

New Horizons Board Meeting

December 14, 2018

Present – Richard Thomas, Dr. Castaneda, Dr. Christina Duran, Stefan Rinka, David Sams, Geetha Huma, Chris Lanehart

Meeting Commenced at: 02:15 PM

Closed Session

Open Session

Public Comment – None

Approval of the Previous Board Meeting Minutes (November)

- Motion made to approve – Dr. Duran
- Second – Dr. Castaneda
- Motion Carries – 3-0

Annual Financial Report

2017-18 Final Audit –

Geetha Huma - The Independent Audit Report tell you the opinion on page 2 says they respect the position of the Independent Charter School. Going into financial statements on page 4. This is the balance sheet at end of year. Total assets are bigger than liability, which is good. It's in good shape.

Thomas - We had increase in sped costs, lawyer costs, and rent. Had to recover costs that weren't there before. Property tax increase. When you throw that in, a deficit of \$72,000, isn't a lot that we were over, but those were the main items of cost.

Geetha - Going to page 24, this is the auditor's report on internal controls. There were no findings. They don't form an opinion, but they don't find any non-compliance. The final report is on page 26, they also look at state compliance, once again there were no findings. Everything was in compliance. So overall, no audit adjustments and no findings.

Board vote for 2017-18 Final Audit Approval

- Motion made to approve – Dr. Duran
- Second – Dr. Castaneda
- Motion Carries – 4-0

Compliance Monitoring and Certification of Board Compliance Review

Board discussed items reviewed on the Compliance Monitoring and Certification of Board Compliance Review worksheet. All items were in compliance as discussed during the September Board Meeting and reaffirmed that the items listed on the Compliance Monitoring worksheet were in place.

Board vote to approve Compliance Monitoring and Certification of Board Compliance Review

- Motion made to approve – Dr. Duran
- Second – Dr. Castaneda
- Motion Carries – 4-0

Strike Preparedness

Thomas - We discussed likelihood of strike, which has risen to level 3 crisis. Everyone anticipates this to occur after January 7. That's when they return. Teachers have to work one day to keep health benefits. Teachers will work one day on the 7th, then strike on the 8th. Wanted to inform board that we are in conversations with Dr Flores and we have discussed how can we support you. We know they'll have 5 staff watching 700 kids. We are here to support with supervision. We can move our lunch inside because they are using the lunch tables as instructional area. Things like that. We talked about emergency protocol. If there was a lockdown, we would pull LAUSD kids into our rooms, if necessary. We would call and say how many students were in our classroom. One of the other discussions was on the actual picketing. The police affirmed that the sidewalk is public ground. Our sign is right there, and charter schools is one of the languages in their protest. We are concerned that our exit is right by the picketers. I am in discussion with Dr Flores about the gate by STEM being where our students are dropped off to avoid picketers. We are not considered one of the hotspots in LA. We don't anticipate that. From a social media standpoint or from a newspaper standpoint, we are not required to respond, so we will not respond, not even "no comment." Since you are board members, and somebody might ask you, our response is no response. This is a Los Angeles Unified issue.

Dr. Castaneda - I'd like to make a statement. I am totally opposed letting children enroll in a temporary event. It puts us directly in the place of being strike breakers. It totally decimates everything that came out of that meeting. We are acting as agents to break a union.

Dr. Duran - My comment is we are not breaking a strike, you are providing students equity and access.

Thomas - We're trying to work on this "us" thing, rather than "us vs. them". We know this puts us in a difficult situation, but we can't turn our backs on children who want a public school facility. We cannot turn away children. It is also a mandate that children are in school until they graduate.

Facilities

Thomas - I sent you the letter of intent of Friar St lease. It basically increases to them a base rent structure where the first two years we want at \$1.65/sf, then the next three years at \$1.85/sf, and the following three years at \$2/sf. The property is going to require 5 million in improvements. It's not at educational occupancy. It doesn't have an elevator. It's going to need to be retrofitted.

Castaneda - Thoughts about a high school. Would this property be big enough to hold another charter.

Thomas - No. We're anticipating another 60 to 70 students. Plus a SPED room, resource room, STEM Lab. But the property is bigger. We could put 3 or 4 or 5 portables. Because the high school to begin would be about 100 kids. You need about 100 kids to float a high school. You would need at least 6 or 7 teachers to float a high school. This building is in Van Nuys, about 4 miles from here. And it's right in the middle of a neighborhood. In Lankershim we're in a business center. Even if we lost 15% of our students, we would gain that by moving to a residential area.

Thomas - The property that is half a mile from here. The owner says it's better to knock it down and build it from scratch. Not worth it to retrofit it. There is a giant parking lot that you could build into. Right now it's about 26,000 sq ft. A developer would build it for us for about \$9,000,000. There's two costs. The cost of the building itself, and the cost of the ground lease. But this would be a brand new building and only half a mile away, and is right next to the NoHo West project. We're penciling this number based on the K-8 program. Also, New Horizons got approved for the Great Public Schools grant for \$50,000 planning grant. We're planning the next step to writing the high school charter.

Meeting adjourned at 6:17PM