

**Pine Lake Preparatory
Board of Directors
Meeting Minutes**

Meeting Date: October 27, 21010

Location: PLP Upper School

Directors Present: Antoinette Ellison, Michelle Adams, John Moloney, Evelyn Gerdes, Anne McIntosh, Bill Neal, Julie Flaherty, Chris Perri

Directors Absent:

Administrative Team: Kate Alice Dunaway, Kari Jolly, Gloria Miller, Amy Sevic, Leslie Kidder, Jennifer Gnann, Chris Scholl

Guests: William Pope, Martha Peed

- Meeting called to order at 6:00 p.m. by Dr. Ellison. Twan welcomes everyone, introduces the board members and lays out protocol for meeting.
- PRIDE Moment. Kate Alice shares the band's award of the Esprit D'Corps at their competition last Saturday; congratulations to the band; appreciation to Amy Dirig, Kevin Shannon and Ashley Chilton for a successful PLPalooza event; the Kaleidoscope Foundation hosted a meet-and-greet for new families last evening; we are currently celebrating Spirit Week.
- Consent Agenda. Julie motions to approve minutes from the 9/29/2010 meeting; Evelyn seconds; unanimous approval, motion carried.
- Open Session. Guests are invited to address the board.
- Freida Dequick expresses appreciation to the Board for entertaining her questions at previous board meetings and to the PLP team for their efforts to improve communication.
- Committee Reports:
 - Julie Flaherty – no news to report
 - Anne McIntosh – the committee mhas been working on the employee exit survey and is ready to explore options available to launch a trial run in December and continue to move forward; Twan questions who will execute the survey; Anne and Michelle respond that they anticipate that a member of the Leadership Team and a Board Member will oversee the survey; information related to the HOS compensation schedule will be added to the calendar in February pending recommendation from the HOS committee; fundraising efforts be updated quarterly; additionally, Anne reminds that the Board needs to move forward with review and adoption of the third quadrant policies and procedures; Anne moves to have the board consider the proposals outlined herein for placement on the Consent Agenda for next month's meeting.
- Head of School Evaluation Committee. Mr. Moloney inquires of the status on the Head of School's contract; it has been received by the Board. Evelyn updates that the committee met to discuss goals for 2010-2011 and will meet again in December. John inquires if the goals will be made available to the rest of the board; goals will be distributed by the committee to the rest of the board. Evelyn will include a summary of the meeting. John inquires who serves on the HOS evaluation committee; Chris Perri, Antoinette Ellison and Evelyn Gerdes. John expresses concern over a potential conflict of interest in this regard given PLP's obligation to Beacon Properties and Kate Alice's obligation to PLP. John moves the Chris Perri remove from the committee to avoid any appearance of conflict; Bill seconds. Discussion ensues. Bill shares agreement with John's position. Chris opines that the purpose of the committee is to serve as a sounding board to allow the Head of School to communicate with the board and vice versa, essentially neither member of the committee has any supervisory duties with regard to the Head of School; he respects the observation that has been expressed and defers

judgment to the remainder of the board. Twan opines that she does not foresee an issue with the perception and values Chris' input on the committee. Michelle inquires if John's concern is influencing compensation and HOS evaluation decisions; John affirms this question and further opines that the board should eliminate any perception of potential impropriety of the "landlord" is involved with the HOS evaluation committee; Bill expresses further support for this position; Chris shares that the relationship that has been built over the last four years has benefitted PLP, while he expresses respect for the opinions that are being expressed this evening, however the relationship between PLP and Beacon have lead to open collaborative progress and it is counterintuitive to progress. Subject tabled to executive session discussion.

➤ Finance Committee. Twan requests that Bill expand upon policies and procedures surrounding PLP expenditures. Bill outlines the budget components and that the HOS has authority to reallocate budget line items so long as the reallocations have occurred within the same budget item; Twan affirms that the current policy does not require the HOS to obtain approval from the Board for expenditures; Bill affirms that the answer is yes; discussion ensues regarding needs to revise the policies. John inquires how a violation of a policy can be determined if requests for documentation are not met and expresses concern over violations of the Public Records Act. Discussion ensues. Inquires regarding the fence: Kate Alice shares that she did receive the request for fence information and instruction from Twan to provide the information at the October board meeting; the expense for the fence was allocated from the Improvements to Existing Site line item on the budget adopted by the board last June; John inquires why the expense is not showing on this month's budget report; Kate Alice shares that the budget report is fluid as expenses are reconciled monthly and will be reflected on the November statement; Kate Alice distributes information about the fence; John inquires on the status of the purchase order; Kate Alice shares that ANS relies upon invoices for issuance of payments and purchase orders are not required; John opines that policy requires a purchase order and lack thereof is a violation of that policy; Kate Alice shares that her duties include maintaining safety of our children and installation of the fence was necessary to assure student safety during arrival and dismissal; Bill inquires why it took two years for this safety issue to be addressed and why Beacon did not install the fence given that they own the property; Kate Alice asserts it has always been an issue and is was unaffordable in previous years; Bill disputes the affordability of the fence given anticipated cuts from the state; Chris shares that the scope of the lease agreement dictates the school absorb costs for maintenance or improvements; Bill inquires if Beacon tracks the improvements and intends to issue credit to the school for the improvements; Chris asserts that said improvements are not reflected in appraisals; Michelle acknowledges Bill's position that we be judicious with our expenses, but that the HOS should be permitted to move forward under the current budget as allocated and if we need to make changes to the budget in the future hold the HOS accountable for those changes; Julie inquires why the budget line item is in the budget if we didn't want to allow for the expense of the funds; Bill asserts that the Board considered removing \$200,000 from the budget in April 2010 and the board decided not to do that; Julie also asserts that the Board needs to specify line items in the budget if the board wants to see certain items purchased for the campus; Kate Alice requests that Tom Williams be invited to provide advice when the Board is considering operating policies; John inquires if Ms. Holthouser was consulted about sharing the cost of the fence; Kate Alice asserts that many conversations have been held with Ms. Holthouser regarding arrival/dismissal, however she was not approached about a joint venture in this regard. Evelyn moves to discontinue this discussion; Michelle seconds; unanimous approval; motion carried. The next inquiry regards the expenditures in campus maintenance; Kate Alice asserts that the primary expense in that line item is the cost for painting the buildings but it also includes custodial supplies, etc. John requests confirmation that only a small amount of the budget remains for the remainder of the year and will that get us through the end of the year; Kate Alice affirms and anticipates that there is sufficient allocation in that budget to accommodate all expenses; the next inquiry is how will a shortfall in that line item be addressed; Kate

Alice affirms that reallocation from a line item in that budget allocation would be the first step and if allocation from another budget allocation would have to be approved by the board; inquiry on the status of federal stimulus money moving forward; Kate Alice affirms that future budgets do not include those funds as they are not expected to be available; John clarifies that the federal stimulus funding is in the current budget; Kate Alice affirms that it is in the current budget and is generally identified on a separate federal budget report, which she will obtain from Tom Williams and forward to Bill. Projections for 2010-2011 are discussed; Twan shares that Tom Williams has expressed that it is far too early to forecast projections for 2010-2011. John expresses concern over the rumors floating around about the pending reductions in funding from the state. Along those lines, Bill requests that Kate Alice examine the budget and identify items that can sustain a cut without hindering the operation of the school. Anne questions if our current budget reports accurately reflect our current enrollment; Kate Alice affirms. The finance meeting that was scheduled last week was cancelled because of the NC Alliance dinner in Charlotte; the next finance meeting is scheduled for November 11. Dates for Bill to receive the monthly budget report have been changed to the Monday before the scheduled monthly finance meetings. John inquires of the athletic fund and was the opening of that account authorized by the Board and policies that support the financial oversight of the account. Anne moves to close the Donation Account; Bill seconds, unanimous approval motion carried. John also expresses a need to revise the policy that prohibits the HOS from obligating the school for expenses that cannot be repaid within a limited period of time; Bill recommends that John submit suggestions to the policy and procedures committee for consideration; Michelle supports Bill's recommendation; John also requests that advance notice of further site improvements be provided moving forward; Bill supports this suggestion. Kate Alice suggests that the Board discuss this further and come to an agreed upon understanding given the needs of the campus; she further opines that we continue to move forward to provide a safe and effective learning community which requires the need to make substantial decisions of expenses. Anne opines that budget allocation overruns not be funded from the operating surplus.

- Communication Documents Online. Twan affirms that board meetings are noticed on the public website. Kate Alice expresses gratitude to Leslie Kidder and Tim Rhodes for their efforts in posting information on Edline; the survey results are available on Edline, a portion of the policies are posted; approved meeting minutes are posted timely. Anne inquires if the NC Working Conditions survey will be posted on Edline; discussion ensues regarding the value of that survey to our families; Kate Alice asserts that survey can be accessed through the NC Report Card link. The Family Council meeting is scheduled for November 16th at 7:00 p.m.
- Head of School Report. Kate Alice updates that Board reports will continue to be distributed on the previously arranged schedule, regardless of the new distribution dates for the budget reports. She expands upon actions underway in each school. She is pleased with progress to date; Academic Partners are engaged. Chris requests an update on the Carpool Connection; Leslie explains how the Carpool Connection works and to date we have received 26 responses/inquiries. John inquires if that includes anything with a bus transportation; negative. Anne questions the status of QIS responses; Leslie states that questions are coming in and responses are being posted; a FAQ of QIS responses is developing.
- New Directions for future board meetings. Twan requests that all board members respond to the post-meeting surveys promptly. Twan shares suggestions regarding streamlining of minutes and the need to permit sufficient time to discuss open session items. Bill inquires if the HOS report is posted on Edline and requests that Kari Jolly's report be pulled from the online posting; John inquires of the buffer for these decisions; the open meeting is the opportunity to pull reports that should be kept confidential. John inquires if the KF has provided an updated fundraising goal; there is no new information at this time. Given that there is no new update this evening, John inquires the best way to pursue that information; Twan will extend that inquiry. Anne shares that she will forward KF meeting

minutes to Twan which will support this inquiry. Michelle also inquires the level of pledges coming due by the end of 2010.

- John moves to take the meeting into executive session; Evelyn seconds. Open meeting adjourned at 7:46 p.m.