

**MINUTES
OF THE MEETING OF THE
BOARD OF DIRECTORS OF SOMERSET ACADEMY OF LAS VEGAS
MAY 20, 2024**

The Board of Directors of Somerset Academy of Las Vegas held a public meeting on May 20, 2024, at 6:00 p.m. at 7038 Sky Pointe Dr., Las Vegas NV 89131.

1. CALL TO ORDER AND ROLL CALL

Board Chair Travis Mizer called the meeting to order at 6:08 p.m. The following Board members were in attendance: Travis Mizer, John Bentham, Matt Hurley, Cody Noble, Sarah McClellan, and Matt Morris.

Also present were the following principals: Lee Esplin, Jessica Scobell, Mindi Palomeque, Cesar Tiu, David Fossett, Kate Lackey, and Shannon Manning. Somerset Inc. representative Suzette Ruiz, and Academica representatives Gary McClain, Ryan Reeves, Trevor Goodsell, and Marla Devitt attended the meeting.

2. PUBLIC COMMENT

There was no public comment.

3. CONSENT AGENDA

a. APPROVAL OF MINUTES FROM THE APRIL 4, 2024 BOARD MEETING

b. APPROVAL OF MINUTES FROM THE APRIL 8, 2024 BOARD MEETING

c. APPROVAL OF RENEWING THE VENDED MEAL AGREEMENT WITH REVOLUTION FOODS

Member Mizer stated that item 3.c. would be pulled from the consent agenda.

MEMBER BENTHAM MOVED TO APPROVE THE CONSENT AGENDA ITEMS 3.a AND 3.b., AS PRESENTED. MEMBER NOBLE SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

Mr. Gary McClain addressed the Board, stating that the reason for approving item 3.c. separately was to add language to the motion to protect the system in case the federal reimbursement ended up being less than the expected 4.4%. He requested that the motion include language to cap the increase to match the federal reimbursement rate. Member Noble asked if the vendor intended to match the federal reimbursement increase. Mr. McClain replied that the vendor had verbally indicated as much. He did not believe that adding the proposed wording would affect the relationship with the vendor.

MEMBER BENTHAM MOVED TO APPROVE THE AGREEMENT ON THE CONDITION THAT WE MEET THE FEDERAL MEAL REIMBURSEMENT RATE INCREASE OF 4.4% OR MATCH THE RATE IF IT IS LOWER. MEMBER MCCLELLAN SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

4. ACTION & DISCUSSION ITEMS

a. CAMPUS UPDATES BY SOMERSET PRINCIPALS

Principal Lee Esplin addressed the Board and stated that he would speak on behalf of the Somerset principals. With only three days of school left they were all working hard with celebrations and end of year activities. The K-12 graduations were scheduled for Friday, May 24th at 10:00 a.m. and 3:00 p.m.

b. REVIEW AND APPROVAL OF THE FINAL BUDGET FOR THE 2024/2025 SCHOOL YEAR

Mr. Trevor Goodsell addressed the Board to review the changes from the initial budget to the final budget. He stated that Somerset was now eligible for the National School Lunch Program (NSLP) under the community eligibility provision, allowing students to continue eating for free. Somerset met the new eligibility requirement of 25% qualifying students. He stated that every school would now serve breakfast, and this had been included in the budget. Other items added were previously approved projects by the Board. The dual enrollment budget at the Sky Pointe campus was increased to cover tuition and other expenses. Mr. Goodsell noted that Mr. Padron had consulted with all the principals while creating the final budget. Member Noble asked about the impact of the NSLP change on the budget. Mr. Goodsell responded that it might increase slightly depending on how many students took advantage of the breakfast program.

MEMBER McCLELLAN MOVED TO APPROVE THE FINAL BUDGET FOR THE 2024/2025 SCHOOL YEAR, AS PRESENTED. MEMBER HURLEY SECONDED THE MOTION, AND THE BOARD VOTED TO APPROVE WITH A VOTE OF FIVE TO ONE, WITH MEMBER MIZER VOTING IN OPPOSITION.

c. REVIEW AND APPROVAL OF IT SERVICES FROM THE FOLLOWING VENDORS: 1) INTELLATEK AND 2) ONWARD

Principal Esplin stated that the Somerset principals met with representatives from Intellatek and Onward. They had the opportunity to interview, ask questions, and discuss infrastructure with both companies. After these meetings, the principals recommended moving forward with Onward and procuring the necessary network upgrades. Member Mizer asked if Onward would provide staff to support Somerset. Principal Esplin replied that Onward would provide two technicians who would live in the area and be dedicated to Somerset. Additionally, Onward would train the technicians employed by individual campuses to utilize and work with the system.

Member Noble asked if it was an ongoing, long-term contract. Principal Esplin stated that it was a three-year contract. Principal Scobell addressed the Board, stating that the contract rate was \$3.35 per student. Member Mizer inquired about the start date for the switchover. Principal Esplin responded that the switchover would begin when school was out and noted that Intellatek had agreed to collaborate with Onward during the transition. Member Mizer asked if there was an opt-out clause. Mr. McClain stated that there was a 30-day termination clause with cause and that the motion could be to approve the contract pending legal review. Principal Scobell stated that she had met with personnel at Mater Academy to discuss their experience with Onward since their transition and reviewed the benefits realized on the Mater campuses.

MEMBER MIZER MOVED TO APPROVE IT SERVICES WITH ONWARD, PENDING REVIEW OF THE CONTRACT BY MEMBER NOBLE. MEMBER MORRIS SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

d. REVIEW AND APPROVAL OF TECH REFRESHES FOR NORTH LAS VEGAS AND SKY POINTE CAMPUSES

Principal Esplin stated that the North Las Vegas and Sky Pointe campuses were due to have tech refreshes. The refresh was for computer and interactive screens, not to exceed \$210,000 for the North Las Vegas campus and \$192,000 for the Sky Pointe campus. The North Las Vegas campus would have a complete refresh with computers and interactive screens. For Sky Pointe it would be the interactive

screens. Principal Esplin stated that the exact amount might change a little with the change in IT companies.

MEMBER McCLELLAN MOVED TO APPROVE TECH REFRESHES FOR THE NORTH LAS VEGAS AND SKY POINTE CAMPUSES, NOT TO EXCEED \$402,000. MEMBER BENTHAM SECONDED THE MOTION AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

e. REVIEW AND APPROVAL OF CAMERA REFRESH FOR SOMERSET CAMPUSES

Mr McClain stated that, a little over a year ago, Principal Scobell began exploring options to replace the Losee camera system to better meet the needs of K-12 campuses and improve investigations. She had considered an on-premise system with advanced analytics to save staff time searching and scanning footage. The Sky Pointe campus recently obtained a quote from Verkada, which offered a similar analytics system but was cloud-based. Verkada's system was more efficient, using fewer cameras to cover areas, requiring only one license fee, and reducing cable runs. Mr. McClain noted that Verkada's cameras could integrate with vape sensors in restrooms to detect activity and identify individuals entering the restroom, enhancing school safety. The cost for implementing Verkada's system, including vape sensors and cameras, for both K-12 campuses was estimated not to exceed \$370,000. This change may prompt other campuses to refresh their systems as well.

Member Bentham noted that the agenda item was for approval of camera upgrades for Somerset campuses and asked if the plan was to first approve for the K-12 campuses and see how they functioned. Mr. McClain stated that the agenda item was broad enough for the Board to allocate funds for all campuses; however, he did not have the cost information for the other campuses. Discussion ensued on the advantages of the new system over the current systems.

Member Mizer asked how long the campuses should store data and whether policies and procedures were needed to outline which instances to save. Mr. Ryan Reeves addressed the Board, stating that there was no set standard for how much recording time a school must have, as there was no requirement to have cameras. The cameras were a protection for the campus, and he noted that most claims became apparent within thirty days. He suggested setting thirty days as the minimum storage time and increasing it based on cost considerations. Mr. Reeves stated that Academica had provided the campuses with a policy manual detailing which events required legal input from Academica and that, following contact, Academica would instruct the campuses if saving the recordings was necessary.

Mr. McClain stated that the quotes in the support materials were for four months of storage and that the company offered a one-year option. Principal Esplin stated that they could purchase additional storage for specific cameras if needed. Discussion continued regarding cloud storage, which areas required longer storage, and the cost implications. Mr. McClain estimated that the total cost for all campuses, with one year of storage for the cameras in administrative areas, would be approximately \$872,000. Member Mizer asked if Verkada would offer a discount for equipping all campuses. Mr. McClain responded that they should provide a discount due to economies of scale.

MEMBER BENTHAM MOVED TO APPROVE AS PRESENTED FOR ALL SEVEN CAMPUSES, WITH A NOT TO EXCEED NUMBER OF \$872,000, WITH FINAL REVIEW AND APPROVAL BY THE BOARD CHAIR. MEMBER McCLELLAN SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

f. REVIEW AND APPROVAL OF CONTRACTOR FOR SKYE CANYON, SKY POINTE, AND ALIANTE ADDITIONS

Mr. McClain stated that he had issued a public bid, and the bids were due last week. Only one contractor submitted a bid, but it was deemed non-responsive. As a result, there were no bids for the three projects. He immediately re-advertised in the Review Journal and it would run again next week. Mr. McClain said he would contact each contractor who attended the pre-bid but didn't submit to understand why and to generate more interest. He noted that if better results were received in the next bid period, they could proceed without significant delays. The goal was still to start all three projects this summer.

Member Bentham asked if talking to the contractors would bring more success and what the process would be if they did not receive any bids. Mr. McClain stated that he had contacted the State Public Works office and asked if there were options if no results were received. His goal was to create interest in the project or find out why there was not interest.

This item was tabled.

i. REVIEW AND APPROVAL OF STEPHANIE CAMPUS CARPET

Mr. McClain stated that the Stephanie campus needed new carpet. Three proposals were received and the recommendation was to approve Robert's Roof and Floor.

MEMBER BENTHAM MOVED TO APPROVE AS PRESENTED. MEMBER HURLEY SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

j. REVIEW AND APPROVAL OF STEPHANIE CAMPUS SHADE STRUCTURE

Mr. McClain stated that the Stephanie campus raised funds through APEX and were requesting to use those funds, plus \$2,000 from the PTO, and \$13,000 from operating to purchase a shade structure. The recommended bidder was Creative Play Recreation

MEMBER BENTHAM MOVED TO ACCEPT AS PRESENTED. MEMBER MCCLELLAN SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

k. REVIEW AND APPROVAL OF SPACE CONVERSION IN LOSEE CAMPUS ATHLETIC BUILDING

Mr. McClain stated that a sports medicine teacher had been hired to run the sports medicine CTE. Principal Scobell explained that the campus had a partnership with the UNLV School of Medicine. Medical students from UNLV would come to the campus and work with the students. The students would also go to the UNLV labs. In order to support the program, space was needed for a training room. Mr. McClain stated that two bids were secured to convert the designated space. The recommended contractor was Kevco Construction for \$26,900.

MEMBER MCCLELLAN MOVED TO APPROVE KEVCO CONSTRUCTION & DESIGN AS THE VENDOR FOR THE SPACE CONVERSION IN THE LOSEE CAMPUS ATHLETIC BUILDING. MEMBER BENTHAM SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

l. REVIEW AND APPROVAL OF NORTH LAS VEGAS CAMPUS EXTERIOR PAINTING

Mr. McClain stated that the North Las Vegas campus was in extreme need to be repainted. The recommended bidder was Unforgettable Coatings with a bid of \$40,031. Member Bentham asked for the

time frame if the project was approved. Mr. McClain stated that it would be painted during June and would take approximately ten days.

MEMBER MORRIS MOVED TO APPROVE AS PRESENTED. MEMBER NOBLE SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

g. REVIEW AND APPROVAL OF SURPLUS FUNDS FOR PROJECTS AND BONUSES

Mr. McClain stated the Board had previously approved a priority surplus spending plan. One percent of gross revenue, \$1,0131,000, was set aside for priority two. Priority three was project funds, and in priority four, the remaining pool would go back into the bonus pool. He had discussed the funds in priority four with the principals and was presenting a proposal for another \$600,000 for the bonus pool. Member Mizer asked if the total bonus pool requested was \$1.6 million, to which Mr. McClain replied in the affirmative. Mr. McClain stated that each campus would have a pool of funds, and the principal would determine the distribution.

Member Noble reviewed the allocation of funds, noting that there was approximately \$5 million left. The focus was on determining how much to set aside for future capital projects versus compensating teachers and staff this year. He emphasized the importance of balancing spending on capital projects with funds available for teacher compensation. Mr. Goodsell explained that most expenditures would be capitalized, not affecting the annual income statement. He assured that their cash position was strong, with 177 days of cash on hand, well above the state's requirement of 60 days and the bond requirement of 40 days. He outlined the debt service ratio requirements and confirmed they were meeting these obligations, which amounted to about \$3.5 million. Trevor noted that around \$2 million of current expenditures would be balance sheet transactions, not impacting the bottom line.

Member Bentham clarified that the projected surplus was approximately \$5 million after deducting expenditures from an initial \$8.2 million. Mr. Goodsell confirmed this, noting that the organization maintained about \$5 million annually. Member Noble inquired about the days cash on hand, noting it was listed at 177 and asking if it remained the same. Mr. Goodsell replied that it had not changed significantly in recent years. Member Noble stated that each day equated to \$200,000 and noted that the Board had set a target of 120 days cash on hand. He calculated that the difference between the existing 177 days and the targeted 120 days amounted to be another \$11 million. He stated that the amount could be allocated towards future capital projects.

Member Bentham asked what percentage the average wage increase was for staff and teachers, to which Mr. Goodsell replied that it was close to 20%. Discussion ensued regarding the retention bonus amounts. Member Bentham asked the principals if it would affect morale if the Board allocated a large bonus pool for the current year and reduced it next year. Principal Scobell noted that as the campuses expanded and Somerset system was trying to attract better quality teachers, better facilities were sometimes as important as the money they would make. She stressed the importance of paying well and providing the facilities correctly do their jobs. Member Noble stated that the Board understood importance of facilities and stressed that their job was to balance all the needs of the system.

Principal Palomeque stated that the teachers would be happy with the bonus, even with the understanding that a bonus next year was not guaranteed. Principal Esplin emphasized that communication was critical to ensure that teachers and staff understood that the Board would need to assess the financial status of the system again next year before allocating the bonus amounts. He

acknowledged that there would be some who would be disappointed; however, clear communication by the principals would be crucial to helping them understand funding availability and appreciate what the Board was able to do for them. Member McClellan stated that it was possible for teachers and staff to understand that it was a year by year decision based on the financial situation. Principal Esplin noted that the Board had a track record for following through on promises. Member Morris clarified that the bonus amount being discussed was an aggregate amount, with each campus being allocated funds for performance-based disbursement. Discussion ensued regarding the percentage requested and allocated for bonuses and the future implications.

MEMBER BENTHAM MOVED FOR \$2 MILLION IN STAFF BONUSES FOR THE 23/24 SCHOOL YEAR BASED ON PERFORMANCE RATINGS ALLOCATED BY THE PRINCIPALS. MEMBER MCCLELLAN SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

h. REVIEW AND APPROVAL OF BONUS DISTRIBUTION PLAN

Mr. McClain stated that the Board approved the surplus spending priority plan during the last meeting, which stipulated that a staff performance bonus distribution plan needed to be drafted. He had worked with Principal Esplin and Member Noble to draft the distribution plan. The principal at each campus would be responsible for determining the individual amounts and recipients of the campus pool, based on eligible staff longevity, performance for that year, extra duties that did not receive a stipend, and consistently going above and beyond. Eligible staff included all employees, whether hourly, salaried, licensed, unlicensed, or LLC employees. Excluded staff were substitute employees provided by a third party and non-renewed employees. The lead principal would be required to sign off on the bonuses for all campuses. Mr. McClain asked the Board to approve the plan with the caveat that Member Noble would refine the language to more clearly define the terms of the plan without changing its meaning. Member Noble noted that two different descriptors were used regarding eligible staff and stated that he would tweak some of the language for clarification. Member Bentham asked that the plan be adjusted to include a review of the allocations by the Board Chair.

MEMBER NOBLE MOVED TO APPROVE THE STAFF PERFORMANCE BONUS DISTRIBUTION PLAN WITH THE THAT THE BOARD CHAIR WILL ALSO BE A REVIEWER OF THE FINAL BONUS PLAN FROM EACH CAMPUS AND WITH FINAL APPROVAL FROM NOBLE AS TO LANGUAGE. MEMBER BENTHAM SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

5. LONG RANGE CALENDAR/ANNOUNCEMENTS

Mr. McClain stated that it would be necessary to hold a meeting to approve the projects. He commended Member Mizer for working hard to get the members involved in the upcoming graduations.

6. MEMBER COMMENT

Board members thanked the principals for a successful year and the time spent supporting the system. Ms. Suzette Ruiz congratulated everyone on a great year. Ms. Marla Devitt stated that she would be in attendance at the graduation.

7. PUBLIC COMMENT

There was no public comment.

8. ADJOURN MEETING

THE MEETING ADJOURNED AT 7:57 P.M.

Approved on: June 20, 2024



John Bentham (Jun 21, 2024 09:59 PDT)

Secretary of the Board of Directors
Somerset Academy of Las Vegas