

MINUTES
of the meeting of the
BOARD OF DIRECTORS of SOMERSET ACADEMY OF LAS VEGAS
January 13, 2016

The Board of Directors of Somerset Academy of Nevada held a public meeting on January 13, 2016 at 5:30 p.m. at 4650 Losee, Road North Las Vegas, Nevada 89081.

1. Call to order and roll call.

Board Chair Cody Noble called the meeting to order at 6:03 p.m. Present were Board Members Cody Noble, Will Harty, Carrie Boehlecke, Travis Mizer, John Bentham (following election to the Board), and Sarah McClellan (following election to the Board).

Eric Brady was not present.

Also present were Executive Director John Barlow, Principal Gayle Jefferson, Principal Elaine Kelley, Principal Francine Mayfield, Principal Sherry Pendleton, Principal Andre Denson, Principal Dan Phillips, and Assistant Principal Scott Hammond, as well as Academica Nevada Representatives Ryan Reeves, Carlos Segrera, Clayton Howell, Arthur Ziev, and Kristie Fleisher.

2. Public Comments and Discussion.

Autumn Lamar, parent of a Somerset Stephanie student (accompanied by fellow parent Nikki Franklin), addressed the Board with concerns regarding the lack of a high school option for those students attending Somerset Stephanie, adding that many students were planning to leave this next school year for schools like Pinecrest and SLAM, which offer a high school in the same basic area. Ms. Lamar requested that the Board consider the possibility of opening another Somerset campus in the Henderson area to accommodate those families by the fall of 2017. Ms. Lamar explained that her daughter had been a Somerset Shark since the opening at Emerson and that they would like to continue to be part of the Somerset family through high school, adding that if there was something more parents could do, she would like to know what that would be.

Member Noble stated that he knew that there were some expansion plans in the works, however, those plans might not include a high school in the Henderson area, adding that the Board would inform the public as soon as plans became a reality. Ms. Lamar asked if it was a matter of finding land, to which Member Noble replied that land was part of the issue in addition to assessing the sustainability of the market, however, they had begun looking into options in that area. Ms. Lamar asked when they would know, to which Member Noble replied that he did not know. Member Harty stated that it was difficult to determine a time frame, and Member Noble added that 2017 might not be a realistic time frame, although he expressed concern that those students would not have a Somerset option. Ms. Lamar asked if the Board would recommend moving to Pinecrest or SLAM, possibly this year in order to ensure a seat, to which Member Noble replied that, as of right now, there was not a Somerset high school in that area and parents would have to plan accordingly. Ms. Lamar asked if it would be the Board's preference to open a high school in that area, to which Member Noble replied that there is a growth plan that usually requires a few K-8 campuses that would feed into a K-12, adding that the Board had some of the same questions that would need to be answered before moving forward.

Somerset Stephanie parent Nikki Franklin addressed the Board and stated that it was a struggle for her children to entertain the idea of becoming a "traitor" if they entered the Pinecrest system, adding that she would

prefer to keep her children in a charter school system. Ms. Franklin went on to ask a few questions regarding the Pinecrest charter, to which Member Noble replied that he did not have information regarding another charter. Executive Director John Barlow addressed the Board and stated that Mr. Farmer would also communicate with Somerset Stephanie families regarding expansion.

Melanie Smith, 5th grade teacher at the Sky Pointe campus, addressed the Board by expressing her appreciation for the holiday bonuses which were extremely appreciated and the fact that they were presented by a Board member. Ms. Smith stated that she was speaking on behalf of the entire fifth grade team at Sky Pointe and was requesting the opportunity to present a power point to the Board at the next board meeting regarding some improvements that could be made. Ms. Smith pointed out that these improvements, including additional room for kindergarten, space needed for instructional assistants, a classroom for the PE teacher, a fifth grade pod, and additional field space, adding that they were asking for the opportunity to present some possible solutions to the Board at the beginning of the next Board meeting. Member Noble stated that he was not sure how to reply, to which Executive Director Barlow stated that he would look at the agenda and see if the presentation could be accommodated.

3. Review and Approval of Minutes from the November 19, 2015 Telephonic Board Meeting.

Member Noble Moved to Approve the Minutes from the November 19, 2015 Telephonic Board Meeting. Member Boehlecke Seconded the Motion, and the Board voted unanimously to Approve.

4. Student Recognition.

This portion of the agenda took place prior to the meeting.

6. Interview of Board Member Candidates.

Executive Director Barlow requested that the candidates wait in another room while each individual candidate was interviewed, adding that this was not a mandatory request. Mr. Ryan Reeves addressed the Board to explain the process before turning the procedure over to the Board. Mr. Reeves explained that the Board had assigned a committee comprised of former Board members Eric Elison, Scott Hammond, Amy Malone, and Crystal Thiriot to review applications and do a preliminary interview with the candidates before presenting the Board with their top choices. Mr. Reeves noted that there were two vacancies on the Board, and that one of them needed to be filled by a licensed educator while the other was an open seat, adding that there were three licensed educators in pool of candidates and that both vacancies could be filled by educators. Member Noble asked for clarification regarding the type of educator required, to which Mr. Reeves affirmed that he or she must be a person holding an educator license current or retired status within the state of Nevada. Member Harty asked which candidates were licensed educators, to which Mr. Reeves replied that Jeffrey Geihs, Sarah McClellan, and Cheylee Meteer were the three licensed educators. Ms. Crystal Thiriot, a member of the Board Member Search Committee, addressed the Board and stated that the committee had carefully reviewed the resumes and took into consideration the scope of what the Board was hoping to accomplish in new Board Members. Ms. Thiriot stated that they had narrowed the field to five candidates, three of which were licensed educators, from the eight that were originally interviewed, adding that she felt that any of the five would be great additions to the Board.

Executive Director Barlow stated that they would call the candidates in alphabetically, beginning with John Bentham. Member Noble recognized the fact that Mr. Bentham had previously interviewed and had also attended many Board meetings, however, Member Noble stated that they would ask him a few questions for the record and to refresh the Board's memory.

John Bentham: Mr. John Bentham addressed the Board and stated that he was a parent of three students at Somerset Lone Mountain, explaining that his children had been in private school from a preschool age and that he and his wife had done a lot of research on the charter school model in an effort to give their children a more well-rounded and quality education. Mr. Bentham further stated that he had been very impressed with Somerset and had witnessed its effect on his own children, which had made him a firm believer in the Somerset model, adding that he would like to be a part of that growth. Mr. Bentham explained that, professionally, he runs a production company in Las Vegas, among other things, that produced shows on the strip, downtown, as well as several community events; including the recent Glittering Lights event at the Las Vegas Motor Speedway which was a holiday light show and benefits the Speedway Children Charities, Goodwill of Southern Nevada, and area Boy Scout troops, which over 200,000 people attended. Mr. Bentham stated that he has a vast variety of knowledge in marketing, advertising, public relations, and running businesses; which would be good assets to the Board.

Member Noble pointed out that Mr. Bentham was already serving on several boards and asked why he would want to serve on another, to which Mr. Bentham replied that he served on the Children's Heart Foundation and Goodwill of Southern Nevada boards, adding that he does not think that there is anything more important than children and that there is a huge issue in Nevada in regards to education and that he would like to be part of the solution. Mr. Bentham stated that he has five children and that he had found it beneficial to spend money on extra-curricular activities and other things rather than on a \$10,000 per pupil tuition, adding that this value should be available to other children. Mr. Bentham further added that while the other boards were important, this one would be of the utmost importance.

Member Noble asked what Mr. Bentham thought he would bring to the Board, to which Mr. Bentham replied that he would bring basic business skills, reiterating his skills in small business, marketing, and public relations, specifically in Las Vegas, adding that these would be important skills especially as Somerset grows. Mr. Bentham explained that it would be important to have the connections and skills to maximize Somerset's exposure while minimizing expenses, adding that Somerset does not have the budget that the school district does and that every penny counts; which was something with which he could help.

Member Mizer asked if there would be any conflict with the time commitment required, to which Mr. Bentham replied in the negative. Member Noble noted that Mr. Bentham had attended several board meetings and must be aware that they can be lengthy.

Jeffrey Geihs: Mr. Jeffrey Geihs addressed the Board and introduced himself by stating that he had been married for twenty-five years and had two children who, had Somerset existed when they were young, would have definitely attended. Dr. Geihs stated that aside from his faith and his family, the most important thing in his life were the experiences he has every day with the principals he serves, adding that it was a very rewarding experience to work on behalf of kids.

Member Noble asked Dr. Geihs what prompted him to apply to become a Board member, to which Dr. Geihs replied that he knew many people who work for Somerset and that it would be thrilling to work with them in this capacity. Dr. Geihs stated that he had a very non-traditional role in the Clark County School District in that he supervised Turnaround schools and that he felt that he could learn a lot from Somerset and the charter school model in an effort to make changes, adding that he and Executive Director Barlow had known each other for many years and he could hear the excitement every time he spoke with Mr. Barlow. Dr. Geihs further stated that he had been a longtime resident of Las Vegas and that, although he had served on several Boards, education was his passion; adding that when he can be philanthropic with his time, he wants to spend it at an institution such as Somerset.

Member Harty asked Dr. Geihs to speak to the time commitment and whether or not he would have any issues with that, to which Dr. Geihs replied that he had looked into the situation prior to submitting his application and was confident that it was something he could handle, adding that he never did anything half-way.

Sarah McClellan: Ms. Sarah McClellan addressed the Board and stated that she had three children, two at Somerset Losee and one at Somerset Sky Pointe and that they had been with Somerset from the beginning. Ms. McClellan further stated that she had been a stay-at-home mom for fifteen years, however, she had recently begun working as a resource specialist at Perkins Elementary. Ms. McClellan explained that she was a huge supporter of Somerset and in ensuring a quality education for children, and that she would work as a Somerset Board member in an effort to provide the best school environment possible.

Member Noble asked what Ms. McClellan's involvement with the school had been, to which she replied that she had always fulfilled all of her volunteer hours and then some, spending extensive time in each of her children's classroom; adding that she had gotten to know the principals and had spoken with them whenever there was an issue.

Member Noble asked how Ms. McClellan was enjoying her first year teaching, to which she replied that it had been a fine transition personally, however, it was challenging to find the information with which to teach the kids; adding that working with students who have IEPs was quite a learning experience, although very rewarding.

Member Boehlecke asked Ms. McClellan if she was comfortable with the time commitment, to which Ms. McClellan replied in the affirmative, adding that she understood the required attendance at the meetings and that she would also be required to spend some time at the campuses.

Cheylee L.Y. Meteer: Ms. Cheylee Meteer addressed the Board and stated that she was born and raised in Hawaii and then moved to Colorado, after which she relocated to Las Vegas after getting married and having children. Ms. Meteer stated that she and her husband are both educators who wanted to make a difference in Las Vegas. Ms. Meteer explained that she had two children at the Stephanie campus, one who would begin middle school next year, one in third grade, and a third who would soon begin kindergarten. Ms. Meteer further stated that she had taught multiple grade levels and was currently a literacy coach, adding that she had always been very involved in her children's education and that she hoped to continue as part of the Board to ensure that her children, as well as other Somerset students, were getting the highest quality education possible.

Member Noble asked Ms. Meteer why she would want to serve on the Board, to which Ms. Meteer replied that what the Board is doing makes a broad impact on students whether they are low or high achieving, which was something she would like to be a part of by making those instructional decisions.

Member Harty asked Ms. Meteer, in light of the expansion issues in the area of the Stephanie campus, if she had concerns about the growth plans. Ms. Meteer explained that she had begun her career at a charter school and had moved her children from CCSD to provide something bigger and broader without all the red tape of the school district.

Member Noble asked Ms. Meteer if she had spent any time at the Stephanie campus and what her impressions had been, to which Ms. Meteer replied that because she works the same hours as the school her time there had been limited, however, she was able to spend a limited amount of time there, adding that she does take home items that the teachers need done. Ms. Meteer stated that she would like to volunteer in the capacity of a Board Member.

Member Noble asked if this was the first board meeting that Ms. Meteer had attended, to which Ms. Meteer replied in the affirmative. Member Noble asked if the time commitment would be a problem, to which

Ms. Meteer replied that it would not be a problem for her, adding that, although she had not previously attended a board meeting, she did read the minutes online and was aware that the meetings could be lengthy. Ms. Meteer stated that she taught adult learners at night, however, she was fortunate enough to have the flexibility to schedule them when she wanted.

Brooke Stream: Ms. Brooke Stream addressed the Board stating that she was a long-time resident of Nevada and worked for the city of Henderson in Human Resources, adding that she was married with three children, the oldest of which was a student and the Stephanie campus (after previously attending Doral). Ms. Stream stated that her daughter had attended private school until she and her husband became very interested in the charter school movement, expressing her appreciation for the choices that charter schools offer to students in Southern Nevada. Ms. Stream added that they had been so impressed with the curriculum and rigor of Somerset, which had driven her interest in this position on the Board.

Member Noble asked why Ms. Stream had moved her daughter from Doral to Somerset, to which Ms. Stream replied that they had moved to Henderson and it was not feasible to attend school on the West side of town, adding that Doral was a great school, although very different from Somerset.

Member Noble asked Ms. Stream why she would want to sit on the Board, to which Ms. Stream stated that she was so impressed with what was going on at Somerset and that she had always been very involved with community volunteerism, adding that this would be the perfect opportunity to marry her desire to serve with her passion for education for all children in Southern Nevada. Ms. Stream further stated that her talents in Human Resources could also be a unique benefit to the Board.

Member Noble asked Ms. Stream if she thought the time commitment would be an issue, to which Ms. Stream replied that she had a very supportive husband (Mr. Stream attested to that fact from the audience), adding that the time required would not be an issue.

7. Nomination and Election of Board Members.

Member Noble requested that they deliberate and that each Board member give their first impressions, noting that they would need to choose at least one licensed educator. Member Boehlecke stated that she had been impressed with all the candidates. Member Noble stated that they had lost Board members who were extremely important to Somerset and that they should choose new members who would follow in that same vein. Member Noble further stated that one thing that stood out regarding Dr. Geihs was that he did not have a student at the school, and while that was not a requirement, it was a desired quality; and also Dr. Geihs' reasons for joining the Board seemed to be mostly for his own benefit. Member Noble went on to say, meaning no offense to Member Boehlecke, however, he did not want to fill the Board with Clark County administrators. Member Noble stated that with the two remaining educators he felt like he could work best with Ms. McClellan. Member Boehlecke asked for the reasons, to which Member Noble replied that he already knew Ms. McClellan and knew what kind of person she was and was confident that she would be a great addition to the Board in that she reminds him of former Board member Amy Malone.

Member Boehlecke agreed that while Dr. Geihs could bring a lot of experience to the Board, it was more desirable to have Board members with children in the system, although that should not always be a given. Member Noble agreed that it was not required by statute, however, it had always been something the Board had taken into consideration. Member Boehlecke stated that she did like Ms. McClellan's fresh perspective, adding that her background in special education was also a benefit. Member Boehlecke further stated that she was also impressed with Ms. Meteer, however, Ms. Meteer had mentioned making instructional changes which was not within the Board's scope of responsibilities.

Member Mizer stated that he would also choose Ms. McClellan, adding that he liked the idea that she had students at two different campuses and had been involved with the principals and volunteering, and also the addition of her background in special education made her a desirable candidate.

Member Harty agreed with the other Board members regarding Ms. McClellan, adding that Mr. Bentham had shown a great commitment to Somerset by attending every board meeting and consistently being supportive of Somerset. Member Harty stated that choosing Mr. Bentham would mean that they could not choose Ms. Stream, who was also a great candidate. Member Noble agreed that Ms. Stream was impressive and that he had enjoyed speaking with her. Member Harty reiterated that his first choice would be Mr. Bentham, and of the educators his choice would be Ms. McClellan.

Member Boehlecke clarified that they were all considering Ms. McClellan as choice for the educator, to which Member Noble replied that they had at least three members with Ms. McClellan as the top choice, adding a fourth if Member Boehlecke was in agreement, to which Member Boehlecke replied that she was in agreement.

Member Mizer stated that he was also impressed with Ms. Stream and her human resources background which could be beneficial when they might deal with expulsions or other discipline issues, adding that the Board did not have anyone with that type of background. Member Boehlecke stated that she also liked Ms. Stream, however, she wondered if Mr. Bentham also had some of those same skills as he had been running his own business for years, adding that Mr. Bentham had also been attending meetings and showing his support that way. Member Noble agreed and stated that the choice between Mr. Bentham and Ms. Stream was impossibly difficult, however, he would lean towards Mr. Bentham because of the dedication he had already shown. Member Boehlecke stated that Mr. Bentham also would bring an interesting and welcome perspective to the Board, and unique knowledge that could help the Board grow with an understand of business and of Las Vegas as a town. Member Harty agreed and added that Mr. Bentham's background was unique.

Member Noble opened the floor for nominations and asked the Board to begin with the licensed educator position. Member Boehlecke nominated Sarah McClellan for the vacant Board of Directors position as a licensed educator. Member Noble asked if there were any other nominations, to which there were none, prompting Member Noble to close the nominations.

The Board voted unanimously to Elect Sarah McClellan to the Board of Directors for Somerset Academy of Las Vegas.

Member Noble opened the floor for nomination for the final vacancy on the Board of Directors. Member Harty nominated John Bentham and Member Mizer nominated Brooke Stream. Member Noble asked if there were any other nominations, to which there were none, prompting Member Noble to close the nominations.

The Board voted to Elect John Bentham to the Board of Directors for Somerset Academy of Las Vegas.

Executive Director Barlow expressed appreciation for the Board as well as the candidate selection committee for all the time and effort taken throughout the entire process.

8. Election of New Board Officer.

Member Noble stated that, with the departure of Eric Elison from the Board, they were in need of electing a new board secretary. Member Noble asked about the duties of the secretary. Mr. Reeves stated that the formal definition of the secretary is the record keeper of the Board, including maintaining records of every board meeting including support materials; as well as preparing, reviewing, and signing minutes. Mr. Reeves further stated that through the contract agreement with Academica, those tasks were taken care of for the Board under the direction

of the secretary; in that the secretary reviews, makes comments when they are brought up for approval, and signs the minutes after they have been approved, adding that the secretary would also be fourth in line to run a meeting. Member Noble asked if they could sign checks, to which Mr. Reeves replied that they could if delegated by the Board to do so, however, the financial policies currently only allow the Board chair, treasurer, and principals to sign checks.

Member Noble asked if anyone on the Board would like to read the minutes, to which Member Boehlecke replied that she does read the minutes and Mr. Bentham stated that he read the minutes even before his election to the Board.

Member Noble opened the floor to nominations and nominated Member Boehlecke as the secretary of the Board of Directors. Member Noble asked if there were any other nominations, to which there were none, prompting Member Noble to close the nominations.

The Board voted unanimously to Elect Member Carrie Boehlecke as the Secretary for the Board of Directors for Somerset Academy of Las Vegas.

5. Report on 2014/2015 Academic Performance.

Mr. Reeves explained that the state had declared that the SBACs had encountered a testing irregularity and that none of the results gathered would be used, even as baseline determinations for comparative growth, adding that last year's test was basically a test run for those who were able to take it. Mr. Reeves noted that the larger school districts, Washoe and Clark County, encountered many problems with the computer system and suffered system crashes, prompting the state to contract with a different company for this year. Mr. Reeves stated that the data for those who were able to take the test (charter schools and small school districts) was preserved, and the results could be found in the support documents. Mr. Reeves directed the Board to pages 30-31 where Somerset as a whole was compared to those schools in Nevada who were able to successfully complete the test, pointing out that Somerset scored higher in both math and ELA in every grade except 6th grade math, where Somerset scored the same. Mr. Reeves explained that had the larger school districts been included (Washoe and Clark County), there would have been an even larger gap, noting that the larger school districts typically bring down the Nevada average. Mr. Reeves stated that, based upon the standard, Somerset obviously had some goals to set, adding that he wanted the Board to be aware of the data despite the fact that the state had deemed the results unreliable and unofficial.

Member Boehlecke asked if the irregularity was declared because of the system crashing, to which Mr. Reeves replied in the affirmative, adding that the result was the inability of everyone in the state to complete the test.

9. Review of School's Financial Performance.

Mr. Carlos Segrera addressed the Board and directed them to page 57 in the support documents, stating that as of November 20, 2015 the surplus for Somerset Academy as a system was \$631,870.47; adding that the budgeted profit and loss was negative due to the original budget not including the kindergarten class size reduction figures, which the new budget will include. Mr. Segrera explained that the variance was \$685,543.94; adding that it was due to achieving enrollment above 95%, which is what the budget revenues are based on. Mr. Segrera stated that there had been some savings in benefits, lease payments for the bond at the Lone Mountain campus, as well as SPED Contracted Services, adding that some areas in which they had gone over budget were depreciation on buildings and capital lease, maintenance, and consumables.

Mr. Segrera stated that everything following until page 94 was the supporting documentation for the financial summary, adding that the balance sheet began on page 95. Mr. Segrera noted that on the balance sheet under checking and savings there was a large number sitting in an interest fund which was for the monthly bond payments, adding that once the full payment was made in the next couple of months, that interest fund would reduce down to about zero.

Member Harty asked if the 1.1 million in lease payments on the profit and loss sheet would be a permanent or temporary variance, to which Mr. Segrera replied that it was permanent from the side of what was budgeted for the bond obligated lease payment for Sky Pointe and part of North Las Vegas. Member Harty asked if this would be a monthly expense, to which Mr. Segrera explained that the current numbers were through November 30, 2015; however, he would have to check the numbers to truly report an accurate amount. Member Harty asked if the 1.1 million and the \$400,000 would be there at the end of the school year, to which Mr. Segrera replied that they will reduce due to the fact that part of the 1.1 includes a savings on the Lone Mountain campus which was budgeted over twelve months, however, they would not begin until September. Mr. Segrera further explained that the depreciation would increase resulting in a smaller variance.

Member Harty stated that it was his understanding that they were running favorable to budget by \$600,000 in addition to the budgeted surplus, to which Mr. Segrera agreed, noting that the budgeted numbers would change if the Board approved the final revised budget.

Member Harty asked about the difference in the funding regarding how attendance is accounted for and its financial affect, to which Mr. Segrera replied that there had not been much variance in funding in terms of student count, adding that there had not been a significant decrease. Member Noble asked if there was an expectation in decreased funding, to which Mr. Segrera replied that he was not personally aware of any fluctuation in enrollment. Member Noble asked Member Harty if he had been referring to the way the student count had changed for the 2015/2016 school year, to which Member Harty replied in the affirmative stating that there had been initial concerns that the enrollment numbers would go down due to the new process and that funding would be affected. Member Noble asked if Somerset had been affected as of yet, to which Mr. Reeves stated that there had been a minimal effect, estimating 1% or less. Mr. Reeves explained that there had been two count days and that there would be one count day per quarter and that funding could change quarterly, adding that the registrars were doing their best to fill vacancies as soon as they came up. Member Noble asked Ms. Fleisher to speak to the effect this new counting process was having on funding. Ms. Kristie Fleisher addressed the Board and stated that the count was up in the second quarter as a system, noting that they had been slightly low in the first quarter by about twenty students. Ms. Fleisher stated that the registrars had been working hard to make sure that vacancies were filled, adding that they usually accomplished this in about one day. Ms. Fleisher further stated that she had some concerns about the third quarter in regards to the ESA program that will allow parents to receive funds toward private school or homeschooling.

Mr. Segrera added that Special Education funding numbers had been received, and that they were under by about \$12,000, which was not a significant amount, however, it was less than what was projected and close to what was budgeted.

10. Discussion and Possible Action Regarding Somerset Academy Sky Pointe Phase III Construction. (For Possible Action.)

- a. Approval of the Guaranteed Maximum Price Contract with Nevada General Construction for Phase III of the Sky Pointe Campus Including Alternate #1—Artificial Play Turf. (For Possible Action.)**

Mr. Arthur Ziev addressed the Board and stated that members of Nevada General Construction were present to answer any questions. Mr. Ziev explained that the price of the contract excluding the artificial turf came in below the estimated amount for bond issues, adding that it would now be possible to go ahead and put in the artificial turf, which would still bring the total to less than originally estimated in the bonds. Member Harty asked if the contract had been reviewed by legal counsel, to which Mr. Ziev replied in the affirmative, adding that all the items in agenda #10 had been reviewed by Somerset's legal counsel as well as bond counsel. Member Mizer asked if the insurance requirements had also been reviewed by counsel in case of faulty construction, to which Mr. Ziev replied that there were performance bonds that were posted. Member Noble asked for clarification on what the process would be if there were construction issues at any of the Somerset schools beyond the one year warranty. Mr. Lloyd Manning of Nevada General addressed the Board and stated that the statute states that within six years of construction the contractor can be approached to fix any issues rather than engage in a lawsuit, however, beyond those six years any issues would be the responsibility of Somerset.

Member Noble asked for clarification regarding what action they would be taking, to which Mr. Ziev replied that they would be approving the contract along with Alternate #1, the artificial turf, adding that all of the plans had been approved and it was a matter of obtaining Board approval of the contract in order to release the bond funds. Member Noble stated that he assumed that it was recommended that the Board approve the contract, however, he was not positive that the pricing had been reviewed and was deemed appropriate by legal counsel and Academica. Mr. Manning asked if he could explain the process to the Board, to which Member Noble agreed. Mr. Manning stated that with each school they had constructed there was a set fee, adding that everything else was bid out to many sub-contractors in order to obtain the best price, which was how this particular contract came in at well under budget. Member Noble asked if the process itself was what ensured that they were getting the best possible price, to which Mr. Manning replied in the affirmative, explaining that it was two-fold in that they would look for the lowest price of the most qualified sub-contractor. Member Noble asked for additional clarification into the process, specifically regarding the fee charged by Nevada General. Mr. Manning explained that there is a market rate of about 5%, adding that they were charging 4% for this particular job. Mr. Manning noted that in the construction industry half the battle is getting paid, and the beauty of working for Academica and Somerset specifically is that they do not need to chase the money, which is one of the reasons they charge below the market rate.

Member Mizer asked if the sub-contractors would be covered under the same insurance policy as Nevada General, to which Mr. Manning replied that they are all individually licensed, however, if there was an issue he would work with the sub-contractor to solve it. Member Mizer stated that it would be difficult to go after a sub-contractor with an issue if the contract was only with Nevada General. Mr. Manning explained that the sub-contractors had a contract with Nevada General where specifics regarding culpability were spelled out. Member Mizer asked if Somerset was named in those contracts, to which Mr. Manning stated that Somerset was not named specifically, however, Somerset had a pay-per-performance bond which extended for a year, as well as additional rights with the bonding company. Member Noble asked if Somerset would have the right to sue one of the sub-contractors, to which Mr. Manning replied that Somerset could name a sub-contractor along with Nevada General or, if Nevada General ceased to exist, name the sub-contractor directly because they are responsible for their work.

Member Noble stated that he did not think there needed to be discussion on whether or not to move forward with the artificial turf as he thought they should definitely vote in favor of it.

Member Harty moved to Approve the guaranteed maximum price contract with Nevada General as presented including Alternative #1—artificial play turf. Member Boehlecke Seconded the motion, and the Board voted unanimously to Approve.

c. Approval of Form Documents Required Under the Bond Trust Indenture in Order to Release Bond Proceeds for Payment of Construction Costs. (For Possible Action.)

Mr. Ziev explained that under the terms of the bond documents certain steps had to be taken before the funds could be released, including certain documents that must be approved by the Board and the State. Mr. Ziev noted that the State had approved the documents and that they now needed Board approval, adding that bond counsel had drafted the documents. Mr. Ziev stated that they needed Board approval subject to the final form as approved by the State and agreed upon by Somerset's outside counsel. Mr. Ziev explained that the documents included the plans developed by the architect and the contracts which need to be assigned to the trustee so that they can have control over the documents, as well as a consent of the contractor to the plans and their actions allowing the funds to be released.

Member Bentham asked for clarification regarding this process and whether it was something they had done in the past, to which Member Noble replied that it was a new process because they had funds in escrow that were set aside for this project which now needed to be released. Mr. Ziev stated that this was the first bond issue due to the fact that all of the other Somerset properties were owned by a third party and leased. Member Bentham stated that he was familiar with the bond process. Mr. Ziev further explained that bonds were issued and the owner of the property, the State, was assigning consent to a trustee, adding that one of the requirements was a document determining that certain things had been done before the funds were released. Mr. Ziev stated that some of the items were an assignment of the contract; a guaranteed maximum price contract that had been signed; and the addition of the construction monitor.

Member Noble stated that they had hired counsel to review the documents and process and that the Board should trust counsel's advice in this matter. Mr. Ziev added that the State had also approved the documents.

Member Noble moved to Approve the form documents required under the bond trust indenture as presented, subject to final approval of the State and Somerset's counsel. Member Boehlecke seconded the motion, and the Board voted unanimously to Approve.

b. Approval of Construction Monitor. (For Possible Action.)

Mr. Ziev explained that the final piece needing approval in order to proceed was the assignment of a construction monitor as required in the bond document. Mr. Ziev stated that the architect would give approval of the site, confirming that the work had been done properly, and then the construction monitor would also approve the progress before coming to the Board to sign the requisition form, adding that this was a safeguard to make sure that no one was getting paid unless the work was done. Mr. Ziev further stated that they had found a local construction monitor who would do eight months of work for \$5,000, which was a very reasonable price. Mr. Ziev explained that when they went to the State for approval of the construction monitor, the State questioned whether the proposed monitor had the necessary credentials under the NRS statute, however, Somerset counsel was convinced that what the State was requiring was not necessary in this case. Mr. Ziev noted that the State Attorney's office was still reviewing the matter, and the result was still forthcoming. Mr. Ziev asked that the Board, as a result, approve the proposed construction monitor subject to the approval of the State. Member Noble

asked if the Board would need to sign the document, to which Mr. Ziev replied that it would require signatures from the Board Chair, the State, the bond underwriter, and Zion's bank. Member Mizer asked what would happen if the State did not approve of their construction monitor, to which Mr. Ziev replied that they would have to find another who qualified under that NRS statute. Member Mizer asked who would cover the \$5,000 if they needed to find someone else, to which Mr. Ziev replied that they would not be liable for it because they had not officially hired that person.

Member Noble asked for clarification on whether the Board needed to approve the current suggestion for construction monitor as well as the replacement if the State does not give approval, to which Mr. Ziev replied in the affirmative, adding that the retained firm was Dwyer Engineering.

Member Harty moved to Approve Dwyer Engineering as the Construction Monitor for Phase III of the Sky Pointe campus construction subject to approval from the State, as well as a second selection by Academica if approval is denied by the State. Member Bentham seconded the Motion, and the Board voted unanimously to Approve.

14. Review and Approval of Application for Expansion.

Executive Director Barlow stated that it was his privilege to be a part of this discussion because of the large waiting list of students hoping to attend Somerset, adding that there was an opportunity to build another school in the Sky Canyon area. Executive Director Barlow further stated that the Sky Canyon area would increase substantially the amount of homes with school-age children, in addition to those already on the waiting list for Sky Pointe. Executive Director Barlow explained that the Sky Canyon developers specifically approached Somerset to ask if they would be willing to open a campus in that area, adding that the land itself will be adjacent to a park and other trails leading to another park. Executive Director Barlow stated that, in order to begin the extensive expansion process, the Board's approval would be needed. Executive Director Barlow further stated that the principals were present and willing to speak in support of expansion, adding that additional campuses would also offer opportunities to talented staff who would like to lead and grow with Somerset.

Executive Director Barlow stated that a 3-year growth plan presentation had been created and could be found in the support documents, noting that much of the educational data depicting Somerset's 5-Star Rating was through 2014/2015 due to the debacle with the SBACs last year. Executive Director Barlow further stated that Somerset is a very strong system that is able to provide for the needs of the Somerset families, however, it would be desirable to reach out to more communities and ensure that there are enough students to feed in to the high schools. Executive Director Barlow explained that for those reasons and because the expansion application process is such a robust endeavor, it would be prudent to include a second site in the application that would feed in to the Losee campus at an undetermined location.

Member McClellan asked if the Sky Canyon campus would only be an elementary campus, to which Executive Director Barlow replied that it would be a K-8, as would the other location identified within the expansion document.

Member Harty asked if Somerset had an actual growth plan, to which Executive Director Barlow replied that these two campuses had been the growth plan, however, they had taken a hiatus due to the fact that it was thought by some that growth was happening too quickly. Executive Director Barlow challenged the Board to speak with the principals and ask if they felt needs were being met with the current status of the system, and if they would like to have additional colleagues and families join the Somerset family. Member Harty asked if the Board was being asked to approve a growth plan or just the application to grow. Mr. Reeves replied by stating that approval of the application for expansion would also be the creation of a growth plan, explaining that once the application was created it would come back before the Board for approval before going on to the State. Mr.

Reeves further explained that the essential question before the Board was, "Do you want to grow?" Mr. Reeves stated that there were growth opportunities available if it was the Board's decision to move forward, adding that the plan would be a three to four year growth plan with two campuses. Mr. Reeves noted that approval of the application would in no way set growth in motion, however, it would open up that potential.

Mr. Reeves directed the Board to page 265 in the support documents and explained that Somerset was a two high school system and that, because they would lose some students as they move into high school, they would need two additional K-8 campuses to feed into the existing high schools. Mr. Reeves explained that if Sky Pointe were to keep 70% of the high school students and Losee 80%; that would still leave a gap of around 100 students, which would be addressed by this growth plan.

Member Harty pointed out that if a third campus was added to each high school system they would exceed the number of available seats and asked what they would do with those students. Mr. Reeves stated that this would be a wonderful problem to have, however, it was unreasonable to assume that they could keep 100% of the high school students. Member Mizer asked what the average number was, to which Mr. Reeves replied that it varied depending on area public schools, adding that he had built an additional 10% retention rate for Losee because the area schools leave something to be desired. Mr. Reeves stated that Sky Canyon would have a middle school of 120 students and, if added to the total populations of Sky Pointe and Lone Mountain, there would be a gap of 90 students, adding that if it came to a point where they were retaining a higher number, they would shrink the size of the Sky Pointe middle school. Member Noble asked if that would allow every Sky Pointe elementary school student to move up, to which Mr. Reeves replied that it would, adding that 25 extra 5th and 6th grade students are admitted every year at Sky Pointe, 20 at Lone Mountain, and the same would occur at Sky Canyon. Mr. Reeves explained that these amounts could be adjusted, should that problem occur. Mr. Reeves directed the Board to page 266 of the support documents which depicted the waitlist numbers for Somerset campuses (except Stephanie), pointing out the difference between the waitlist for K-8 as opposed to 9th and adding that students need to begin in a lower grade in order to be retained at the high school level.

Member Harty asked how they could weigh the need for growth against the teachers and administrators who had come before the Board with concerns that growth was coming at the expense of current programs. Mr. Reeves replied that the concern was valid, however, growth had slowed considerably and the 2016/2017 school year would have no growth. Mr. Reeves stated that, given the strength in the infrastructure, the addition of an Executive Director, skilled principals, and the great faculty, Somerset could more than handle the 12% growth that is proposed for the 2017/2018 school year.

Member Harty asked that if the three year growth plan would be a K-8 in the Northwest, did the Henderson area factor into the plan. Mr. Reeves explained that this plan did not address the situation in area, adding that about two years ago the two Board members from Henderson were comfortable with a K-8 in addition to the middle and high school options available in Henderson, with the result being that growth in Henderson had not been pursued. Member Bentham stated that the Board should formulate a specific growth plan with target areas and input from the administrators. Member Harty stated that he was not sure there was a consensus on Board in regards to a growth plan. Mr. Reeves explained that this was a specific property for which the application would be submitted and which the Board could determine to move forward with at a later date. Mr. Reeves suggested that the best solution for Henderson might be to get a matriculation agreement approved in the next legislative session, as a means for priority enrollment at another school. Mr. Reeves reviewed the many options for school choice happening in the Henderson area in an effort to explain why growth in Henderson for Somerset might not be advised at this time from a business perspective, as it might be difficult to fill that campus. Member Bentham asked if there had been talk of possibly bussing those students to the Somerset high school, to which Mr. Reeves replied in the affirmative, adding that there had been a discussion amidst the current parents of 8th graders and the conclusion had been that, taking extracurricular activities into consideration, the need for a parent to make the drive would not be alleviated.

Mr. Ziev asked if approval of this plan would lock the Board into this particular growth plan for three years or if they could modify it in a year if they wished, to which Mr. Reeves replied that an amendment would have to go through the State Public Charter School Authority, however, this would not approve a plan but the approve the creation of a plan. Member Noble asked what the ramifications would be of approving of the expansion application and not acting on a portion of it, to which Mr. Reeves applied that there would be none, adding that this would be about receiving permission from the Charter Authority to proceed with a plan, not a commitment to the plan. Member Noble asked if the application was broad enough to possibly include a campus in Henderson. Member Boehlecke stated that this would be a place to start the conversation. Member Noble suggested including Henderson as long as they are putting the time and effort into the application, to which Mr. Reeves added that could just be specific enough to state that it would be a K-12 near enough to serve the Stephanie campus.

Member Noble stated that this would be a logical approach and that they could decide at a later date whether or not to proceed. Member Bentham asked if they had spoken to the administrators and obtained their opinions, at which time Executive Director Barlow invited Principals Denson, Mayfield, and Kelley to speak to the Board. Principal Andre Denson addressed the Board and spoke to the fact that it was difficult to retain students beginning in 9th grade due to strong performing high schools in the area, which made an additional feeder school an attractive prospect. Member Harty stated that he was comfortable with the current size of Somerset and asked Principal Denson how big Somerset should get. Principal Denson replied that his main concern was Sky Pointe, however, he felt that it was important to grow the numbers in order to maintain a successful high school, especially to be competitive in the Northwest area. Principal Denson went into some detail about what makes a successful high school and why larger numbers are necessary. Some discussion ensued regarding target class sizes, and the consensus was that eventually 300 per grade level would be the target for budgets and was also what the facilities were built to hold.

Principal Francine Mayfield addressed the Board and stated that NLV had the greatest number of students who did not recommit (although there were others waiting to get in), however, only three of those students were leaving the Somerset system. Principal Mayfield further stated that this fact proves that the system is strong and could benefit from growth. Member Noble asked if any of the NLV middle school students would be attending Sky Pointe High School, to which Principal Mayfield replied that some would be. Member Noble wondered if the projections were accurate when taking into account that some NVL students would choose Sky Pointe over Losee. Ms. Fleischer confirmed what Principal Mayfield had said, adding that about 65% would go to Losee while the other 35% transfer to Sky Pointe. Ms. Fleischer further stated that there is a great need in the Northwest it was her experience that people increasingly see Somerset as the place for their whole family with recommitments at 98%, however, when we lose students it is because we cannot support them as a whole. Member Bentham asked Principal Mayfield if she could foresee enough support for two other K-8 and possibly another high school, to which Principal Mayfield replied in the affirmative.

Principal Elaine Kelley addressed the Board and stated that she felt like her needs as an administrator were being met and her school was flourishing, however, it was slightly disheartening to see other charters expanding and that it was time for Somerset to grow. Member Bentham asked if, public relations-wise, word was not getting out to the public regarding Somerset, to which Principal Kelly replied that it was just the opposite, explaining that many people know about Somerset and want to get it but there is not enough room. Member Harty asked if any of the teachers feel like salaries have been sacrificed for growth, to which Principal Kelley stated that she had not heard that, however, she would allow the teachers to speak for themselves. Ms. Morgan Corona, 3rd grade teacher at Losee, addressed the Board and stated that of course they would like to make more money, however, growth opens up opportunities for teachers at other campuses. Ms. Corona stated that they were able to get increased pay each year and that the Board had been generous with their bonuses.

Member Noble stated that he could not think of one circumstance where they had taken one dollar from one campus to start a new campus. Member Harty stated that he disagreed and added that this year alone they

were running a surplus as they had in previous years, and that those surpluses should be used to increase teacher salaries. Member Noble noted that this was not the question that was being asked, adding that the question was whether money was being taken from one campus to open another and that was simply not true. Member Harty stated that the surplus would be able to go to the teachers if not being saved for growth. Member Noble explained that they would budget for a new campus based on what it could provide, not on what could be used from other campuses.

Mr. Reeves stated that he appreciated the fact that Member Harty would not want to sacrifice teacher salaries, however, in the case of surpluses, they are required by law or the charter will be found non-compliant with the financial standards of the State Public Charter Authority and would no longer be a five-star school. Mr. Reeves explained that looking at raw numbers without looking at daily cash on hand and percent of revenues is an inaccurate picture, adding that the biggest things the surpluses were for was buying the buildings. Mr. Reeves further explained that 30-60 days cash on hand was needed for the bond process and to be credit worthy, adding that newer campuses tended to create higher surpluses the first couple of years due to lower than average rents and salaries, which strengthened daily cash on hand. Mr. Reeves stated that while he appreciated the concerns, he pointed out that the Board does look at the surplus at the end of each year and gives out hundreds of thousands of dollars in retention bonuses as well as approval for purchases of computers and other things that benefit the teachers and what they do. Mr. Reeves further stated that the daily cash on hand and percent of revenues show good financial management.

Member Noble stated that there had never been a time when they had used money to build a facility at the expense of a school, adding that they had not ever put cash down, and that every campus is supported by its student body, which should in no way affect what any teacher at any campus gets paid under any circumstances. Member Harty stated that he disagreed, adding that the money collected at Sky Pointe was not spent at Sky Pointe, but rather that money is collected and put in the coffers for cash on hand to make the bond deal look good in order to get ready for growth, yet every year money is collected and not spent it on the students. Member Noble stated that he did not think that cash on hand has anything to do with growth. Mr. Reeves stated that he would argue that those funds do go to Sky Pointe in the form of retention bonuses and computers, et cetera; adding that the surpluses went more towards Sky Pointe and NLV where they were able to lock in a permanent 30-year rate on the building in addition to funding the next wing.

Member Harty asked if Mr. Reeves would agree that funds had been collected from the state and not spent, to which Mr. Reeves replied in the affirmative. Member Harty stated that they needed those funds for working capital, adding that as Somerset grows that working capital necessity continues to grow. Member Harty asked if they would ever be able to spend the millions in surpluses that stack up over the years after retention bonuses and other needs had been taken care of, adding that he would argue that as soon as they slowed down and stopped growing they would be able to spend that money in the classrooms. Mr. Ziev noted that those reserve amounts stay in place as long as the bonds or leases are in place, clarifying that if they stop growing they will not have to stop keeping 60 days cash on hand. Member Harty stated that the cash on hand would not have to grow additionally once it is in the bank, adding that once the cash on hand had been built up they could begin to spend the surpluses in the classroom. Mr. Reeves agreed with Member Harty but stated that he would argue that they had been able to run such large surpluses in part due to growth. Member Noble stated that when a new campus opens and students begin attending, money will come in for those students and that campus will support itself.

Member Bentham stated that these concerns were certainly worth discussing, however, it would be beneficial to establish a growth plan for the next five or ten years, noting that what was being proposed was the potential for 2-3 additional campuses. Member Bentham suggested the formation of an expansion committee including members of the Board, administrators, Executive Director Barlow, parents, and members of Academia; in order to explore a growth plan. Member Boehlecke stated that a strong system needs strong high schools and the only way to do that is to feed the high schools by increasing the numbers. Member Boehlecke stated that they could make a decision based on a good conversation, however, the shoring up of the high school would entail

increasing the number of students. Member Noble asked if either high school was full, to which the answer was no. Member Boehlecke stated that they would continue to struggle if they did not figure out a way to feed those high schools.

Larry McKnight, teacher at Somerset Sky Pointe, addressed the Board and expressed appreciation for their time and effort, adding that, while money is important, that is not why he teaches. Mr. McKnight stated that he had heard somewhere that the teachers would get paid more once Somerset stopped building new campuses, however, he was not sure if there was any truth to that. Mr. McKnight further stated that new teachers were wonderful, however, if the Board asked the administrators, they would find that the core of who they rely on is veteran teachers. Mr. McKnight encouraged the Board to create and stay within their growth plan in an effort to sustain some of those veteran teachers, especially when they have been with the system since the beginning. Mr. McKnight stated that he had investigated and found that after about five years in the system the teacher salaries were not comparable to the surrounding areas, adding that it takes about three to five years to just figure out what you are doing as a new teacher. Mr. McKnight noted again that he was not sure if building new schools really took away potential salaries, however, some clarification should be made to that point; adding that he would hope that an investment would be made toward those dedicated teachers who hold the schools together.

Member Noble stated that he did not disagree with either Mr. McKnight or Member Harty, however, he did not believe that growth was what would keep them from paying teachers; in fact, Member Noble suggested that if they look at the financials for Lone Mountain they would find as big a surplus as any other campus; adding that not one dollar had been diverted from any other campus to build Lone Mountain. Member Noble stated that there might be assumptions by teachers or parents that there is a big pot of money and they use it to build another school, when that is not how it works at all, adding that there should be no detriment to building another campus because that campus will support itself and in fact run its own surplus.

Mr. Ziev clarified that when a new campus starts there is no down payment made, it is one hundred percent external financing; adding that the leases are structured so that you are not even paying what the normal rate would be. Mr. Ziev gave an example that if the rent for a new campus was one million per year, they would only pay five or six hundred thousand per year one, which would free up more money to put in the reserves to pay teachers. Mr. Reeves stated that Academica would be putting in to place a new accounting software system that would allow them to divide surpluses by campus in the future, adding that regulations had been proposed by the State Public Charter School Authority requiring each campus to have their own school code allowing them to be viewed individually both financially and academically. Member Harty stated that he did not have any problem sharing funds across the campuses as it is one system. Member Noble stated that there was not one person on the Board who did not want to pay the teachers as much as possible.

Member Bentham Moved to Approve the application for expansion as presented with the possibility of a Henderson location. Member Mizer Seconded the motion, and the Board voted unanimously to Approve.

Member Bentham requested that the Board form an exploratory committee to look at the growth plan and devise a plan for future growth. Member Noble asked if that would be in conjunction with the current application. Executive Director Barlow stated that an item could be added to the next agenda as to what that might look like in formalizing a committee, to which Member Noble replied that it had not been something that the Board had spoken formally about before. Member Bentham suggested that they needed something formal in place based on the needs of the community, what the Board sees fit, the opinions of the administrators, and the recommendations of Academica. Member Noble stated that he would be in favor of such a committee, adding that they would also want to have a discussion about Henderson at some point as well. Mr. Reeves assured the Board that it would be on the next agenda.

Mr. Reeves clarified the location of the proposed Sky Canyon campus on the power point in the support documents. Mr. Ziev stated that the map separate from the support documents was a very preliminary site plan, adding that it would be the same size campus as the Lone Mountain K-8 for the same number of students (100 per grade level in elementary; 120 per grade in middle). Mr. Ziev stated that the folks at Sky Canyon knew that they would need a school and were drawing up a letter of intent to sell the property below 50% of market price, in addition to taking care of all of the off-sites and waiving the association fees. Member Bentham stated that they were doing this so they could say that they have a Somerset school in their community, to which Mr. Ziev agreed, adding that it was a good marketing tool for them. Member Noble requested that, even though final decisions had not been made, they work closely with Executive Director Barlow and the administrators to gather ideas and needs that should be incorporated into the plans in an effort to make the buildings more functional. Mr. Ziev agreed and stated that they have learned things over the years and would endeavor to make improvements.

11. Review and Approval of Final Revised Budget for the 2015/2016 School Year.

Mr. Clayton Howell addressed the Board and stated that he would present in lieu of Mr. Trevor Goodsell, adding that some items had come to their attention since the approval of the final budget back in June of 2015, where no kindergarten revenue from the state had been budgeted. Mr. Howell stated that with the movement to full-day kindergarten next year, the State had started funding full-day kindergarten classes to some degree, although not the at same amount that would have been received in tuition. Mr. Howell pointed out that the amounts that had been received were noted on page 201 under "Kinder Revenue," totaling slightly over \$300,000 system wide. Mr. Howell noted that class-size reduction revenue had also been received through an application process, adding that the amount received had been spread out evenly across the Somerset system. Mr. Howell further noted that special education came in \$12,000 less than expected, which was a small amount considering the over \$700,000 that had been allocated.

Mr. Howell stated that Mr. Goodsell had met with each of the Somerset principals to make sure that the budgets reflected the expenses of the campus, adding that Mr. Goodsell would be meeting with them again to go over the 2016/2017 budget as well in order to ensure they have everything they need.

Mr. Howell noted that they over-budgeted by \$120,000 for the bond fund, which was a miscalculation of the lease payments for NLV, Sky Pointe elementary and middle/high. Mr. Howell stated that the amount was divided proportionately among those campuses. Mr. Howell added that all of these revenues were assumed at 95%.

Member Bentham asked Mr. Fleisher about the enrollment numbers by quarter that she had spoken of previously, to which Mr. Fleisher replied that, even with the fluctuation in numbers, they were well within the targeted enrollment numbers.

Member Harty asked if they were allowed to submit a budget that had a negative surplus, to which Mr. Howell stated that they were, however, they would run a surplus beyond the budgeted amounts with enrollment at 98%. Member Harty stated that it was his assumption that they were using last years' surplus to make up the difference, to which Mr. Howell replied that the surplus for the 2015/2016 school year was 1.2 million which would not require them to use the surplus from the year before. Member Noble asked for clarification, to which Mr. Howell replied that because they were running the budget at 95%, there was a 5% cushion in the budget, explaining that it was a 3.8% surplus with that 5%. Mr. Howell stated that it was a lower surplus than previous years and it would continue to go lower due to expenses, unless they received increases from the State. Member Noble questioned whether or not it should get tighter now that some fixed expenses had been locked in, to which Mr. Howell replied that there would always be increases in expenses such as janitorial, electrical, and salary increases; where only North Las Vegas and Sky Pointe had locked in to a lease agreement. Mr. Howell gave a brief explanation of what kind of increases they could possibly expect from the State.

Member Noble Moved to Approve the Final Revised Budget for the 2015/2016 school year. Member Boehlecke Seconded the Motion, and the Board voted unanimously to Approve.

12. Discussion Regarding Kindergarten Enrollment Surveys and Possible Action Regarding Kindergarten Enrollment Plans for the 2016/2017 School Year.

Executive Director Barlow stated that a survey had gone out at the Board's request to those parents whose children would be attending kindergarten next school year to determine whether parents would prefer tuition-free full or half-day kindergarten. Ms. Fleisher stated that about 62% of parents with an incoming kindergarten student responded to the survey. Mr. Fleisher explained that the results were as follows: 306/360 would like full-day; 39 would like AM half-day; and 19 would like PM half-day. Ms. Fleisher broke it out by campus with the overall result being that only a small number of parents requested half-day at any campus with a slightly larger number at Sky Pointe. Ms. Fleisher explained that of the current 455 kindergarten applications at Sky Pointe, 15% requested AM and 3% requested PM; with another 15% who had no preference; adding that at all the other campuses the requests were overwhelmingly for full-day. Ms. Fleisher further stated that when fielding questions regarding kindergarten, most parents were concerned about getting into the full-day program. Executive Director Barlow stated that four of the five elementary campuses were equipped to expand to the full-day program, with Sky Pointe being the campus where it would be difficult to offer the complete full-day program space-wise. Executive Director Barlow further stated that if the Board chose to instate full-day at all campuses, it would be a disservice to the Sky Pointe campus where the Board might choose to maintain two half-day classes.

Principal Gayle Jefferson addressed the Board and explained her space situation at Sky Pointe, as well as offered some potential solutions if the Board decided for full-day exclusively, pointing out that every inch of her campus was in use, including some closets being used as offices. Member Bentham asked if the use of portables had been explored, to which Executive Director Barlow stated that there was not a spot for a portable. Mr. Reeves explained that the State knew that by rolling out full day kindergarten they would create space issues, adding that funds had been given to the district schools for additional space, however, that funding had not extended to charter schools.

Member Noble recognized that next year full-day was optional, however, he asked if there would come a point where it would be mandatory. Mr. Reeves replied that it would be determined in the 2017 legislative session. Member Noble asked what would happen if they did not choose to make it mandatory, to which Mr. Reeves replied that they would have to make a decision to make it mandatory for all schools, or revert back to how it had been previously and limit it to Title I schools.

Member Noble asked what the financial ramifications would be of moving to full-day, stating that it would be his assumption that the impact would be negative. Mr. Reeves stated that it was a negative, however it would be a negative that could be well absorbed by the surpluses, adding that it would amount to approximately \$8,000 per classroom for eight classrooms with a total of \$64,000 system wide. Mr. Reeves further explained that there will most likely be a loss with half-day because it would be difficult to fully enroll those classes. Principal Jefferson stated that she was concerned that she would not be able to fill half-day classes as the survey results had shown. Member Noble stated that he would be shocked if she did not fill every seat in kindergarten no matter what was offered because people know that is what they need to do to get in to first grade. Ms. Fleisher stated that they had just finally been able to fill Sky Pointe's PM kindergarten, to which Member Noble expressed surprise. Ms. Fleisher stated that they had gone deeper into their wait list than ever before to fill the class. Mr. Reeves stated that he agreed that they should keep half-day classes at the Sky Pointe campus and expressed confidence in being able to fill them, however, the other four campuses were creatively making room for all full-day classes if that was the decision the Board came to.

Member Noble asked if they had any indication whatsoever of what would be decided in the next legislative session, adding that it might be a moot point if it is inevitable, to which Mr. Reeves replied that he could not see the State reversing. Member Noble asked if it was mandated that they go to full-day, to which Mr. Reeves replied that it was not mandated, however, there was now an expectation within the market. Member Noble stated that maybe that was a reason not to do it, to which Mr. Reeves stated that if the demand was there, that was what he would recommend, adding that it was beneficial that the one campus that has space issues does have the most demand for half-day. Member Noble asked if the State had indicated that it would be mandated, to which Mr. Reeves replied in the negative, adding that it appeared that they would fund it while leaving it up to the school system whether or not they do it. Mr. Reeves explained that because the only other major option for schools had adopted it and made it available for all (CCSD), it seemed preferable that we do it as well.

Mr. Scott Hammond (State Senator) addressed the Board and stated that there was no appetite from the State's perspective to mandate full-day kindergarten and it will be something that they will have to approve or not during the 2017 legislative session. Mr. Hammond explained that the funding was coming in for that purpose and that they would probably not reverse it.

Member Mizer asked if it was feasible to build on top of the building, to which Mr. Reeves replied that it was a question they could ask. Principal Jefferson noted that the admin and kindergarten wing were presently only one level.

Mr. Reeves stated that the recommendation was to approve full-day kindergarten at all sites with the exception of Sky Pointe, adding that for enrollment purposes, and with enrollment concluding on February 29, they would need a decision. Some further discussion ensued regarding full-day versus half-day.

Member Noble stated that they would have to make a decision, and while he was not personally in favor of full-day kindergarten and the choice that would be taken away, they probably should cater to their market. Member Boehlecke stated that the data bears out the full-day choice, to which Member Noble stated it would usually equalize by third grade.

Member Noble asked Principal Farmer to speak to the subject. Principal Reggie Farmer addressed the Board and stated that it would be best to bite this bullet and move to four full-day kindergarten classes starting next year at his campus. Principal Farmer stated that he had a room that he had been saving for this day, adding that those 100 kindergarten students from four classes of 25 would roll up to first grade. Principal Farmer further stated that he felt that it would be much more beneficial to have students in class full-day versus half-day. Member Noble asked if he had spoken with any parents who thought otherwise, to which Principal Farmer stated that he had not had any parents approach him, however, the majority of the parents wanted full day.

Ms. Meteer asked the Board if there would be a loss of programs with the addition of full-day kindergarten, for instance, would the Stephanie campus have to give up their science class or any other program. Principal Farmer stated that if science has to be taught in the classroom at some point, it will be due to growth in middle school, not kindergarten. Member Noble asked what Principal Farmer would be losing with the addition of another kindergarten class, to which Principal Farmer replied that his instructional coach would not have an office after this year. Member Noble asked the same question to North Las Vegas, Lone Mountain, and Losee, to which Principal Kelley stated that her music teacher would be moving to the high school side, freeing up that room. Principal Mayfield stated that she had a room designated for science, however, the teachers preferred to teach science in the classrooms. Principal Pendleton stated that their fourth kindergarten room was occasionally used for PE in inclement weather, so they would be fine. Some further discussion ensued regarding space issues in general and possible changes to future site plans. Mr. Reeves stated that the biggest legislative push from the Charter School Association of Nevada is facilities funding, adding that when it is achieved, they will see buildings containing those extra spaces. Member Noble stated that we could still be smarter in regards to the planning.

Executive Director Barlow asked for wording in the motion to give Sky Pointe the flexibility to arrange the kindergarten set-up as they see fit in regards to space and enrollment.

Member Bentham Moved to Approve the kindergarten enrollment plan for the 2016/2017 school year as presented, with all campuses moving to full-day kindergarten with the exception of the Sky Pointe campus, where they will retain the latitude to decide what is needed for that campus in regards to space and enrollment. Member Harty Seconded the motion, and the Board voted to Approve with one abstaining vote.

13. Review and Approval of Enrollment Targets for the 2016/2017 School Year.

Ms. Fleisher stated that she had met with the middle/high principals regarding their target numbers moving forward, and that these numbers were represented in the support materials for the 2016/2017 school year. Ms. Fleisher explained that facilities and growth as well as budget had been taken into consideration, adding that for elementary they were simply rolling those class sizes up. Executive Director Barlow stated that they had ballooned out some of the middle school numbers to build capacity for those students to move into high school where the programs could be built up, however, when the high schools are eventually at capacity, those middle school numbers will go back down to 150. Ms. Fleisher expressed excitement over the fact that, as a system, Somerset had a 98.7% return rate.

Member Bentham asked why the enrollment number for Lone Mountain's eighth grade class was so low, to which Ms. Fleisher replied that 6th and 7th graders are hard to get at a new campus, however, those numbers will grow as the grades roll up.

Member Boehlecke Moved to Approve the enrollment targets for the 2016/2017 school year as presented. Member Harty Seconded the motion, and the Board voted unanimously to Approve.

15. Update and Possible Action Regarding National School Lunch Program.

This item was Tabled.

16. Review of Teacher and Parent 1st Quarter Surveys.

Executive Director Barlow stated that results of the teacher and parent surveys for quarter one could be found in the support documents, adding that the principals had addressed any issues, and that comments from the principals were also in the support documents. Executive Director Barlow further stated that the principals had determined any action items that needed to occur as far as corrections or enhancements go. Member Noble stated that years ago they had set up the principal response to the surveys, adding that it was good to have the principals use the information and respond to it. Executive Director Barlow stated that one of the principals had put an action plan into place the very next day after receiving the surveys, which was very impressive.

17. Public Comments and Discussion.

None.

18. Adjournment.

Member Harty Motioned to adjourn the meeting at 10:01 p.m. Member Mizer Seconded the Motion, the Board unanimously approved, and the Meeting was adjourned.

Approved on: February 24, 2016

Secretary
[Signature] of the Board of Directors
Somerset Academy of Las Vegas