeting to order at 4:17 p.m. Present were Board Members Cody Noble, Crystal Thiriot, Amy Malone, Eric Elison, Will Harty and Scott Hammond (arrived late and left the meeting early).

Board Member Eric Brady was not present at the meeting.

Also present were Principal Gayle Jefferson, Vice Principal Sherry Pendleton, Principal Elaine Kelley, Principal Dan Phillips, Principal Reggie Farmer, Principal Francine Mayfield, and Academica Nevada Representatives Ryan Reeves, Bob Howell, Clayton Howell, and Corinne Wurm.

**2. Public Comment.**

No member of the public requested to comment at this time.

**3. Review and Approval of the Articles of Incorporation.**

Corinne Wurm addressed the Board and provided amended Articles of Incorporation and noted the changes made from the previously provided document. Ms. Wurm noted that all of this information is found in the Bylaws and that this information will be provided to the State as part of the Articles of Incorporation for the 501(c)(3) application. Ms. Wurm noted that all the changes made were suggested by the attorney helping with that 501(c)(3) process.

Member Noble suggested that the numbering be renumbered. Mr. Reeves addressed the Board and added that the reference of Somerset Academy of Las Vegas, Inc. is being changed to Somerset Academy of Las Vegas, as to have no confusion that the two entities are one in the same.

Ms. Wurm noted the change to the name on the front page of the document and advised that this page will be signed by the Board Chairperson. Member Harty asked for clarification on the creation of this entity and if this is being done because of the bond process. Ms. Wurm noted that partially yes, however, it is also being done to obtain the 501(c)(3).

**Member Thiriot Motioned to approve the Articles of Incorporation with the change to the numbering as noted. Member Elison seconded the Motion and the Board unanimously approved.**

**7. Presentation by Staff Regarding: Report on Somerset Academy Salary Structure.**

Mr. Reeves spoke regarding NRS 387.303 governmental financial report containing all financial data of all public schools. Mr. Reeves stated that this information was used to create a detailed analysis of salaries and where Somerset stands, comparatively and structurally, in relation to other school systems.

Member Harty asked if there is any sensitivity to this information, or if a copy could be sent to the Board as well. Ms. Wurm stated that she will email a copy of the report to anyone that would like a copy.

Ms. Wurm spoke regarding the information gathered and the schools included in the comparison. Ms. Wurm spoke regarding the individual numbers for each entity. Discussion was had regarding the Agassi pay structure and it was noted that the fluctuation in salary comparison was because a lot of new teachers were hired at one time.

Mr. Reeves noted that because some administrative positions may have been included in the information contained in the NRS 387.303 report, some of the numbers are skewed because those types of positions tend to have higher salaries than that of a teacher. Discussion was had regarding the average salaries of Somerset teachers versus teachers from other school systems. Mr. Reeves noted that while not all the data is completely accurate, it is useful when determining where Somerset sits with regard to teacher salaries. Ms. Wurm noted that Somerset's starting teacher salary is higher than most of the other school systems.

Ms. Wurm spoke regarding the PERS benefits and the increases seen over the years. Ms. Wurm noted that this is another benefit to be taken into account when engaging in salary negotiations. Discussion was had regarding the affects that the upcoming 2% to 3% PERS increase will have on the budgets.

Ms. Wurm spoke regarding the average teacher retention and holiday bonuses seen within the Somerset system. Discussion was had regarding the budgeting of the increase in PERS benefits, as well as the significance of this increase on teacher salary benefits. Additional discussion was had regarding the use of the bond money surplus to offset some of this increase for the 2015/2016 teacher salaries. Mr. Reeves noted that salaries and benefits make up 55% to 60% of the school's budget and that salaries alone make up 43% of the budget.

Clayton Howell addressed the Board and added that a 2.5% increase on the system wide budget is about \$300,000.00. Discussion was had regarding what has been disclosed to those working on the bond and if this additional information needs to be made available.

Member Thiriot asked if the PERS contribution numbers prior to 2012 are known and if this is a trend of PERS increases. Discussion was had regarding the significance of the PERS increase and Member Hammond noted that there may be some movement regarding PERS in the upcoming Legislative session.

Additional discussion was had regarding the information provided for the bond deal and whether additional information needs to be provided. Discussion was had regarding the budget forecasts provided for the bond deal and the increases accounted for in the years to come.

Ms. Wurm further spoke regarding yearly bonuses, PTO, PTO buyback, and tuition reimbursement benefits offered to teachers. Member Hammond added that CCSD does not offer the PTO buyback or tuition reimbursement. Mr. Reeves noted that these figures are averages and not all teachers are receiving the specific amounts noted in the presentation. Member Hammond asked at what year Somerset becomes less competitive. Ms. Wurm noted the average yearly salary increases. Discussion was had regarding the tuition reimbursement program and the pay for performance program. Additional discussion was had regarding how the pay for performance is different from the CCSD pay scale.

Ms. Wurm provided information regarding Somerset salary increases versus those seen at CCSD over the past three years. Discussion was had regarding the salaries for teachers that have continued with their education and whether or not those salaries are competitive with CCSD. Additional discussion was had regarding starting salaries for experienced teachers and what Somerset's starting salaries are for those teachers versus CCSD. Mr. Reeves noted that each campus is different in their hiring needs and further noted that salary amounts are also dictated by budgets and the amount of money budgeted for salaries.

Discussion was had regarding the fact that charter schools tend to hire younger teachers because of funding constraints (CCSD receives facility funding which charter schools currently do not); however, the goal is to move them up faster.

Member Thiriot asked what the average amount allocated for teacher salaries is for each school. Mr. Howell stated that the average salary has been about \$37,500.00 to \$38,500.00 for a starting school. Discussion was had regarding the variables to the campuses average teacher salaries.

Member Harty asked if the data exists as to what the average salary is for a four year teacher or an eight to ten year teacher. Mr. Reeves stated that that specific data has not been compiled. Additional discussion was had regarding the need to put together the data to determine the averages for teachers at different levels. Member Harty noted that this information would be helpful to determine how competitive Somerset is on salary numbers compared to CCSD for teachers that have years of experience.

Discussion was had regarding the starting salary for experienced teachers and Mr. Reeves noted that it is not suggested that a teacher be hired for less than they are currently making at another school. Mr. Reeves further explained that while some may take the lesser pay to get out of where they are, a few years down the road they might not be happy with the lesser pay when they see what they would have been making. Additional discussion was had about the pay scale for teachers, based on years of experience.

Member Hammond noted that it isn't always what we can offer them pay wise, rather if they are happy teaching in the Somerset system because of class sizes, incentives, etc. Member Hammond added that most of the teachers he has spoken to are much happier working for Somerset.

Discussion was had regarding when or at what year of teaching Somerset becomes less competitive with CCSD. Mr. Reeves also pointed out that with that pay for performance structure, teacher salaries increase with per-pupil funding increases. Mr. Reeves further noted that if a year comes with significant funding increases, those raises will be bigger. Mr. Reeves noted that while salary amounts are not exactly where everyone would like them to be, the numbers are getting there and are on a good course for a school that has only been open for four years. Discussion was had regarding the total benefits package, including salary, bonuses, PTO buy out, etc.

Discussion was had regarding the school growth and Member Malone asked if the reason raises continue to be offered is because of the student growth. Mr. Reeves stated that it is a mixture of that, along with the increase in the per-pupil funding. Member Harty stated that he believes the school growth is inhibiting paying the teachers more because of the cost of the growth. Member Hammond noted that it needs to be monitored as to whether Somerset is becoming the school to train, educate, and develop teachers only to have them leave to another school because the salary offered is higher. Member Hammond further noted that he understands more now about where Somerset is; however, he feels this should be monitored to ensure Somerset is not losing good teachers to other schools.

Member Noble asked if data is collected from teachers that leave as to why they are leaving. Discussion was had regarding this topic and Mr. Reeves stated that while teachers are asked as to why they are leaving, nothing has been compiled with all the information. Mr. Howell added that it is great that the Board is looking at these things so closely.

Member Harty asked what the average years of teacher experience has been and how it has increased over the last three years. Mr. Howell stated that it has probably stayed the same because of the number of teachers hired into the system. Discussion was had with the Principals as to what their average teachers experience is and how those figures equate to the salary structure at Somerset.

Member Noble asked what needs to be done to increase the teacher awareness that they are making a comparable salary to CCSD. Discussion was had regarding the steps in place to ensure all new teachers are informed of the total benefits package.

Member Malone asked what some of the other charter schools are doing different that allows them to offer better teacher salaries. Discussion was had regarding other charter schools infrastructures and whether they are a virtual campus versus on onsite campus. Discussion was also had with regard to the number of years other charters have been in existence.

Member Harty stated that having years of experience included on the chart would be helpful. Mr. Reeves noted that this can be done for the Academica managed schools; however, this information would not be available for outside schools. Additional discussion was had regarding the ability to determine the average number of teaching years at CCSD.

Mr. Reeves spoke regarding the Coral Academy pay structure and how their raises are structured. Mr. Howell noted that Coral is also charging families additional fees per year, which is not happening at any of the Academica managed schools.

Principal Mayfield noted that as Principals, they do have the opportunity to offer quality salaries to quality teachers. Principal Mayfield noted that the difference between Somerset and CCSD comes at the Masters level. Principal Mayfield further noted that to get a Masters, the teacher at CCSD has to pay for those courses all on their own, where at Somerset, a contribution is made to that additional education. Member Mayfield added that the raise from a Masters to a PHD is only \$5,000.00 at CCSD. Principal Mayfield stated that Somerset is very comparable to CCSD, the teachers simply need to be educated coming in. Principal Mayfield noted that with the pay for performance structure, a teacher's raise could go well beyond that of CCSD, if the teacher goes above and beyond in their performance.

Discussion was had regarding teachers getting their Masters and then leaving for CCSD for more pay. Mr. Reeves noted that in order to keep the tuition reimbursement, the teacher must remain with Somerset for a year. Member Harty stated that he thinks Somerset is doing a great job and the data is there to support that; however, he wants to be educated with that necessary information to answer those types of questions when asked.

Mr. Wurm noted that CCSD caps out after a certain number of years of service, without any contribution for education (other than that which is required). Mr. Howell stated that because we cannot hire all twenty year teachers at the CCSD salary, it might appear that Somerset is not paying comparable to CCSD.

Member Malone asked if the teachers are having to pay a lot out of their own pockets to set up their classroom or provide materials. Principal Farmer stated that sometimes it is based on teacher preference if they want to decorate extra; however, teachers are given a couple hundred dollars at the beginning of the year to decorate their classrooms. Principal Kelley stated that they give their new teachers \$200.00 and returning teachers are given \$100.00.

Mr. Reeves stated that based on salary amounts and working backwards on CCSD's scale, it could be determined the average teacher tenure at CCSD is ten years. Member Hammond asked if the only way to correct the salary misconception is by word of mouth. Mr. Reeves stated that in August, during the back-to-school teacher meetings, this data, along with the breakdown of all Somerset's benefits, will be shown to the teachers so that they know how comparable their salary packages are versus those they would receive at CCSD.

Bethany Farmer addressed the Board and added that teachers want to come and teach at Somerset because of the great reputation that Somerset has. Ms. Farmer further added that the downside to this is not being able to pay as much for teachers with more experience.

**5. Approval and Execution of the Lease for Phase III of the Somerset Academy – Sky Pointe Campus and Possible Execution of the Sales and Purchase Agreements for the Somerset Academy Sky Pointe Campus and the Somerset Academy North Las Vegas Campus.**

Mr. Howell advised that the lease approval for Phase III of the Sky Pointe campus will be brought back before the Board at a later time. Mr. Howell added that the only item to be discussed under this agenda item is the Purchase Agreements for the Sky Pointe and North Las Vegas campuses.

Arthur Ziev addressed the Board and spoke regarding the Purchase Agreement for the North Las Vegas campus and advised that the seller has agreed to a sales price of \$8.8 million, which was the amount of the appraisal, plus the payoff of the outstanding balance of the loan for the playground expansion, which is about \$196,000.00.

Mr. Ziev spoke regarding the Purchase Agreement for the Sky Pointe campus and stated that the purchase price for this property is the amount contained in the lease agreement. Mr. Howell added that the lease agreement states that the purchase amount is \$1.25 million plus costs of the construction. Mr. Howell noted that this amount came in right around the appraisal amount.

Russell Caldwell addressed the Board and noted that he has been working on the financial side of the bond deal. Mr. Caldwell added that this step is part of the bond process in order to move forward with the Department of Industry. Mr. Caldwell stated that in order to gain approval for the bonds, one of the requirements before they can issue their findings and go to the State Control Board, Treasurer, Governor, and Comptroller, they want to see that an agreement is in place to purchase the properties that are included in the bond deal.

Mr. Caldwell spoke regarding the Sky Pointe campus and stated that the purchase price is the construction costs plus the \$1.25 million. Mr. Caldwell stated that the purchase price for the North Las Vegas campus is subject to the appraisal. Mr. Caldwell explained that in the bonding process, everything had to be appraised anyway. Mr. Caldwell noted that he recommended an appraiser, who has appraised about eighty charter schools. Mr. Caldwell stated that the appraiser came in and did various levels of work for the bond process. Mr. Caldwell explained that the Purchase and Sales Agreement for the North Las Vegas campus is based on the completed appraisal, which appraised at \$8.8 million. Mr. Caldwell noted the amount left on the playground expansion, which will be paid off as well.

Mr. Caldwell stated that he has structured the bond at \$39 million; however, the cost of Phase III of Sky Pointe is also included in the bond amount. Mr. Caldwell reiterated that the bond money will cover the purchase of the North Las Vegas campus, the existing Sky Pointe campus, and the construction of Phase III of the Sky Pointe campus. Mr. Caldwell noted that the trustee will not pay for the construction costs until the Certificate of Occupancy is received. Mr. Caldwell advised that after receiving the appraisal for the North Las Vegas campus, the bond money is in the positive, as those numbers came in a little lower than originally accounted for.

Mr. Caldwell stated that the purchase price for the Sky Pointe campus is \$21,093,433.00 and that the bond deal will hold about \$8.6 million for the construction of Phase III. Mr. Caldwell advised that both purchase amounts for the completed properties fit with in the bond structure with a little extra left over.

Mr. Caldwell stated that the Board's attorney has looked at the presented purchase agreements. Mr. Caldwell further stated that his recommendation is for the Board to proceed so that the bond process can move forward because the purchase numbers are correct. Mr. Caldwell stated that it would be prudent to approve the Purchase and Sale Agreements and continue through the process. Mr. Caldwell added that the purchase is contingent upon Somerset receiving the financing.

Mr. Caldwell noted that the next step will be telling the State Department of Business and Industry that Somerset has moved forward to enter into a Purchase Contract; however, closing is subject to the approval of the bonds. Mr. Caldwell added that this will keep everyone on schedule to submit their findings which are required by State law for bonding approval.

Member Noble asked about the North Las Vegas Purchase Agreement with regard to the loan for the playground. Member Noble asked if the \$196,000.00 is included in the bond and Mr. Caldwell stated that it is included in the bond, just not as part of the purchase price. Member Noble asked if North Las Vegas will be getting \$9 million in bond financing to include the payoff of the playground expansion and Mr. Caldwell stated that when the bonds were sized, the \$196,000.00 was included.

Member Noble asked what the terms of the playground loan are and Mr. Ziev stated that it is at 7.5%. Mr. Caldwell noted that he is looking for the bonds to come in around the 5% range. Member Noble asked what the term is and Mr. Ziev stated that it is five or six years, with the ability to prepay at any time without penalty. Member Noble asked if the loan is secured by the lease and how they are related. Mr. Reeves and Mr. Ziev stated that the two are separate, standalone agreements. Member Noble asked why it is better for Somerset to pay the playground loan off now and then have it incorporated with the purchase of the building to be paid over the next thirty years. Member Noble asked if the payoff of the playground loan is a requirement of the seller. Mr. Ziev explained that the obligation to make the playground loan payment is tied into the lease payment so when the lease goes away, the seller loses his security and leverage if the playground loan does not get paid. Member Noble asked what security there is, to call a default on the lease. Member Noble asked if there is a cross collateralization clause. Mr. Ziev noted that he would have to go back to the lease and the playground agreement to see the specific language. Member Thiriot stated that surely they would let Somerset keep the playground loan and Mr. Ziev stated that they would not. Mr. Ziev further stated that, as the landlord, they are in the first position and they can control the playground loan; however, if they sell the building they are a totally unsecured investor.

Member Noble stated that that was the deal they entered in to when giving Somerset the loan. Member Noble noted that a premium pad for the 7% interest rate and if the loan is not secured by the lease, then Somerset has the right to purchase the property, under the lease. Member Noble asked if the owner has the right to block the sale. Mr. Ziev advised that Somerset does not have the right to purchase the property under the lease agreement, as there is no purchase option. Member Noble asked Mr. Caldwell if that is the case and Mr. Caldwell confirmed. Member Noble sought to confirm that the property owner is not willing to sell the property if the loan is not paid off as well. Mr. Reeves noted that this is not uncommon. Mr. Caldwell stated that the goal, in our unique system of getting into buildings in a very entrepreneurial way by finding financing with different types of lease options, that each opportunity that comes up and the bond market is favorable for the school, the school would want to move into ownership in order to have lower fixed payments for thirty years. Mr. Caldwell noted that lower payments allow the Board to pay teachers more. Mr. Caldwell further noted that continuing through with the lease agreements, the lease payments have yearly escalators, which the bond payments do not.

Mr. Caldwell stated that the bond money will be enough to purchase North Las Vegas, Sky Pointe, the construction for Phase III at Sky Pointe and to pay off the remaining \$196,000.00 for the North Las Vegas playground expansion. Mr. Caldwell stated that 85% of the bond money has to be used within three years, so the money can be used to build the playground. Mr. Ziev clarified that the playground has already been built. Member Noble noted that this was a loan given to Somerset by the land owner to build the playground. Mr. Caldwell stated that the money will come right out of the bond money. Mr. Ziev added that right now, the bond is set up to pay the purchase price for the building and the remaining balance of the playground loan.

Mr. Caldwell stated that he has enough money in the bond to cover the playground loan and noted that he may even be lowering the amount of the bond request.

Member Elison asked if the appraisal already includes the playground improvements. Mr. Caldwell stated that he asked the appraiser picked up the playground loan and the appraiser stated that he had not. Member Noble clarified that the question is not whether the loan was picked up, but rather that there was an improvement made that adds value to the property that will be sold for \$8.8 million and that the seller is essentially getting paid twice. Mr. Ziev noted that while he understands the Board's concern, the other side of this is that the playground loan needs to be paid off. Member Noble stated that the value of the property needs to be reduced by the cost of the playground because the property value includes the playground that Somerset bought. Mr. Ziev noted the concern and added that the seller believe the value of the property is higher than the appraisal. Discussion was had regarding the appraisal figure and the sellers' thoughts. Mr. Ziev explained what factors the seller would typically consider when deciding on a selling price and the factors used to determine the appraisal amount. Mr. Ziev further noted that the seller has agreed to the selling price, regardless of his own thoughts that the property is worth more, because they understand that it is difficult for a school to buy the property for more than the appraisal amount. Mr. Ziev further added that the seller would argue that the appraisal is wrong. Member Noble asked where they got the cap rate from and Mr. Howell stated that they usually use commercial cap rates in Las Vegas, which is between 7.5% and 7.75%. Mr. Ziev added that you could take the cap rate used in the appraisal and apply it to the leases revenue for the next year and it would be over \$9 million.

Mr. Caldwell stated that the appraisal did not pick up the playground loan, not to say that the appraiser did not pick up the value, just not the loan. Member Noble stated that the appraiser added the playground value in the appraisal, but did not reduce the appraisal by the loan amount, since Somerset paid for the playground improvement. Mr. Caldwell noted that in a normal scenario that might be an issue; however, in the charter school world bonds are usually issued for 120% of the appraisal cost. Mr. Caldwell talked about the difference between a commercial loan and charter school bonds. Mr. Caldwell explained that this will not be an issue with that issuing of the bond. Mr. Caldwell further noted all the things that will be looked at to determine bond issuance. Member Noble sought to confirm that they have to pay off the \$196,000.00 loan and Mr. Ziev confirmed. Mr. Ziev stated that after a review of the playground lease, he sees that it is tied to the building lease and a failure to pay the playground loan is a default of the building lease.

Mr. Ziev stated that the playground loan payment is approximately \$62,000.00 per year and if you took the remaining balance of the loan, \$200,000.00 over thirty years at 5.5% interest, which would be \$17,000.00 per year. Mr. Ziev stated that paying off the loan is clearing up funds from the bottom line and a lower payment. Mr. Ziev reiterated that he understands the Board's concern and noted that, from a seller's perspective, the playground loan would be unsecured, which is why they want it paid off with that purchase of the property.

Mr. Caldwell provided additional information regarding the appraisal. Member Noble noted the profit to the owner and Clayton Howell stated that the build out costs needed to be included as well and the cost of the building. Bob Howell acknowledged that there is a significant profit to the property owner. Member Harty stated that this is the builders' compensation for taking the risk to build the building. Mr. Ziev noted that this is one of the differences with the Turner fund in that the purchase prices are much lower.

Member Harty stated that it was mentioned that Somerset should go out and get bonds to purchase their properties, and does not disagree when looking at the savings to the schools. Member Harty asked if Somerset is then taking on an ownership risk, now having a fixed cost, and noted that two schools have already been shut down. Mr. Reeves clarified that Somerset moved two schools which were planned moves for campuses that had short term leases, done intentionally. Mr. Reeves stated that Somerset was obligated to a thirty year lease either way. Member Noble noted that either way, if the payments are not made, there will be a creditor out there somewhere. Member Harty asked if Somerset is taking on any additional risk and Member Noble stated that he does not think so and added that it is less of a risk because the payments are less. Mr. Caldwell agreed. Mr. Howell stated that one of the huge benefits to bond financing is that there are no yearly escalators of 3% per year for thirty years.

Member Noble sought to clarify that Mr. Caldwell needs the Board to approve the Purchase Agreements for both properties and Mr. Caldwell confirmed. Member Noble further sought to confirm that the approval is needed to get the approval from the State to continue with the bond process.

Member Harty noted that in past discussions, it was mentioned that there will, at some point, be a point of no return and asked if this is that point. Mr. Howell and Mr. Ziev stated that it is not and Mr. Ziev further stated that these purchase agreements are an option that are open for six months. Mr. Ziev noted that if the Board decides between now and six months from now that they do not want to buy the properties, they are not obligated to do so. Member Noble asked if the purchases are contingent on Somerset getting the bond financing and Mr. Ziev confirmed. Mr. Howell stated that the point of no return is when the bond purchase agreement is signed to fund the bonds. Member Harty asked if today's approval is just to continue the process. Mr. Ziev confirmed and further noted that it is also approval of the purchase price for each campus, if the Board decided to buy, with no obligation to buy.

Member Noble asked Mr. Ziev if it is fair to say, if for whatever reason the Board decides to end the bond financing process, there would be no default under the Purchase and Sale Agreement. Mr. Howell stated that the purchase is contingent on the bond funding being approved and closed on. Member Noble asked if the Board decides not to continue the bond process and therefore not purchase the properties, will there be any default under the Purchase and Sale Agreement. Mr. Howell stated that it depends, if interest rates were too high and it does not make sense to purchase, then it is not a default.

Mr. Howell stated that the Board is being shown a certain level of savings, assuming that the market is in a certain range and if the market changes drastically, there is no obligation to close on the bond funding. Member Noble stated that he understands that, however, wanted to know if that is what the Purchase and Sale Agreement says. Member Noble stated that the Board wants to be able to say no to the bond deal and have no ramifications, regardless of the reason for saying no to the deal and not be in default under the Purchase Agreement, the lease or anything else.

Mr. Ziev spoke with regard to the Purchase Agreement and stated that in Section 7.3 of the North Las Vegas Purchase Agreement it reads "in the event there is no closing under this agreement both parties agree that the lease will remain in effect and govern their relationship with respect to the property". Mr. Ziev noted that Section 13.1 talks about \$15,000.00 in liquidated damages. Mr. Ziev stated that his understanding is that the seller does not want to sell and if Somerset changes their mind about purchasing the property, the seller is not going to complain. Mr. Ziev noted that this same seller has never sold a property in Florida, as they are not in the business of selling their properties.

Member Thiriot asked how the schools can operate in Florida if they do not purchase their properties. Mr. Ziev stated that they are all still on their thirty year leases and noted that they do have the yearly escalators and stated that the Boards for those schools have decided that they do not want to deal with the ownership of the buildings.

Member Noble asked if the Board has an out if they so decided, without being in default of the Purchase Agreement or is the risk the \$15,000.00. Mr. Reeves stated that the risk is the \$15,000.00. Member Noble asked if it is \$15,000.00 for each campus. Clayton Howell stated that, for the Sky Pointe campus, under the termination sections, the Purchase Agreement states, "If this agreement is terminated or closing does not occur because of the failure of any condition or the occurrence of an event giving rise to a termination by Buyer, as set forth herein, all monies deposited by Buyer hereunder will be returned to it. If closing does not occur due to default by Buyer, the Seller's may terminate this agreement. In the event of Seller's default, Buyer may, at its option (i) terminate this agreement upon written notice to Seller; or (ii) pursue all other remedies available at law or in equity, including without limitation, specific performance".



Member Noble noted that the Boyer termination clause is very different than a liquidated damages clause, as Boyer's clause says if Somerset does not buy the property, Boyer can sue Somerset and get whatever damages they think are available to them, which could be the difference in property worth if the market went bad and the deal did not close. Member Noble asked if the seller would be open to a liquidated damages clause similar to that of the North Las Vegas Purchase Agreement. Mr. Howell stated that he does not think Boyer would be agreeable to this. Discussion was had regarding the difference in language between the two Purchase Agreements.

Member Harty stated that his concern is timing and whether they are comfortable signing off on the point of no return today, which he is, if the bond could close today at a favorable interest rate and rating as expected. Member Harty further added that if we have not gotten the rating back and do not know what interest rates are going to be at the time of closing, is the Board comfortable signing off on a commitment prior to receiving the money?

Member Thiriot asked Mr. Caldwell if there is anything the Board needs to know before making this decision about where the bond rating is projected to be, is it going to be lower than expected, or anything else in that area that is going to affect whether they would want to continue. Mr. Caldwell stated that if the Board does not like the purchase agreement, the Board can approve it with the instructions to the Board's attorney to talk with the other side about changing the terms. Mr. Caldwell stated that this would move the Purchase and Sale Agreement forward for the State's terms. Mr. Caldwell noted that the purchase is typically contingent on the ability to obtain the bond/loan and suggested having that change made if not already included. Member Noble agreed with Mr. Caldwell's thoughts. Mr. Caldwell stated that his role has only been to look at the numbers, not the review of legal documents, as he is not the Board's attorney.

Member Noble asked if the Board's attorney has looked at the Purchase Agreement and the Board was advised that he has. Member Noble asked if the attorney commented on the Purchase Agreements. Member Noble asked where in the agreement it states that the purchase is contingent on being able to obtain financing. Mr. Howell stated that he knows the seller and that if the property is not purchased because of the market or financing, they would agree to that, as they have done bond deals before.

Member Harty stated that, in the interest of time, he would be willing to approve the purchase agreements contingent on any kind of legal structuring that has been talked about. Member Harty noted Mr. Howell's statement that the opposing party will accept those terms. Member Harty stated that that contingency needs to be added in there before signing the Purchase Agreements. Member Noble agreed and noted that Mr. Caldwell needs a final decision. Mr. Howell stated that the Board can approve the purchase agreements contingent on the Board's attorney and seller agreeing to terms that the Board is okay with.

Member Noble asked Mr. Caldwell if the final agreements need to be submitted. Mr. Caldwell stated that, as the process continues, the executed purchase agreements will need to be provided. Mr. Caldwell agreed to approval of the agreements, subject to some changes that the Board would like to see included / changed. Mr. Caldwell stated that he wants to keep the State process moving. Mr. Ziev agreed with Mr. Caldwell and noted that the Board can make the approval contingent on having a clause added that the purchase is contingent to the bond financing. Mr. Ziev added that he and Mr. Howell can talk with Boyer and have an answer within a day or two, as to whether they agree to that clause or not. Mr. Ziev stated that this will allow the State process to continue. Mr. Noble asked what would happen if Boyer does not agree to the changes. Mr. Howell stated that it will not be an issue; however, if they did not agree, the deal is off. Mr. Reeves noted that another Board meeting could be arranged, if needed. Mr. Howell further stated that the Board would not want to go through with a deal they are not comfortable. Mr. Caldwell added that he would be agreeable to talking with Boyer if need be. Mr. Howell stated that what the Board is asking for is reasonable and typical.

Member Harty asked for clarification on what is being asked for, 1) contingent / subject to financing, and 2) with a liquidated damages clause. Member Noble stated that that would be his preference. Member Harty stated that he would be comfortable approving the Purchase Agreements with those contingencies.

**Member Harty Motioned to approve, as presented, the Sales and Purchase Agreements, subject to adding a financing provision and a liquidated damages clause, capping the risk at a reasonable amount, somewhere around \$15,000.00. Member Malone seconded the Motion and the Board unanimously approved.**

Mr. Ziev stated that he will be asking for the contingency regarding the sale of the North Las Vegas campus also include that the sale is subject to obtaining financing and Member Noble confirmed.

Member Harty asked if this touches any conflict of interest issues, which may have already been talked about. Member Harty further asked what the relationship is with the other party, as Mr. Howell had stated that he knows Boyer. Mr. Howell stated that he knows Boyer because he brought them into the financing. Mr. Howell stated that they have been dealing with them every day because of the bond deal. Member Harty asked if anyone at Academica has an interest with Boyer on this. Mr. Howell stated that he does. Member Harty sought to verify that this conflict of interest language is being drafted and Mr. Reeves confirmed. Mr. Reeves stated that Mr. Howell is not voting on this issue and that a conflict of interest would only exist if Mr. Howell had the power to approve the transaction. Member Harty asked if Mr. Howell is advising the Board as to how to proceed. Mr. Howell stated that he is not and that Mr. Caldwell is. Member Harty stated that he wants to make sure everything is being done properly. Mr. Caldwell stated that he is aware of this and that his contract specifically states that he is to help the Board in this regard. Member Noble stated that while everyone already knew this or now knows this, it does not hurt to get it out there. Mr. Reeves agreed.

#### **4. Presentation by Robert Howell Regarding the Bond Process.**

Mr. Caldwell spoke regarding the work going on with the State regarding the bond issue. Mr. Caldwell noted all the documents needed for submission and added that because of the new bond law, the timeline for completing the bond process was effected.

Mr. Caldwell spoke regarding obtaining the bond rating and what that rating might be and Mr. Caldwell noted that the application for bond rating was submitted a few weeks before. Mr. Caldwell stated that Somerset has many features that are considered investment grade, which could yield a rating of BBB or better. Mr. Caldwell noted the different ratings available.

Mr. Caldwell stated that there are about six thousand three hundred charter schools and about four hundred and ninety of them have completed the bond process with no rating and only about five hundred have received a bond rating. Mr. Caldwell added that he has been working to get Somerset rated and noted that discussions have been had about what that rating might be.

Mr. Caldwell spoke regarding the bond ratings that have been issued to other charter schools. Mr. Caldwell thanked Member Noble and Member Harty for being present with that rating agency to answer any questions they might have. Mr. Caldwell stated that he discovered in late December 2014 that a new criteria is now being used when determining a charter schools bond rating. Mr. Caldwell discussed these changes and how the changes came about. Mr. Caldwell discussed the specific areas that will be looked at to determine the bond rating and noted that it is believed that Somerset will be rated a BB.

Mr. Caldwell stated that he projected the interest rate at approximately 5.57% and added that DA Davidson was asked to find out what the interest rate would be with a BB rating and it was found that the average rating would be about 5.3%, which is lower than the rate being used with a BB+ rating. Mr. Caldwell spoke regarding

the changes to the market and noted that over the last year, the Municipal Bond Market has improved almost every week and that right now, the market is good for Somerset. Mr. Caldwell explained other areas that are currently seeing fluctuations.

Mr. Caldwell spoke regarding the new bond rating criteria and stated that if the market stays flat for the next few weeks, as the bond process wraps up, the interest rate for Somerset should be about 5.3%, bringing the original projected payments down. Mr. Caldwell further stated that if Somerset decided not to use the bond rating, the rate would be about 5.87%. Mr. Caldwell spoke regarding the difference in rates between being a rated and not being rated entity. Mr. Caldwell spoke regarding Somerset's credit rating and noted that there is not a lot that can be done to change the rating. Mr. Caldwell stated that while test scores and surpluses help, it is the State laws that pull the rating down. Mr. Caldwell explained how the State laws can affect the rating and further added that until State laws are changed, the best rating to be expected would be BBB+.

Mr. Caldwell noted that there are now eight states that give charter schools facility funding. Mr. Caldwell stated that they are now working to determine whether the interest rate will be better with that rating or without the rating. Mr. Caldwell stated that all the scenarios are favorable and lower the payments from what they currently are. Mr. Caldwell noted the next steps in the bond process and items to be submitted, as well as various other things that will be happening.

Mr. Caldwell noted that a non-rating would be more widely accepted than a BB- would be and explained why this is the case. Mr. Caldwell provided additional information regarding the bond process and stated that he is extremely comfortable proceeding with the minor adjustments. Mr. Caldwell noted that if interest rates go up and are no longer favorable, then the process can be stopped.

Mr. Caldwell spoke regarding the Standards and Poor's meeting and noted that he feels good about the process and feels that the market is looking good for Somerset.

Member Noble asked Mr. Caldwell who makes the decision to get the bond rating or not. Mr. Caldwell stated that he believes this is included in his scope of retention. Discussion was had regarding the rating and the changes made to the criteria for the bond process. Mr. Caldwell spoke regarding the changes the State is being pressured to make when it comes to charter school facility funding.

Discussion was had regarding the interest rate and Member Harty asked what the break even interest rate would be. Mr. Caldwell stated that it might be around 6.50%. Discussion was had regarding what the break-even point would be. Additional discussion was had regarding what the actual payments are and the savings to be had with that bond money.

Mr. Ziev asked what the bond amount is. Mr. Caldwell stated that he thinks he has it a little high right now at \$43,420,000.00. Mr. Caldwell explained how the bond number was derived.

Mr. Ziev stated that using the bond amount of \$43,420,000.00 at 6.5% interest, the debt service is \$3.3 million with no escalator per year. Mr. Howell added that the Principals did a great job during the Standards and Poor's meeting and they were very helpful. Member Noble added that the Board would not expect anything less, and thanked all involved for their time.

**6. Presentation by Dr. Ruth Jacoby Regarding:**

- **Somerset Mission and Vision;**
- **School Administrative Structure; and**
- **Roles and Responsibilities of an Educational Director.**

Dr. Jacoby addressed the Board and noted that she was asked to come out to discuss a topic that had come up in the past regarding how to proceed as a whole as Somerset continues to grow.

Dr. Jacoby spoke regarding issues that need to be addressed with regard to pulling all Somerset information together into one report in the areas of accreditation and State reporting. Dr. Jacoby also mentioned that professional development also needs to have a common thread with all the campuses. Dr. Jacoby spoke regarding the need for a mentor for new Principals, even if those Principals are coming from within the Somerset system.

Dr. Jacoby stated that it would be helpful to the Governing Board, who has to evaluate the Principals, to have a lead person to communicate back to the Board about certain items. Dr. Jacoby further stated that this lead person would also be involved in the curriculum side, with regard to ensuring common threads between campuses, while still allowing for autonomy by the Principals of each campus.

Dr. Jacoby spoke regarding the common threads of the Somerset campuses, both in Las Vegas and in Florida. Dr. Jacoby explained things that she does as the lead person for Somerset in Florida and added that she does a lot of things for the Principals that allows them to be in the classroom. Dr. Jacoby spoke regarding the culture of Somerset and those types of things being universal throughout all the campuses.

Dr. Jacoby spoke about Principal leadership programs that the lead person would organize to grow leaders from within, allowing more of the Assistant Principals and lead teachers to advance in the system. Dr. Jacoby spoke regarding the sharing of staff that is coordinated to help cut down on costs.

Member Noble asked how close the sharing campuses are to each other in Florida. Dr. Jacoby stated that the schools are not that close together, so they add a little in for travel. Dr. Jacoby explained the type of schedule used for staff being shared between campuses.

Dr. Jacoby noted that this lead person is the link between the individual Principals that can report to the Governing Board so that the Principals can spend less time in meetings. Dr. Jacoby stated that having one common person makes things easier for reporting purposes because things can be combined and not heard multiple times.

Dr. Jacoby noted that Advanced Ed, the accreditation agency, noted from the last Somerset accreditation that they wanted Somerset to form a better committee, which is what they have done, to include some Principals, teachers and anyone else that wanted to be part of the committee. Dr. Jacoby added that this committee determines future growth, school closures, school openings, looks at parent surveys and other types of topics so that things go before the committee first and then advises the Board. Member Harty asked for clarification that this is a sub-committee that reports to the Governing Board. Dr. Jacoby confirmed and added that the Board makes all the decisions. Member Harty asked if the committee is assigned, by the Board, the task of recommending the vision, where to grow, where to build schools they would then discuss and report back to the Board, and Dr. Jacoby confirmed. Dr. Jacoby noted some key areas that the Florida committee looks at and considers and the possible committee's recommendations.

Member Alison asked for clarification as to whom is on the committee. Dr. Jacoby stated that the committee is comprised of Principals, teachers, and some Board members. Member Harty asked if this is similar to the Education and Curriculum Committee that currently exists and Member Noble confirmed. Dr. Jacoby noted that having this committee in place has helped in Florida and think this could help the Las Vegas Board as well.

Member Harty asked Dr. Jacoby if she currently fills the lead position for Somerset Florida and Dr. Jacoby confirmed this to be the case. Member Harty asked Dr. Jacoby if she helped with the Las Vegas accreditation and Dr. Jacoby stated that she did help with the accreditation, as all Somerset schools are accredited together as a system, not individually. Mr. Howell stated that Dr. Jacoby was here helping with that accreditation.

Member Harty asked if Las Vegas was accredited at the same time as Florida and Dr. Jacoby confirmed. Mr. Howell noted that Somerset Academy Las Vegas is seen as an extension of the Somerset Academy in Florida, because of the affiliation agreement.

Member Harty asked how long Somerset was in operation before they created the lead person position. Dr. Jacoby stated that they were in operation for a while before this position was created. Dr. Jacoby stated that she started that position about six or seven years ago and Somerset started in 1997. Member Noble asked Dr. Jacoby how many campuses there were before this position was created. Dr. Jacoby stated that there were twenty-two or twenty-three locations when she began in the lead position. Member Noble asked how they were operating before the position was created and was it the same as Las Vegas is handling it. Dr. Jacoby stated that previously, each campus did their own accreditation and she was a reviewer. Dr. Jacoby noted that at some point she thought to combine them all under one accreditation because they are all part of a system. Dr. Jacoby stated that each school operated more independent of each other. Member Noble asked if they still only had one Board and Dr. Jacoby confirmed. Member Noble asked if it was similar to how Las Vegas is. Mr. Reeves noted that one of the biggest differences is that each campus in Florida is a separate charter and when a new campus is opened, an entirely new charter is submitted. Discussion was had regarding how the Florida system functioned before this lead person was hired.

Mr. Howell stated that you could go to any of the campuses in Florida and it could have four different charters (elementary, middle school, high school, and an art focuses school) with the same Board. Mr. Howell further stated that Somerset Florida has about ten thousand students and that, around the time that Dr. Jacoby began in the leadership role, they had about the same number of students that Las Vegas currently has. Mr. Reeves added that Florida has more charters, with more campuses, but a similar number of students within the system as Las Vegas. Mr. Howell noted that one reason they do multiple charters at one campus is because in Florida, they receive a startup grant for each new charter.

Dr. Jacoby stated that if the Las Vegas Board filled the lead position now, it would be easier and the buy in would be there for collaboration now, rather than waiting to implement this at a later time. Member Noble asked what difference it has made having someone in that lead position. Dr. Jacoby stated that the major difference would be that it brought all the schools together as one, but still having the ability to be unique to each campus. Dr. Jacoby stated that with a person leading the discussions, it is not just one Principal making the decisions about things, it is more of a collaboration and sharing with each other. Dr. Jacoby provided some specific examples of how no one is standing alone and everyone is collaborating.

Member Elision asked for input from the Principals. Mr. Reeves noted that he thinks the Principals have that type of collaboration and that it is not a matter of whether this type of position is needed, but rather when, given all the students that will be within the Somerset system. Member Noble asked why this is an inevitable step and what the reasoning is for needing this position and how is it going to help Somerset. Dr. Jacoby stated that it will help by ensuring collaboration and maintaining the schools five star rating. Dr. Jacoby further added that creating this position will allow for immediate communication instead of waiting until the end of the year. Dr. Jacoby noted additional areas that this lead person would help Somerset.

Mr. Howell stated that when he sees Somerset in Florida, he is seeing that each campus is separate from each other, with little to no collaboration, causing Somerset to lose itself a little. Mr. Howell stated that things are getting better now with Dr. Jacoby in the leadership position; however, it used to be different. Mr. Howell further stated that here in Las Vegas, he sees all the Principals together but at some point, there needs to be a

central person so that things are going in the right direction. Discussion was had regarding the Somerset Florida system before Dr. Jacoby was brought on board. Mr. Howell noted that the Las Vegas Principals are not in that situation yet; however, there comes a point when that lead person is needed. Mr. Howell also stated that the State wants a central person to deal with. Mr. Howell noted that he has heard the question of who is leading the school, the mission and the vision and having a lead person will keep everyone aligned to the same goals.

Member Noble asked if this lead job is to make sure the mission is uniformly applied and understood. Dr. Jacoby answered by noting that each campus has their own mission and it's the overall Somerset mission that needs to be put out there and clear to all parents and the community.

Mr. Howell noted that when new Principals come into the system, things are not well planned and laid out for these individuals to have and to follow. Mr. Howell further noted that there needs to be a togetherness and organization that does not currently exist in the Somerset system. Mr. Howell added that the Somerset schools are doing great, but these elements are needed as well.

Principal Mayfield stated that as a school, new staff need to be acculturated to the system and who/what the system is about. Principal Mayfield further stated that this takes a group of people, however, it takes one person to bring it all together. Principal Mayfield added that this Executive Director / Facilitator would facilitate bringing everyone together, sharing the vision, and letting each individual articulate the vision.

Principal Mayfield spoke regarding some specific instances in which this lead person would be essential to organizing and collaboration together as a group. Principal Mayfield stated that having someone to continually facilitate collaboration and bring resources would be helpful, as the Principals do not always have time to facilitate these things.

Dr. Jacoby added that having this lead person allows the Principals to be in their buildings and in the classrooms, instead of all the decision making outside of the classroom. Principal Mayfield spoke to the CCSD way of handling the hiring of new Principals and noted why that particular way was not always cohesive. Dr. Jacoby stated that best practices can be shared and that it is not a competition. Principal Mayfield stated that there needs to be more leadership training in the Somerset system, as a Principals job is not learned by going to school, it is learned by being on the job.

Member Harty asked Jacoby if she has Board delegated authority and Dr. Jacoby stated that in Florida, the law states that the Board has to make all the decisions. Dr. Jacoby further added that she can make recommendations to the sub-committee or a Board member to place on the agenda, however, the Board has to approve everything. Member Harty stated that it seems to him that the Board was intended to meet once a quarter, more often lately, and has oversight over all major decisions. Member Harty asked if there is anyone that can make those decision on a day-to-day basis and do the Principals have that delegated authority. Mr. Reeves noted that delegated financial authority that Academica has and the parameters of that authority.

Member Harty asked what happens if an issue arises in between Board meetings that requires a decision from the Board and no delegation has been made and if there is a need for an Executive Director. Mr. Reeves stated that creating this position would not necessarily be taking things out of the Board's hands, but rather another person to report back to. Mr. Reeves used the example of the Principal reviews as something that the Board would still be responsible for. Mr. Reeves noted that while Academica can provide the Board with all the data to complete the Principal reviews, having a person in a leadership position would provide additional analysis of that data and provide more of a recommendation than Academica can.

Mr. Reeves stated that at some point a Principal may come into the Somerset system and that Principal makes some decisions that depart from the Somerset vision. Mr. Reeves further stated that as an Academica employee, it is not his role to tell a Principal that they should not be doing things in that fashion. Mr. Reeves

asked if the Board would want to wait for the Principal evaluation to find out that all the student data had dropped or should there be someone that is visiting with the Principals and monitoring to make sure things are being done in line with the Somerset vision.

Mr. Reeves added that a lot of the items Dr. Jacoby mentioned are currently being done by Bethany Farmer; however, she is working for all four schools. Mr. Reeves asked if Ms. Farmer should have one set person to coordinate with, rather than several people. Dr. Jacoby added that one thing she has helped with is parent complaints / concerns and steering them to talk with the teachers and Principals and then her before contacting the Board. Dr. Jacoby offered additional examples of things she has done to help the Board and added that she is also someone for parents to talk to when they do not feel like they are being heard.

Member Harty asked if the decision on whether to open more schools has an impact on whether or not they decide to create this position. Dr. Jacoby stated that this would be up to the Board. Member Harty asked if Somerset does not grow any more, outside of the five campuses, would they still need to have someone in this leadership position. Dr. Jacoby stated that she thinks they still need someone, maybe not a full time person, but someone to organize it all. Dr. Jacoby talked about the collaboration in Florida and the opportunities that have opened up because she is in that position to organize and coordinate events and such.

Member Harty asked Jacoby whose responsibility it is to monitor charter compliance in Florida. Member Harty talked about wanting to make sure that when new programs or ideas are being implemented, that the charter is still being followed. Dr. Jacoby stated that she attends meetings within the district to make sure they are following any new rules, etc. Dr. Jacoby noted that this is different than Nevada, because the charters are not a district. Dr. Jacoby added that she consults with Academica on whether things need to be done or not. Dr. Jacoby further added that she is there to relieve some of the stress for the Principals, allowing them to be in the classroom.

Mr. Reeves noted that there may be more of a Principal level compliance, because each building is its own separate charter, sometimes more than one charter per building. Mr. Reeves added that here in Las Vegas, the monitoring of charter compliance is something that an Executive Director could be responsible for. Mr. Reeves noted that a certain level of charter compliance monitoring is part of the services provided by Academica; however, an Executive Director could fill in the gaps of charter compliance in the areas of education. Dr. Jacoby stated that the Executive Director could also be the contact person for the State, with regarding to compliance and items to be completed. Dr. Jacoby noted additional responsibilities of the Executive Director.

Member Noble asked if Dr. Jacoby has campuses where there is more than one Principal in a building. Dr. Jacoby stated that she does not, but does have one campus that has one Principal, with strong Assistant Principals. Discussion was had regarding past structures in Florida and how that worked.

Member Harty sought to confirm that in Florida, even where you have a campus with multiple schools/charters, there is still only one principal. Dr. Jacoby confirmed. Member Harty asked if there are any campuses that are Kinder-12<sup>th</sup> and Dr. Jacoby stated yes and noted the structure for that campus. Mr. Ziev noted that in Florida, there are not many Kinder-12<sup>th</sup> grade campuses. Mr. Ziev further noted that they do have middle/high school campuses. Member Harty asked how big the Kinder-12<sup>th</sup> grade campuses are and Dr. Jacoby stated that this campus has about twenty five hundred students.

Member Noble asked what Sky Pointe or Losee's total student count would be at full capacity and Mr. Howell stated that it is about twenty two hundred students. Discussion was has as to how the Principal and Vice Principal structure works. Dr. Jacoby stressed the collaboration between colleagues.

Member Thiriot stated that at one time, Dr. Jacoby was going to put together a job description of what an Executive Director would be responsible for. Dr. Jacoby stated that those responsibilities can be seen in her

power point presentation. Dr. Jacoby talked about things that she does to support her Principals and spoke regarding the collaborative resources put together for all to view and have access to.

Dr. Jacoby stated that having a lead person allows for the success of the individual campus leader, by taking away some of the paperwork, etc. and allowing the Principals the ability to be in the classrooms, where they really need to be.

Dr. Jacoby stated that growing leaders from within is very important and allows for new / additional positions to be created and therefore, removing some of the load from the individual Principals.

Dr. Jacoby talked about the benefits of having an Executive Director:

1. Central person for the State to contact and disseminate information;
2. One contact person for accreditation;
3. One person to ensure that the common threads are effective;
4. One leader to continue the Principal chats to facilitate constant collaboration;
5. New Principal induction program;
6. Coordinating conferences on professional development; and
7. System data collection.

Member Harty asked Dr. Jacoby if the Principals report to her, or is she just a resource between the Principals and the Board. Member Harty clarified that he specifically means do the Principals report to Dr. Jacoby when it comes to annual performance appraisals or anything else. Dr. Jacoby stated that the answer is yes and no, explaining that the Principals provide her with all the data. Member Harty asked who actually performs the appraisals and Dr. Jacoby stated that she goes to the schools with her checklist and then reports back to the Governing Board, because the law states that the Board has to sign off on any evaluations. Dr. Jacoby added that this helps the Board because they are not always going to know if things are being done or not. Dr. Jacoby noted the different areas she looks at, some of which the Board might not be familiar with unless they are a teacher. Dr. Jacoby further added that it would not be fair for a teacher / Principal to be evaluated by someone that is not an educator.

Mr. Howell stated that Somerset has great Principals and that this position does not need to be filled by a strong handed individual, it would be more of someone to facilitate. Mr. Howell added that these Principals came to Somerset to be independent and would not want that taken from them. Mr. Howell spoke about areas that this person / position would help with. Dr. Jacoby added that sometimes she is just a person for the Principals to lean on, someone to talk things through with, etc.

Member Harty thanked Dr. Jacoby and added that this information has been very helpful. Member Harty stated that Dr. Jacoby is a great Executive Director and being that we are all Somerset, does Las Vegas need a separate person if we have Dr. Jacoby to lean on. Dr. Jacoby noted that she is not here every day and would not have a way to judge based on one visit and limited interaction. Mr. Reeves added that Dr. Jacoby has twenty-two schools in Florida. Member Malone stated that this should be filled by someone that knows the Principals very personally. Dr. Jacoby added that while she does know the Las Vegas Principals and speaks to them about things, she still thinks there needs to be a local person. Dr. Jacoby noted different ways this could be accomplished, because as Somerset grown, this is going to be important.

Member Noble noted that this is something that the Board has been considering for a while and asked the Principals for their input and thoughts. Member Noble noted that he himself is not an educator and looks to the Principals when it comes to the education and administration side of running Somerset.



Principal Farmer stated that a lot of the things that Dr. Jacoby mentioned, the Las Vegas Somerset Principals already have. Principal Farmer added that this group of Principals is very collaborative and looks to each other for everything and are on the same page. Principal Farmer stated that he is not sure if one person is going to bring them together, as they already do a lot together. Principal Farmer added that is a great group of Principals to work with and a lot of the structures that Dr. Jacoby mentioned are already in place. Principal Farmer noted that sometimes the paperwork can get overwhelming; however, it is going to be difficult for someone that is not familiar with his building to complete paperwork regarding his campus. Principal Farmer stated that in theory, this position is a good idea, however, practically speaking, he is not sure how it will work and what their responsibilities are. Principal Farmer added that having an Executive Director sounds great, what they are really going to do that will help them more than they are already helping each other and what will be taken off each of the Principals plates that justifies their salary, is yet to be determined. Principal Farmer reiterated that all the Principals already collaborate together and are a support system for each other that is a very close group of Administrators that work together and offer help to new Principals as well as each other.

Principal Kelley spoke regarding collaboration going on between her and Principal Jefferson regarding curriculum licenses to ensure that everything purchased is being used. Principal Kelley added that having someone that could facilitate the documents for the State reporting would be helpful; however, she is not sure that this would be a full time job for someone.

Principal Mayfield spoke regarding the curriculum licensing and thanked Principal Jefferson for taking the time to determine if there was still a license that could be used. Principal Kelley added that Principal Jefferson does a lot of things for the system as a whole, as does Principal Farmer and others and the information is shared. Principal Mayfield added that the one thing that needs to be talked about is how new Principals are acculturated, when they are coming from outside the Somerset system. Principal Kelley spoke regarding the role of the Executive Director with regard to new Principals and how this person could help.

Principal Kelley stated that while there are areas that an Executive Director would be helpful, she does not want someone fielding her parent calls, as this would cause her to lose the connections she has with her students' parents. Member Thiriot clarified that she thinks that Dr. Jacoby meant that the Executive Director would be the last point of contact, after the Principals but before the Board.

Member Harty stated that it seems like the system is working without an Executive Director because the Principals are going above and beyond doing things that the Board never thought to ask someone to do until after a deadline is missed. Member Harty asked if it is fair to continue to expect the Principals to foresee all these things and train new Principals, etc. Member Kelley stated that it benefits the Principals to have a hand in things as well.

Member Harty stated that the Board wants to give the Principals what they need without taking anything away. Vice Principal Pendleton stated that as one of those people that is going into the situation as a new Principal, the current Principals are the ones she wants to ask and learn from.

Member Harty asked if they should be looking to move someone into a lead Principal role instead. Principal Pendleton stated that it might be a good idea to have a division of responsibilities for State reporting and Principal mentorship, being something that the lead Principal could coordinate. Vice Principal Pendleton further stated that maybe having someone to coordinate discussions and report to the Board would be helpful when it comes to decisions being made.

Principal Mayfield asked what the interview process is for new Principals and do the individuals applying for Principal positions know what the Somerset mission is. Principal Mayfield stated that while all the Principals are great leaders, they could use help coordinating amongst each other. Principal Pendleton noted that knowing who to go to for certain things would also be helpful. Vice Principal Pendleton noted that she has seen Principal

Jefferson do things for the whole system that you would never know are getting done. Vice Principal Pendleton further noted that it would be difficult if things were not just getting done by certain Principals and the curriculum coach. Vice Principal Pendleton added that the system is working really well.

Dr. Jacoby added that if the Board decides to add more Somerset campuses, how much time could Principal Jefferson give to all the campuses. Dr. Jacoby noted that this person is not a dictator, but rather a coordinator, collaborator or facilitator. Dr. Jacoby added that sometimes she goes into the classroom, as an extra set of eyes, and then sit with the Principal to discuss and collaborate about the observations.

Principal Mayfield stated that the Principals do not want to feel like someone is evaluating them. Principal Mayfield noted that this position is more of a facilitator, not a director. Principal Kelley stated that none of them would argue that some things could be taken off their plates, it simply comes down to more discussions of what that position would look like and what that persons' responsibilities would be. Principal Mayfield stated that this discussion should come from the Principals.

Bethany Farmer stated that since she has come on with Somerset, this year, after working with all the Administrators and curriculum coaches, there are certain things that would be run past Principal Jefferson or Principal Farmer since they have been with Somerset since the beginning. Ms. Farmer stated that Principal Jefferson and Principal Farmer would be the ones to mentor new Principals. Ms. Farmer noted that Principal Jefferson handles a lot of the logistics of paper and Principal Kelley has a Special Education background and added that there is so much leadership from within. Ms. Farmer stated that pulling everything together and collaborating has been a great tool.

Mr. Reeves stated that he hopes that is what this position will do, to facilitate bringing everyone together, not to take over as someone who knows everything. Mr. Reeves further stated that one of the things that started this conversation some time back was the State advising that they want one contact at Somerset to disseminate information as necessary. Mr. Reeves added that this would be the Executive Director / Facilitators job.

Mr. Reeves stated that this is not an action item and was only meant as a discussion.

Principal Phillips stated that he loves working for the Somerset organization because of the autonomy he has at the school level with great partnerships and great staff. Principal Phillips further stated that he is not looking for a supervisor, that is why he left CCSD. Principal Phillips added that there are some things / details that could be done by someone else to take things off his plate. Member Noble thanked Dr. Jacoby for being at the meeting and for all the information she provided.

#### **8. Information and Discussion on Future Growth:**

- **Presentation by Ryan Reeves Regarding the Growth of Academica Managed Schools; and**
- **Presentation by Arthur Ziev on Real Estate Market and Potential Growth Site.**

#### **9. Information and Discussion Regarding the Growth of Somerset Academy.**

**(these items were discussed together.)**

Mr. Reeves showed the Board some statistics regarding the Las Vegas population and how the population is expected to grow over the next twenty years. Mr. Reeves provided information on the number of projected student enrollment for the same time frame. Mr. Reeves further provided additional information regarding CCSD's current capacity for students and advised that CCSD is over capacity already, with no current plans to build new schools.

Mr. Reeves advised that if the bond issue was placed on the ballot and approved in 2016, it would still take about four years to build any new schools and get them open.

Mr. Reeves stated that Las Vegas was deemed the fastest growing charter school market in the country for 2014 by the National Association of Charter Schools, because of the 36% growth and an increase of about three thousand students. Mr. Reeves noted that much of that growth was from Academica managed schools, going from four thousand, six hundred and forty-nine students to seven thousand, one hundred and thirteen students. Mr. Reeves stated that five new sites for Academica managed schools will be opening for the 2015/2016 school year (one Somerset, one Doral, two Pinecrests, and Mater will be getting a new building), bringing the total enrollment for Somerset to eleven thousand, two hundred and twenty students for the next school year.

Mr. Reeves stated that if no other Academica managed schools opened another campus, at full capacity, fourteen thousand five hundred and fifteen students could be housed, with half of those students being Somerset students. Mr. Reeves stated that the five Somerset campuses will seat seven thousand five hundred and thirty-five students, at full capacity. Discussion was had regarding the expected growth of students overall in the valley. Member Harty stated that before Somerset decides to build more schools, they need to make sure that the capacity is there to justify the growth.

Mr. Howell stated that open enrollment will begin the following week and with most students set to return, there will be about two thousand applying for Sky Pointe, one thousand each for North Las Vegas and Losee and then a new campus. Mr. Howell added that this shows what is going on in those areas, as far as students wanting to go to a charter school.

Mr. Ziev noted that the growth is mainly going to be seen at the Kinder-12<sup>th</sup> grade campuses with the current students moving up and filling seats that are not currently open.

Mr. Reeves provided a map for the Board showing the locations of all the Academica managed schools that are currently open and those set to open in the 2015/2016 school year. Mr. Reeves noted that by chance, most of the campuses opened are where the Board members live. Mr. Reeves added that when properties became available in the main areas where the charter's campuses exist, those properties were brought to the Board to find out their interest in opening another campus in that area.

Mr. Reeves spoke regarding SLAM and noted that this charter is up for approval by the Charter Authority. Mr. Reeves added that SLAM will be a 6<sup>th</sup>-12<sup>th</sup> grade charter. Mr. Reeves added that there is no specific location for this campus as of yet and further added that SLAM is set to open for the 2016/2017 school year.

Member Elison noted that Somerset Stephanie need a high school feeder. Member Harty asked if there is any concern that Somerset and Doral are opening schools so close to each other. Mr. Reeves and Mr. Howell stated that there is no concern and that both campuses will have no problem filling up. Mr. Howell added, as information for the Board, that the Doral campus was marketed west of the 95 freeway and the Southwest area of the valley. Member Harty asked when the enrollment numbers will be available for the Lone Mountain campus. Mr. Reeves stated that open enrollment will begin on January 12, 2015 and that the initial numbers can be reported after the first couple of days. Mr. Reeves added that the four thousand students on Sky Pointe's waiting list got an email letting them know that the Lone Mountain campus is opening. Mr. Howell added that a mailer was not even sent out for Lone Mountain because of all those on the current waiting lists. Mr. Howell stated that he can update after the first day of enrollment.

Mr. Reeves noted that Doral has already begun their enrollment period and are nearly full at the new Fire Mesa campus already, after three days. Member Thiriot asked if Doral is in Summerlin and Mr. Reeves stated that it is not.

Mr. Ziev spoke regarding the Lone Mountain campus and stated that most of the permits have been issued and all of them will be complete by February 1, 2015, which is right on schedule. Mr. Ziev added that dirt has already started moving at that campus.

Mr. Ziev stated that as soon as the bond financing is complete, Phase III of the Sky Pointe campus will be completed for a 2016 opening. Mr. Ziev further stated that the plan at the Losee campus is to build the first half of the high school wing for a 2016 opening and then the second half for a 2018 opening, with that building of the gym is to be determined.

Mr. Ziev spoke regarding some properties that may become available in the future. Mr. Ziev showed a map of some specific areas and provided site information on each property. Mr. Ziev stated that a couple of the properties would be acceptable for a Kinder-8<sup>th</sup> grade campus. Mr. Ziev further noted areas that could be available to house a Kinder-12<sup>th</sup> grade campus and noted that nine thousand new homes are being built in that area. Mr. Ziev stated that he has been in talks with the developers of that housing development regarding land for a school to be built.

Mr. Ziev provided additional potential site information and noted that none of these properties are a sure thing. Member Thiriot asked if any of these areas would be a situation where the developers might just give Somerset the land. Mr. Ziev stated that the developer is not just going to give Somerset the land; however, what has been said to other developers for other projects is that the land prices need to be within the schools budget. Mr. Ziev stated that property that typically sells for \$300,000.00 to \$400,000.00 per acre, they are negotiating it down to hopefully \$100,000.00 per acre, with the builder putting in all the utilities and offsite work.

Discussion was had regarding some other areas that have no open land and are all built out. Mr. Ziev noted that Nellis is looking to have a charter school and would like nothing more for it to be a Somerset campus. Mr. Ziev stated that Nellis will be requesting a proposal for this campus soon. Mr. Ziev noted some other areas that potential property could be available, some sooner rather than later. Discussion was had regarding one of the properties being something that the Board had previously looked at.

Mr. Ziev stated that now it is really up to the Board as to how they would like to proceed and if they would like to open any more campuses. Member Harty asked Mr. Ziev what kind of time frame the Board would need to make a decision about one of these properties and whether to open another campus. Mr. Ziev stated that a few of the properties have had significant discussions and possibly within ninety days a decision would be needed on whether Somerset wants to enter into a contract and open another campus. Member Harty asked if it is not going to be a Somerset, will it be someone else and Mr. Ziev stated that given the demand in the areas, if not Somerset, it will be someone else. Mr. Howell stated that he thinks it would be one or the other, not both properties. Member Harty asked how soon the Board would need to make a decision to open a campus or not. Mr. Howell stated that this is a Board decision.

Member Noble stated that there is no doubt that if Somerset does not build, someone else will. Member Noble added that the question becomes, is someone else building a threat to Somerset and does action need to be taken to protect Somerset. Member Harty noted that he does not know if they need to decide this now; however, the question is, what is the vision of Somerset, is Somerset competing. Member Noble stated that he agrees and further asked what Somerset wants to be and are they already there. Member Noble further stated that this discussion needs to be had and decided before deciding on new campuses.

Mr. Reeves stated that this is the discussion that was hoped to be had at this meeting. Member Noble asked if it is true to say if all the elementary students went to the Sky Pointe middle/high school, it would be full and could it be filled with Somerset's own students. Bob stated that is correct, if every one of those students continued on with Somerset.

Member Noble stated that what the Board wants to make sure of is that every Somerset kid has a spot at the next level, should they want it, and to graduate from a Somerset high school and Member Noble stated that he does not want to jeopardize that. Mr. Howell noted that another Kinder-8<sup>th</sup> grade campus would feed into one of the two current high schools. Discussion was had regarding having a spot for all Kinder-8<sup>th</sup> graders to go for high school with Somerset. Member Noble asked how you have enough high school spots when opening another Kinder-8<sup>th</sup> grade campus. Mr. Reeves and Mr. Howell stated that the Board would be committing to more growth than just a Kinder-8<sup>th</sup> grade campus, but also another high school.

Member Harty stated that maybe they want to work through completion of the two current high schools before committing to a third. Member Harty noted that maybe students will love Somerset through 8<sup>th</sup> grade, but want the experiences of a big high school, like sports, because Somerset will not be able to compete in that area in the next five to ten years. Principal Phillips disagreed with that and stated that they can and will be able to compete at that level once all the high school building phases have been completed and added that Somerset will provide a better high school experience. Member Harty asked if Somerset will be offering the football experience as well and Principal Phillips stated that he does not know about that; however, they will be able to offer other sports. Member Harty asked if Somerset can compete against Arbor View and Principal Phillips said that they cannot; however, they can compete against other schools of similar size to Somerset. Member Harty stated that some students may decide to go to a school that can offer a football team, because Somerset is not able to. Mr. Reeves stated that in Florida, the charter schools compete, noting that last year, a Florida Mater Academy won the baseball championship. Arthur added that that campus does not even have a baseball field, they only have half of a football field and have all the regular sports and activities. Mr. Howell noted that the kids that want the football experience might go to another school; however, the kid that wants every other experience will stay at Somerset.

Member Harty stated that he knows someone is going to come to the Board and ask them to approve another \$15 million loan to build something and he does not know if the demand is there to fill the two current high schools. Mr. Howell stated that he thinks it will be just the opposite and the Board will be asking for another high school. Dr. Jacoby stated that a school called Chapel Trails that has one Kinder-5<sup>th</sup> grade charter, one 6<sup>th</sup>-8<sup>th</sup> grade charter and two high school charters, all located in the vicinity of a new district high school with all the bells and whistles, and that when that new high school opened, they did lose kids from the Chapel Trails campus; however, within two months, three fourths of those kids were begging to come back to Chapel Trails because of the teachers personal touch, the school's rigor, and because the school cares. Dr. Jacoby noted that in the end, the Principal, the Vice Principal, and the teachers at Chapel Trials won over the football field and new school.

Member Noble noted that maybe the best choice is to open a Kinder-8<sup>th</sup> grade campus to feed into the high school and then open another one if need be. Mr. Howell stated that you always want to have a waiting list and with that district not opening new schools in that part of town and the current schools being overcrowded, Somerset is the only solution. Mr. Howell added that if Somerset does not build, someone else probably will, but whether they do it better is debatable. Member Noble stated that it will be Doral or another Academica managed school that will built if Somerset chooses not to.

Member Malone asked where the Stephanie students will go to high school. Principal Jefferson noted that opening new schools small so that the students can grow with that school into high school is a good idea. Member Thiriot asked what the split was between the North Las Vegas 8<sup>th</sup> graders between the Sky Pointe and Losee campus for high school. Mr. Reeves stated that it was close to a 50/50 split. Discussion was had as to whether it will always be that 50/50 split. Member Noble asked if there is an analysis of how many of the 8<sup>th</sup> graders are continuing with Somerset into high school. Mr. Howell stated that almost all of the 8<sup>th</sup> graders committed to one of the Somerset high schools and are set to stay in the system. Mr. Howell noted that given the high school options in North Las Vegas, many will stay with Somerset. Member Noble agreed and stated that he thinks one the two high schools are completely built out and have a gym, most of the kids will stay with Somerset throughout high school. Member Harty stated that he thinks it is the Board's role to be cautious and look at the numbers.

Member Harty further stated that Academica has an interest to build more schools because they get a certain amount per student and the more Somerset builds, the more Academica will get. Member Harty stated that he is not saying that the projections are wrong, just that it is the Board's job to decide if they are building too fast.

Mr. Reeves stated that although there is no arguing that Academica gets paid for their services, all those involved with Academica were doing well in their former employment; however, they all do what they do because they have a mission beyond making money. Mr. Reeves further noted that while Academica is making money, all those working at this could have made money doing something else. Mr. Reeves added that any one of the other systems that Academica works with would jump at any one of these properties; however, they are being brought to Somerset first.

Member Harty stated that he is not accusing, but noted that Academica does stand to make money with increased enrollment. Mr. Reeves stated that he understands why the statement was made and added that his kids go to Somerset because he believes in charter schools and Somerset and wants other kids to have the same opportunities. Mr. Reeves stated that while he would like to see Somerset grow, it does no good to grow if the quality is lost and makes no sense academically or financially.

Mr. Ziev stated that when five master planned communities call him because they want a school in their area and the builder is willing to negotiate on the selling price of the land, that is telling Somerset that the demand is there. Mr. Ziev spoke further to CCSD being over enrolled and added that he is not worried as to whether the demand is there. Mr. Ziev further stated that the Board needs to decide what role Somerset wants to play. Mr. Ziev agreed that starting a Kinder-8<sup>th</sup> grade campus slowly is a good plan and then later look to have another high school.

Member Harty asked when a new campus would come online if the Board decided to move forward with another campus. Mr. Ziev stated that the property in Deer Springs would probably be for a 2016 opening and then the Sky Canyon for a 2017 opening, if that developer is willing to wait a year, or a 2016 opening if they are not willing to wait; however, on a much smaller scale to be built up over time. Discussion was had as to how to grow those two campuses.

Member Noble stated that his opinion is that the Board needs to identify itself. Member Noble further stated that it is the sediment of some Board members that they started Somerset to make a difference for as many kids as they can and in the original vision that was two schools that grew with the demand and now they need to decide to continue down that path and make a difference for as many kids as possible. Member Noble noted that the growth makes him nervous. Member Noble asked if Somerset should stop and perfect what they have, noting that he does not have the answer to this question.

Member Malone stated that she has, from the beginning, wanted to meet the demand, and while she thinks that at some point they should stop growing, she likes the idea of two more campuses to give a school to kids that really need it. Member Malone stated that having a few more campuses will help the Somerset name, given their reputation. Member Harty asked Member Malone if she thinks additional campuses will add value to the existing campuses. Member Malone stated that she thinks it will and that having more campuses helps Somerset as a whole.

Mr. Ziev stated that the city of North Las Vegas has also stated in the past that they were interested in having Somerset schools in their city. Member Thiriot noted that just four years ago, Somerset was having to ask permission to put a campus in North Las Vegas. Member Malone reiterated that there does need to be a cap as to not get too big; however, she thinks that adding a few more schools will be good for Somerset.

Member Noble asked if any of the potential properties are too close to any of the existing campuses and therefore, Somerset is competing with itself. Member Howell stated that you build it to the demand. Member

Noble asked if it is possible to know the demand and Mr. Howell stated that there is, based on the feeder schools. Mr. Ziev stated that he believes if a demand analysis was done, the Board would see that any new campus would be filled, even if no new homes were built. Mr. Ziev added that developers are looking to negotiate because they want to be able to say that they have a school in their area.

Member Thiriot asked if Sky Pointe could ever be turned into a 6<sup>th</sup>-12<sup>th</sup> grade campus only, if needed. Mr. Ziev stated that this is a good thought but stated that it cannot be done because there is not enough parking. Mr. Ziev added that they are working with that city to get a parking variance at Sky Pointe so that they can add more high school classrooms. Member Noble asked if it is just a matter of not having enough parking, but space available. Mr. Ziev stated that they have worked with Principal Barlow to revise the building plans to add eleven more classrooms and added that this cost all fits into the bond financing, allowing for about two hundred more students.

Member Harty asked if the city is going to approve the parking variance to allow for those extra classrooms, before the bond financing goes through. Mr. Ziev stated that the bond issue has in it what is called an Excess Proceeds Call, which means that the bonds will be issued and if that approval is not given, reducing the cost of the construction, those bonds can be redeemed immediately.

Mr. Reeves spoke regarding the Stephanie campus and where those kids might go to high school. Mr. Reeves stated that there is a property in the Cadence development that is being considered to open a Kinder-12<sup>th</sup> grade Pinecrest and would sit on twenty acres. Mr. Reeves added that something that might go before the legislature this year to allow for matriculation agreements between charter schools, which allows contracts to be entered into that would give priority seating to those students at the charter school where those contracts were in existence.

Member Harty stated that the only information the Board is receiving is about Somerset growth and does not take into account what other charter schools are doing. Member Harty added that an example of that is the Doral – Fire Mesa campus that is going to open at the same time as the Somerset – Lone Mountain campus. Discussion was had regarding the charter school market and taking into account what other schools are doing. Mr. Reeves stated that this is a good point and noted that he and Mr. Howell look at campuses that other schools are opening to get a feel for their capacity and potential completion. Discussion was had regarding new schools / campuses for some other charters and how many students will be at those campuses. Additional discussion was had regarding where these other schools will pull from to enroll students.

Mr. Reeves stated that he and Mr. Howell appreciate the questions and want Board members that are looking at the whole picture. Mr. Reeves added that when it is necessary, things are scaled back and grown slowly. Mr. Reeves further added that it would do Academica no good to steer Somerset in a bad direction. Mr. Howell added that he and Mr. Reeves have also spoken with the Principals regarding growth while maintaining quality.

Principal Phillips stated that while it takes a little while to build an academic institution, the one being built at each campus is going to be a really rewarding experience for every kid. Principal Phillips added that his goal is to provide every high school kid with those same high school experiences, just on a smaller scale. Principal Phillips spoke regarding the day-to-day interactions he has with every day and can see where the school is going.

Principal Jefferson stated that she would like to keep the area where Somerset's are mainly located just for Somerset and not have other Academica managed schools in that area. Discussion was had regarding the type of students they have at each campus and how the parents really want them in a Somerset school.

Member Noble stated that Somerset has been fortunate with that administration they have been able to hire and while growing from within is always a goal, it is not always possible when schools are opening fast.

Member Noble asked how many of those great administrators are out there and will quality administrators be able to be found to run additional Somerset campuses. Member Malone stated that as Somerset grows, she likes the idea of the Principals having a hand in the hiring of new Principals. It was noted that Principal Pendleton is the first product of growing leaders from within the Somerset system. Dr. Jacoby added that this is what the Principal Leadership Program will help to accomplish, growing leaders from within. Dr. Jacoby added that this involved in the Principal Leadership Program would need to come highly recommended by their Principal and then ultimately that person would be trained in all aspects and areas of being a Principal. Dr. Jacoby added additional areas that a prospective Principal would need to experience in order to get the full picture of what it means to be a Principal at a Somerset campus. Mr. Howell added that he thinks there are two or three people from within the system that could be Principals in 2016.

Member Noble asked if there is anything formal in place for this leadership training. Dr. Jacoby stated that there is and that she has shared her knowledge of the program. The Principals noted individuals at their campuses that have gone through or are going through the training. Dr. Jacoby noted that the Principal should be recommending that certain individuals take the training and then start including them in more things so that they can get a feel for what being a principal means and the duties involved.

Member Thiriot thanks Mr. Ziev for the way the potential properties were presented to the Board.

Mr. Reeves stated that another option for the Stephanie students to go to high school might be SLAM. Mr. Reeves added that Central Christian Church is looking to possibly sell some of the land that they are on and this area is being considered for the building of the SLAM campus. Mr. Reeves noted that having SLAM close to the UNLV stadium would be great for community relations and internship possibilities.

Member Malone noted that she has not heard of SLAM. Mr. Reeves stated that SLAM is a Florida affiliate and stands for Sports Leadership and Management. Mr. Ziev added that the arts have also been added into SLAM as well. Mr. Reeves noted that sports are blended into learning, in order to help engage students more, with things that they are interested in. Mr. Reeves and Mr. Ziev added some additional information regarding course offerings.

Mr. Reeves spoke regarding additional growth and added that if the Board likes the idea of having Somerset Stephanie going to high school at another charter, or if they would like to do something else, to let Academica know, as all direction is taken from the Board.

Mr. Ziev spoke regarding a high school that could be near to the Stephanie campus. Member Malone stated that she just wants to know that the Stephanie students have a spot to attend high school. Member Elison asked if the matriculation agreement is sure to go through. Mr. Reeves stated that he hopes so. Member Elison asked if the Charter Authority supports this agreement and Mr. Reeves stated that he has not talked with the Authority about this; however, he has talked with two Legislatures and a lobbyist.

Member Noble stated that it seems that the Henderson Kinder-8<sup>th</sup> grade would want a seat for those students going into high school, however, neither the Cadence or the Central Christian Church properties were offered to Somerset. Mr. Reeves stated that the Central Christian site is not big enough for a Kinder-12<sup>th</sup> grade campus. Mr. Reeves further stated that the Cadence property is so close to the Pinecrest Horizon campus and is more ready for a high school campus to feed into than the Stephanie campus is.

Mr. Ziev noted the specific location of the Cadence property. Member Noble stated his discomfort that Academica is making decisions about what properties to present to Somerset and what is best for one Academica managed school over another. Member Noble stated that that is a conflict of interest for Academica. Mr. Reeves stated that Academica is responding to every call / request made and added that the Pinecrest Board has been



asking for a high school in that area for a few years now. Mr. Reeves stated that if the Somerset Board wants a high school in Henderson, to let Academica know.

Member Noble asked what happens if two schools want a high school and there is only one piece of property. Mr. Reeves stated that the property would be presented to both Boards to decide if they would like to enter into an agreement for the property. Mr. Reeves added that this is not a situation that has arisen yet. Mr. Reeves stated that if the Board wants a high school in Henderson, the Central Christian property is not big enough and Stephanie does not have the student population to fill the Cadence site, being that it would need to be open for 2016-2017 school year.

Member Malone stated that she does not know if Henderson has the same demand for a charter high school as there are in other parts of the valley; however, having another charter option is important.

Mr. Ziev stated that when the developers of the Cadence development approached him about building a school, because of Somerset's general campus locations and the fact that the Pinecrest Board had been asking for a high school, Pinecrest was the first charter he thought to approach. Discussion was had regarding the stages of construction at the Somerset Lone Mountain and Doral Fire Mesa campuses.

Member Harty stated that he is not suggesting any wrong doing at all; however, as a Board, it is their responsibility to make sure that any potential conflicts of interest are brought to light. Member Noble stated that the Board wants to be certain that every opportunity brought to Academica, as the management company, that Academica is looking out for Somerset's best interest, not someone else. Discussion was had regarding the best interest of Somerset and the judgment calls Academica may have to make. Mr. Howell stated that all of the other Boards have been clear on their direction and what they would like to do; however, the Somerset Board is not. Discussion was had regarding the direction of Somerset and Member Noble noted that the Board has not been clear and agreed with Mr. Howell 100%. Additional discussion was had regarding where other Boards want to go in regard to growth.

Discussion was had regarding the advantages of having a management company that gets the benefits of the high volume that Academica has. Member Noble noted that if Somerset does not want another charter in their area, they need to expand. Mr. Reeves noted that Academica would not put another charter school right next to a Somerset if the demand was not there.

Discussion was had regarding the Oakey campus and the kids that left to attend the Doral Saddle campus. Mr. Howell stated that Oakey was always meant to be a holding campus to open a Kinder-12<sup>th</sup> grade campus, once it became apparent that the property and the land next to it were not able to be bought. Additional discussion was had regarding the placement of schools within the Academica system.

Mr. Reeves stated that if, at any time, the Board wants additional information, Academica is happy to provide it. Member Noble stated that the Board needs to provide more direction of what they would like to do with regard to growth.

Mr. Ziev spoke regarding the Doral Fire Mesa and Somerset Lone Mountain campuses and explained the thought process for those two campuses and that it was decided that those from the Sky Pointe waiting list would drive that short distance and that the Lone Mountain campus would be full as well. Mr. Reeves and Mr. Howell reiterated that any information the Board would like, to ask and Academica will provide it.

Member Noble noted that it would probably be helpful to Academica if they knew what the Board was thinking. Member Elison stated that they should have Arthur focus on finding properties at good prices in the North West part of the valley. Member Noble asked if the Board members want to see a high school in the Henderson area and the Board said no. Member Elision stated that they should focus on the options they have

and work towards matriculation agreements with another charter school as an option for the Somerset Stephanie students. Mr. Reeves noted that there will not be as much of a demand for a charter high school in Henderson, because of the high schools that already exist there.

Member Elision stated that he thinks that they should proceed with what is laid out and see what they can get done. Member Noble asked the Board if they are ok with proceeding in the general area that Somerset campuses are already in and the Board agreed.

Member Malone asked Principal Farmer if he thinks that Somerset Stephanie parents want a high school in the Henderson area. Principal Farmer stated that the parents he has talked to are concerned about where their kids will go to high school. Member Malone asked if those parents would be ok with another charter school option. Principal Farmer stated that so long as they have a charter school option, they will be ok with that.

Dr. Jacoby noted that the parents she has encountered in Florida are not looking for traditional schools and will only send their kids to a charter school.

Member Noble stated that he is hearing that if there is growth to be had in the "Somerset area", that they would be interested in considering growth opportunities in that area. The Board members agreed. Member Harty reserved the right to want to discuss any rapid growth in the future. Discussion was had as to the specific areas of where a Somerset could go. Member Harty suggested putting something in writing that sets out the vision for expansion and maybe form a committee to discuss those things.

Member Noble stated that they would be interested in considering one of the Kinder-8<sup>th</sup> grade properties discussed and then depending on demand, possibly another Kinder-12<sup>th</sup> grade campus in that area. Discussion was had regarding the potential opening time of another Kinder-12<sup>th</sup> grade and how that opening might be structured.

**10. Public Comments and Discussion.**

No member of the public requested to comment at this time.

**11. Adjournment.**

**Member Noble Motioned to adjourn the meeting at 9:39 p.m. Member Thiriot seconded the Motion and the Board unanimously approved. The Meeting was adjourned.**

Approved on: William Harty  
4-13-15

*Vice Chair* ~~Secretary~~ of the Board of Directors  
Somerset Academy of Las Vegas