

MINUTES
OF THE MEETING OF THE
BOARD OF DIRECTORS OF SOMERSET ACADEMY OF LAS VEGAS
NOVEMBER 13, 2024

The Board of Directors of Somerset Academy of Las Vegas held a public meeting on November 13, 2024, at 8:00 a.m. via Zoom.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 8:01 a.m. by Board Chair Travis Mizer. The following Board members were in attendance: Travis Mizer, John Bentham, Matt Hurley, Renee Fairless, and Matt Morris.

Board Members LeNora Bredsguard and Sarah McClellan were not in attendance.

Also present were the following principals: Lee Esplin, Jessica Scobell, Shannon Manning, Cesar Tiu, Kate Lackey, and Mindi Palomeque. Other attendees included Grant Manager Tiffany Lewis, Systems Office Manager Renee Kohley, and Suzette Ruiz from the Somerset system; Rachel Speldos from RubinBrown; and Academica representatives Gary McClain, Trevor Goodsell, Kristy VanderMolen, Matt Padron, Paul Ballou, Ryan Reeves, Travis Keys, and Marla Devitt.

2. PUBLIC COMMENT

There was no public comment.

3. CONSENT AGENDA

a. APPROVAL OF MINUTES FROM THE OCTOBER 14, 2024 BOARD MEETING

b. APPROVAL OF THE SOMERSET ACADEMY OF LAS VEGAS ACADEMIC CALENDAR FOR THE 2025/2026 SCHOOL YEAR

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

4. ACTION & DISCUSSION ITEMS

a. REVIEW AND APPROVAL OF THE FY24 FINANCIAL AUDIT

Mr. Trevor Goodsell addressed the Board and provided an overview of the audit, highlighting key financial metrics and updates. Somerset's balance sheet showed cash on hand of approximately \$38.6 million, equivalent to 173 days of operational coverage, with a slight reduction for operating funds. Somerset also recognized a \$78 million net pension liability as part of Nevada's PERS system. On the income statement, expenditures totaled \$81.5 million, while revenues reached \$86 million, resulting in a \$4.9 million surplus. Included in these figures were non-cash pension and OPEB expenses due to GASB 68, amounting to \$5.1 million.

Mr. Goodsell addressed a prior period adjustment stemming from an error in last year's GASB 68 reporting, where contributions were improperly classified. This necessitated a \$2 million

adjustment to the net position, which was identified and corrected during this year's audit preparation. He stated that updates to GASB capitalization rules now required bulk purchases, such as orders of computers totaling over \$5,000, to be capitalized, leading to an increase in capitalized assets. The remainder of the audit included detailed notes to the financial statements and supporting information.

Member Morris asked for clarification regarding whether the financial highlights indicated a \$4.1 million deficit or surplus. Mr. Goodsell explained that the \$4.1 million figure represented a deficit, which included the net pension liability. However, he clarified that a more accurate reflection of the school's financial health over the years was the unassigned fund balance, shown on page 32, which was a positive \$33 million.

MEMBER MORRIS MOVED TO APPROVE THE FY24 AUDIT. MEMBER HURLEY SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

b. REVIEW AND APPROVAL OF FY25 FINAL REVISED BUDGET

Mr. Matt Padron addressed the Board and provided an overview of the budget, noting the major differences from the previous version, focusing on a system-wide basis. Key updates included adjustments for enrollment figures, with a 1% decrease equating to 94 students, offset by a reduced contingency budget. Revenue dropped by approximately \$895,000, matching the contingency reduction. Additional changes included a \$320,000 loss in Title II funding, adjustments to special education (SPED) funding, and minor expense reductions tied to lower enrollment.

The budget included planned capital expenses, like field lights and turf, funded through cash balances rather than affecting the annual operating budget. Unplanned capital expenses, such as signage, would similarly be covered by cash fund balances without impacting financial covenants. Member Mizer proposed the idea of allocating unplanned capital expense funds equally across campuses to give them discretionary spending power. Mr. Padron stated that, while this was feasible, it would require further evaluation of cash fund balances to determine affordability.

MEMBER FAIRLESS MOVED TO APPROVE THE FY25 BUDGET, AS PRESENTED. MEMBER BENTHAM SECONDED THE MOTION, AND THE BOARD VOTED UNANIMOUSLY TO APPROVE.

c. REVIEW AND APPROVAL OF THE TEACHER AND STAFF HOLIDAY BONUSES

Mr. Gary McClain addressed the Board stating that Somerset provided a holiday bonus annually. He noted that the amount had been increased last year to \$200 for each staff member. Member Mizer noted the importance of personally thanking staff during bonus distributions. He suggested board members visit campuses to express appreciation, particularly to connect with new teachers. Discussion ensued regarding finding an alternative way, such as a holiday card, to provide a physical acknowledgment.

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

d. REVIEW AND APPROVAL OF SKYE CANYON SIGNAGE

Mr. McClain presented a proposal to enhance signage at the Sky Canyon campus. The current signage lacked the campus name on the parking lot-facing frontage. The proposal included adding

"Skye Canyon" to the northern frontage, duplicating the signage on the south-facing wall, and incorporating a crest, the "Somerset Academy of Las Vegas" name, and the address. The crests would be lit. Patrick Signs offered a bid of \$23,368, excluding electrical work. A 15% contingency was requested to cover electrical costs, bringing the total approval request to \$26,872.

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

e. APPROVAL OF MOU FOR SERVICES FOR VICTIMS OF POWER-BASED VIOLENCE UNDER ASSEMBLY BILL 245

Mr. McClain stated that a new legal requirement under AB 245 for charter schools required schools to establish a Memorandum of Understanding (MOU) with organizations assisting victims of power-based violence. While the State provided a temporary exemption last year, this year the school was ready with an MOU from SafeNest to fulfill this requirement. Mr. McClain thanked Paul Ballou for facilitating the process. Member Morris confirmed that the legislation mandated this action without discretion.

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

5. LONG RANGE CALENDAR/ANNOUNCEMENTS

Mr. McClain stated that the next meeting had been scheduled for December; however, with all critical items included in today's meeting, a December would not be needed. A strategic session would be scheduled for January. Mr. McClain thanked the Academica finance team for their hard work on the audit.

6. MEMBER COMMENT

During the member comment section, several board members expressed gratitude and holiday well-wishes. Member Morris thanked Mr. McClain and the staff for their work on meeting materials, the audit, and budget preparation. Member Fairless wished everyone happy holidays. Member Hurley echoed the sentiments of gratitude. Member Bentham cheered on the Losee Lions. Member Mizer mentioned plans to coordinate the holiday bonus initiative.

Ms. Suzette Ruiz, with Somerset Inc., extended holiday wishes and encouraged everyone to enjoy the upcoming break.

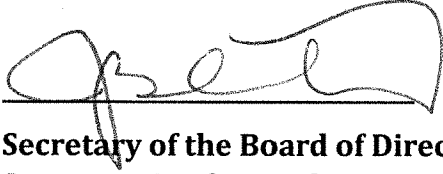
7. PUBLIC COMMENT

There was no public comment.

8. ADJOURN MEETING

THE MEETING ADJOURNED AT 8:28 A.M.

Approved on: January 11, 2025

A handwritten signature in black ink, appearing to be "J. Bell", written over a horizontal line.

**Secretary of the Board of Directors
Somerset Academy of Las Vegas**