

# Highlands Community Charter and Technical Schools Board Meeting Minutes

Raley's Meeting Room, 4840 San Juan Avenue, Fair Oaks, California  
Saturday, March 29, 2014  
10:00 AM – 11:00 AM

## Board Policy Regarding Board Minutes:

The minutes of open session meetings of the Board record all motions, show the names of Board members making and seconding motions and state the vote upon the motion. The open session minutes also record all resolutions, the recommendations of the administration and the substance of the Board's discussion or the substance of statements pertinent to Board's business made by members of the staff or public. The minutes follow a generally accepted pattern in form.

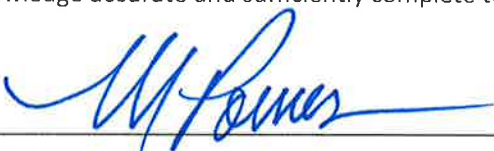
The original copy of the open session minutes are signed by the Secretary of the Board and approved by the Board. Original minutes are bound in chronological order, volumed by fiscal year and paged consecutively. The following documents are bound with the official minutes and referred to in the text of the minutes to which they apply:


- Original copies of all resolutions unless required by other agencies, in which case photocopies of the originals may be substituted
- Original copy of all budget transfers
- Copies of any document determined by the Board of Trustees to be attached to the official minutes
- Other documents which, in the opinion of the Secretary, are necessary to fully substantiate or record Board of Trustee action.

In addition to the official minutes, an additional copy of all minutes and attached documents are maintained in the office of the Secretary of the Board. This set of minutes is bound, indexed by those categories detailed above and by subject. The bound minutes and accompanying documents are open to public scrutiny within the boundaries of the law.

## Pledge of Accuracy

As the Secretary of Highlands Community Charter School, the following minutes are to the best of my knowledge accurate and sufficiently complete to represent what occurred at the board meeting.

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Date

I. PRELIMINARY

A. Call to Order

Meeting was called to order by the President at 10:30 am.

B. Roll Call

Director	Present	Absent
Mr. Mike Brunelle, President	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Ward Allen, Vice President	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ms. Lori Lee, Treasurer	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Jacob J. Walker, Secretary	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Kirk Williams, Interim Principal	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Ms. Linda Fowler, Director	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Murdock Smith, Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Quorum Reached	5 of 7	

C. Reporting of Actions Taken in Closed Session

1. Public Employment - Gov. Code 51957

a) Title: Principal

Discussion occurred, the board president was given direction by the board.

Closed session ended at 10:53 am.

NON-SCHEDULED ITEMS REQUIRING IMMEDIATE ACTION

Items not placed on the original agenda may be considered by the board only in exceptional circumstances. During the meeting no such circumstances and resulting items existed.

II. COMMUNICATIONS

A. Public Comment

No public comment was made.

### III. ITEMS SCHEDULED FOR INFORMATION

#### A. Status of CDS & Charter School Code Submission Ward Allen

Ward Allen submitted the CDS & Charter School Code on Friday 3/28/2014, and received an email that it will be the State Board of Education's July meeting agenda. There was brief discussion about how having proof of being on the agenda may allow the school to gain a loan, and Linda Fowler shared about the possibility of getting a loan or de facto loan from Twin Rivers, potentially through invoicing Twin Rivers. Mike Brunelle shared why having money in our direct bank account is important.

### IV. ITEMS SCHEDULED FOR DISCUSSION AND ACTION

#### A. Joining the California Charter Schools JPA Jacob Walker

Jacob Walker discussed the resolution to join the California Charter Schools JPA (dba CharterSAFE) to be able to get insurance. Jacob Walker discussed how JPA law has an explicit allowance for Charter Schools to form for pooling risk. Linda Fowler shared her concern that she wasn't able to look at all the materials, as she only received it. There was also some discussion of how JPA's do not necessarily look after the interests of their members. The example of SIA was raised by several board members, and concerns that they don't follow the Brown Act was raised by Jacob.

Jacob discussed how the original direction to Kirk Williams, as the Interim Principal, was to get a quote for director's insurance and for employees, but not yet for general liability. But, with Twin Rivers' desire to have liability insurance before we could move into Grand Avenue that we moved this item up, and called the special meeting. Jacob explained that we do not yet have a quote for the insurance that Twin Rivers requires. Linda shared that maybe we should just go with a standard insurance policy, instead of a JPA. Jacob suggested that whichever resolution occurs, that it is important to have insurance in the coming week to be able to use the Grand Avenue facilities. Jacob explained that CharterSAFE will defer our insurance payment until July, and to get a rider policy, it would require a board member to front the funds, as we currently do not have funds in the bank, and the Public Charter School Grant Program is one that we get paid after the fact. Mike suggested that we could always get the insurance short term.

Jacob read an email to the board, with the specific requirements from Twin Rivers (See appendix). There was some question about what the term "contract" meant in the email from CharterSAFE. Jacob shared that the original amount from the original quote to be deferred was \$2,231.18, but was unsure how long this would cover, although he thought it would only go to July. The original coverage that we received a quote on was only for Directors and Officers and Company Liability (D&O), Employment Practices

Liability (EPL), and Fiduciary Liability. Ward wanted to contact CharterSAFE immediately for an updated quote and made a phone call to them, but received only their voicemail.

There was discussion about delegating the task to Jacob, but Jacob expressed that he is working full time, and that insurance is not his area of expertise, and suggested that Kirk continue the process. Linda suggested that this should be delegated to Ward, as he was there for the board discussion.

There was a motion to pass the resolution as written, with the caveats, that we would purchase level 2 insurance and request the JPA would provide the Twin Rivers mandated coverage, effective immediately, until October 1, 2014, as long as it is not an exorbitant amount, and that the Vice President of the Board, Ward Allen is vested with the power to execute the agreement. A vote was taken, with ayes from Mike Brunelle, Ward Allen, Jacob Walker, Linda Fowler, and Murdock Smith. Kirk Williams and Lori Lee were absent. There were no noes.

Jacob shared that we would also need to ask for deferment of payment, but that this would probably not require a vote. There was no dispute from the board over wanting to do this.

**B. Board Policy Regarding Government Code 1090** Jacob Walker

Jacob shared that in regards to the principal's position, Government Code 1090 was discussed in closed session. The general discussion of the topic was tabled by the President for further research to be done.

**C. Choice of Checking Account Provider** Jacob Walker

Jacob shared that while the choice of a banking institution could be solely in the hands of the interim principal, that Linda Fowler had opinions about the choice. Jacob recommended that the charter school uses SAFE Credit union, because they worked well with Twin Rivers Adult School, when Jacob was with the adult school, for the distribution of Pell Grants, and they also worked well with helping ex-offenders to be able to get a checking account. Jacob suggested that we might be able to get this from another credit union also, but that we wouldn't probably get that type of help from a bank. Jacob shared that the Adult School had also initially started working with School's Credit Union, but that the Adult School was steered towards SAFE, so that relationship with School's Credit Union was never established.

Linda shared that she opposed using SAFE Credit Union, due to their chairman's close political ties with a Twin Rivers board member that was one of the main opponents to starting the charter school, and also was one of the main people to be involved in the layoffs of the Twin Rivers adult school staff. Jacob shared that he believe we should stay apolitical on these issues. Linda shared that there are people who are trying their best to make it difficult for the charter school to succeed, and that might attempt to sabotage the efforts of the school.

Jacob said that the past working relationship with the adult school and SAFE never involved the head of SAFE, and that the working relationship was always good with the people he worked with, and that they were good people. But Jacob agreed that if the head of SAFE wanted to do something against the charter, that he would have the power to do this, and it could make that working relationship bad. Jacob shared that the choice of a banking institution is a long term choice, and that the charter school will be tied fairly intimately to that institution.

Linda agreed that it is a long-term choice, and said that is why she is concerned about the politics of the head of SAFE, and that since he has access to all records, he could potentially share some information with individuals who might wish to harm the charter school. Mike suggested that to stay non-political, we should avoid SAFE.

Mike shared that Wells Fargo worked well with Sac City when it came to Pell Grants. Jacob shared that Twin Rivers Adult School used Wells Fargo, but that their customer service had some issues, and that their electronic system to do transfers of funds was antiquated, and had some problems, although a credit union might not be better.

Ward suggested that we might explore School's and Golden One credit union. Mike shared that School's "bends over backwards" to help small businesses. Mike, Murdock, and Linda shared that they don't think Golden One would work with an organization, as they focus on personal banking. Jacob and Mike shared that they both personally used School's and have had good experiences with them.

Murdock asked why going with SAFE could be a potential issue, as they should follow their fiduciary responsibilities, and that if the head of SAFE was to share information about us, that he wouldn't be employed with them very much longer, as there are laws against them sharing such things. Jacob reiterated that everybody that he worked with at SAFE, while with Twin Rivers Adult School, would fulfill their fiduciary duty. But, that the politics of Twin Rivers is so bad and dirty that he has concerns that there is the potential for abuse of power by the chair of SAFE.

Murdock asked what type of issue could occur. Mike shared that by having access to every banking transaction, they could give undue scrutiny to our transactions, looking to show problems where none would be. Jacob shared that if they sent on records to those who were against the charter, while possible, that they would get into trouble for such things. Murdock said that if such thing occurred, that civil action would be taken by the charter, and that we would win large sums of money. Murdock suggested any banking institution could have politics against the charter, and that we should stay apolitical.

Linda shared a scenario, where if the person at the head of SAFE or other banking institution really wanted to see us fail, that this person would not necessarily need to divulge direct information against the charter, but could start rumors. Murdock asked about what type of information, giving the example of buying desks and supplies as

being fairly innocuous and usual tasks. But Linda countered that anything said potentially by someone in the financial institution to someone who is against the charter would distort the facts. Murdock suggested that charters in general are not the most welcomed type of school in the educational community, and asked why it would be different from SAFE compared to any other credit union.

Mike gave the example that since board members have all expended dollars, and that if the board decides to reimburse those expenses, which is legal. But someone outside could say "Look, before the school is even open, they are paying themselves". While the charter could document that it did everything right, but the dispersion was already cast, and the damage is already done, and if we can avoid a political maelstrom we should just avoid it. Linda shared that while we can talk in theory, that we need to look at the real people involved, and that while she understands clearly libel and slander laws, that proving these and being able to take action in these cases is not the same as the theory behind the laws, but that the damage would already be done. Murdock shared that there would be groups to be able to go with, such as the regulators in charge of credit unions. Jacob shared that he would tend to agree with Murdock, but that he has seen such dirty politics inside of Twin Rivers that he never would have imagined previously.

Ward initially made a motion to authorize Jacob to investigate banking with School's. Jacob suggested that the board give someone authority to open up a bank account, and that the board had previously given that authority to Kirk. Jacob shared that the bank account needs to be opened right away, as it was something that potentially needed to even be in the MOU with Twin Rivers.

Mike Brunelle motioned to authorize Kirk to continue looking for the bank account, giving direction to go with School's Credit Union. Murdock Smith seconded the motion. Linda Fowler, Ward Allen, and Jacob Walker voted with ayes, there were no noes, and Kirk Williams and Lori Lee were absent. After the vote there was brief discussion about who would front the money to open the account, and Ward said he would do that.

Ward shared that him, Murdock Smith, and Linda Fowler all met with the head of Sacramento Probation, and that he would be sending a letter of support to the charter school. Ward shared about the issue that because we are a public charter school, we cannot accept fees, and that receiving money from probation or parole could be viewed this way. Jacob shared that the non-profit organization could probably accept fees for non-educational expenses, if it was something that a school would not normally provide. Or that if the funding was not tied to a specific student but tied to a program, and probation or parole were willing to have that type of financial relationship, that we could accept money. Murdock shared from his experience with CDCR that usually it is cleaner to have fees paid per student, but they might be willing to do it. Linda shared that her and Angelica are working on starting a foundation that could help with this sort of thing. Mike shared that foundations have a lot more flexibility.

Linda had a question at the end about timelines, and the need to provide a budget to CDE. Ward said our initial budget was in the petition. Jacob shared that it was in the petition, but that it would need to be revised, although it was the best that could have been made at the time. Jacob said he was not aware of a deadline, except for the fact that he believed we need to do the LCAP and LCFF portion of the budget by July. Mike said that revising the budget is the first item on the budget subcommittee.

Linda asked about the org chart. Jacob said that he had sent the org chart in the revised petition. Linda said it would need to be revised again, and Jacob said that this could happen.

Jacob shared that Kirk will need the charter's tax id number to open the bank account and doesn't want this to be the domino to stop the other things. Linda said getting the EIN to Kirk would not be a problem.

## V. ADJOURNMENT

The meeting adjourned at 11:50 am.