

Saginaw Covenant Academy
508 S. Washington Avenue
Saginaw, MI 48607
(989) 596-1100

BOARD MEETING
SAGINAW COVENANT ACADEMY
BOARD OF DIRECTORS

Date: December 4, 2024
Time: 12:00 P.M.
Location: 999 S. Washington Ave, Saginaw, MI

MINUTES

MEETING TYPE: Regular Special Proposed Approved

A. Call to Order-Meeting was called to order at 12:03 PM

B. Roll Call

Ty Mier, President	x Present	oAbsent
Dr. Elsa Olvera, Vice President	x Present	oAbsent
Becky Gerzseny, Treasurer	x Present	oAbsent
Mike Jury, Secretary	x Present	oAbsent
Carrie Schultz, Member	x Present	oAbsent

Other Attendees:

Tim Ostrom, CAF	Dr. Matt Cawood, GVSU
Steve Killey, CAF	Mitchel Piper, Legal Counsel
Bailey Singh, CAF Financial Manager	Jennifer Carpenter, CAF
Keith Platte, CAF	Amanda Acker, CAF
Todd Boone Guest	Jeff Ichesco, CAF
Joe Kaplan, CAF	Brian McFarren, Brickley DeLong

C. Public Comment on Agenda-None

D. Mission Statement-Ty read the mission statement

E. Approval of Agenda

Motion: Elsa motioned to approve the agenda

Support: Carrie seconded the motion **Ayes: 5 Nays: 0**

F. Approval/Acceptance of Standard Business

a. Approval of the following board meeting minutes

i. Regular Board Meeting Minutes - October 23, 2024

Motion: Mike motioned to approve the minutes

Support: Elsa seconded the motion **Ayes: 5 Nays: 0**

b. School Report - Enrollment/Retention Update/Mission Accomplishments

Ty stated that there have been a lot of moving parts in the last 30 days. Ty asked for an update from CAF from Joe or Tim.

Joe Kaplan - The Organization has gone through a metamorphosis in a leadership standpoint;

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The superintendent abruptly quit 6 weeks ago, and CAF realized they needed a change in leadership because Sam is getting older and doesn't want to drive to all three schools; CAF felt there were internal candidates that were "ready"; CAF apologizes that decisions and moves were made without consulting the SCA board, CAF has great confidence in the group:

Tim's role = School Leaders report to him;

Steve's role = administrative folks report to him;

CAF feels they are now in a good place; CAF needed additional guidance through the transitions Jeff Ichesco introduced. Sam is no longer leading and is still CEO/Board Chair, but no longer day-to-day.

Tim - When the position came open he was happy to step into it and recommended Matt Hyatt for School Leader;

Tim is still in the building to oversee and train Matt. Steve is the new Director of Operations; replacement for English teacher (Steve's role) has started. No replacement for Social Studies (Matt's role) but applicants.

Ty - Reviewed timeline

Nov 1 - Tim named to new position and then modified on Nov 8 with additional duties

Right before thanksgiving, Jeff added to the consulting role,

Ty wasn't sure when Steve took his role, Tim stated it was Nov 11.

Ty stated that timing of notices and distractions to the school is evident; these additional duties are taking Tim and his team away from the students at a time when SCA has more students than ever; should have been better plans.

Ty stated that these changes prompted GVSU to look more deeply at SCA and ask questions regarding Matt's ability to jump into School Leader role; he didn't have the required qualifications at the time of the transitions which caused GVSU concern about staffing at school.

Ty stated these changes took away from the whole team and the mission of the school. Ty stated that he agreed with Joe Kaplan that the timing and communication from CAF was lacking dramatically; that he found out about these changes along with everyone else via email; when changes are being made that affect the school and students and dramatically impact the teachers ability to serve kids the board should have been aware; concerned about lack of information from CAF.

Elsa congratulated the SCA team, stated that decisions made from above should be respected, had no concerns or worries about the new team balancing the needs of students with their new roles, and offered board support.

i. Mission Accomplishments (Tim Ostrom):

Matt—shared enrollment numbers; priority is to recover students from previous years; shared daily average attendance; ways they are working to increase this number (bringing in parents for meetings); parent engagement is the focus at SCA.

Tim shared that some of the dropped students are "reverse transfers," kids who earn credit and then return to their home school.

Matt - shared mission accomplishments - college and career readiness program took students to myCareerQuest at SVSU; SCA is partnering with other career prep programs at high schools; learning more about Saginaw Promise scholarship; Family Support Specialist working with grief counselors; Great Start Readiness; Michigan State nutrition specialists coming to SCA to present; Street Outreach is working on Tier 3 students to re-engage with 5 students; Behavior Interventionist helped student-parent get connected with shelter.

Carrie Schultz asked about health care for students and suggested Great Lakes Health Systems mobile services.

Tim stated that staff is helping students get signed up for health care (Medicaid).

Matt stated that SCA will be fine with the talent of the new team.

Ty agreed with Matt's sentiments but stated he was concerned because SCA has been short-handed and they continue to be short-handed.

Elsa requested data specifically geared to hispanic/latino and african-american and EL data for the next board meeting.

Mike requested a different color font for presentations moving forward.

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ii. Academic Progress Update (Mandy Acker):

Ty asked Mandy to present academic progress data. Mandy stated that the SCA team will share out as she doesn't have access to programs.

Tim shared Term 2 data = 180 courses passed, 90 credits and Term 1 = 50 credits earned

Ty asked how that compared to last year

Ty stated that he normally reviews this data with Mandy at the pre-board meeting, but this was not possible due to her lack of access to systems.

Ty stated that at future board meetings he wants to see more detailed academic progress data including data comparison from previous years - not just numbers but % of populations, % earning .5 credit, 1 credit, % of students overall and who is earning credits, what classes they are earning credits in.

Ty asked about the Superintendent's report and update on metrics like Doreen and Mandy would present. Tim stated there was nothing.

iii. Financial Update (Bailey Singh & Brian McFarren)

Brian presented the financial audit findings.

Internal controls and accounting - nothing identified, no concerns, checks and balances in place

13 factors looked at during the audit, 3 most important:

1. Difficulties in performing the audit - no issues encountered, 25% of audits he performs he runs into difficulties, this speaks to the ease of working with SCA finance department and Bailey. Brian stated that the team he works with in performing the SCA audit is Bailey.
2. Corrected and uncorrected misstatements and disagreement with management - nothing found. Brian stated this should show the board that they are getting good information on a regular basis
3. Management - no findings

Brian thanked Bailey for being well prepared.

Original budget had lots of unknowns, was projected to be in black by \$200,000. Final amended budget was projected to be in black by \$683,000. Final Budget was actually \$828,000. No significant budget variations. \$130,000 more in budget due to more than anticipated state aid. General administration line was over \$20,000. SCA pays 15% management fee to CAF.

Ty stated that the remaining funds in the administration line at year's end was due to staffing shortage; would rather spend more on the kids but the budget looks good. Goals of adding more to fund balance, paying off balloon payment, and cost of building addition were far exceeded.

Fund balance = 4.9 million, very healthy

Bailey stated that the additional student count throughout the year contributed to the increase in money available. SCA doesn't currently own the building, is leasing, so not a lot of assets, not a lot of liquid assets.

End of year obligations were less than \$100,000.

Becky thanked Brian and Bailey, had no additional comments in regards to audit.

Ty asked Brian who is the team that he works with at SCA to complete this audit, Brian stated only Bailey.

Mike asked Brian about possible changes due to current legislation, Brian referred to audit footnotes regarding these changes that may or may not affect the academy.

Bailey report-

Bailey stated she was told not to make a presentation for the board meeting but offered to review the information contained in the board packet.

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Per balance sheet: Current liquid cash = \$937,823 split between checking and money market; made a \$300,000 transfer to MiLaff investment account in November, will earn 5% interest on that. Will keep that money there until it's time to make balloon payment in March.

Budget year to date is from October, and is working on November.

There will be difference in salaries due to transitions at SCA to CAF.

Will be looking at utilities cost.

Doesn't expect many amendments at adjustment time.

Ty stated that the \$900,000 is allocated in the budget to pay the balloon payment due in March so this projected balance is showing as a negative (-).

Ty stated that the \$900,000 cash flow is in account earning some interest to offset balloon payment.

Ty stated that he has had discussions with Joe Kaplan (CAF) about the building which is owned by CAF. The plan is to make the balloon payment in March and the intent is for CAF to sign over the deed for the building to SCA. SCA will then own the building and have it as an asset on the SCA books which would allow SCA to invest in that asset.

There are funds set aside to complete a construction project on the building; ARPA and Foundation commitments, and 1 million set aside once the renovation project starts. SCA Board is concerned about investing in an asset that they don't own. Ty had asked Joe Kaplan to discuss with CAF board this concern.

Joe Kaplan stated that during his discussion with Ty, the way it was proposed, CAF was going to be "held hostage" on the sign off of the deed. Joe stated this is not going to happen. He stated that CAF owns the building and \$800,000 of the \$1.1 million has been generated by CAF and is CAF's project and assets. CAF would like to work with SCA, wants SCA to understand that it is CAF's project and would appreciate SCA helping to support this project. In terms of deed sign off, Joe Kaplan stated CAF had every intention of following through with this sign off and turning over ownership but under the current circumstances CAF needs to have more conversation.

Ty stated he did not mean for any conversation with Joe Kaplan to be interpreted as CAF being "held hostage" rather the goal was for Ty to be able to answer boards questions about fiscal responsibility and making a payment of \$900,000 on a building with the intent of taking over the deed at that point.

Joe Kaplan stated that a lot of this was cast on this 8 years ago, that CAF did a lot of work to get SCA up and running, to get funding to support the building renovation and to have cash flow. He stated that he understands SCA has a fiduciary responsibility but as a part of a guarantee SCA signed, Joe stated that he didn't think this was the forum to discuss but he has asked Jeff to work with SCA board regarding this conversation to assure alignment.

Ty stated that he looks forward to working with Jeff and coming up with a plan because SCA needs a facility that meets the needs of students and teachers. He stated that SCA has the funds to make the \$900,000 payment now and agreed that, at this point, more conversation is needed.

c. Legal Update (Mitchell Piper):

No update is here for support during this time

d. GVSU Update (Matt Cawood):

December 16 is a virtual board training.

School Performance Reports are in process.

Charter contract goals are being potentially revised; Matt asked Mandy if she had been in contact with Leah Breen regarding these goals and revisions; Mandy stated that her access to her email and files has been taken away so doesn't know anything about this.

Legislative Update - things are very up in the air, bills are stuck in the house and senate so no information to share.

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Ty asked for him and Jeff to be included in emails from GVSU to Mandy regarding goals to assure someone is getting this information.

G. Correspondence-None

H. Old Business-None

I. New Business-None

J. Discussion-

Expansion Project -

Ty stated that 80-90% funding obtained; still undecided as to expand or purchase; expanding current building makes the most sense but location could be valuable to new medical expansion and accessibility may become an issue. Ty shared an idea regarding partnering with Boys/Girls Club to combine funds and share building and encouraged having further discussion.

Elsa has concerns with this idea due to populations of each organization, including ages of children/students, accessing building, safety, transportation and others.

Tim stated that the stakeholders like the current spot and encouraged the expansion to move forward.

Elsa had questions regarding the due date for funds to be spent.

Joe Kaplan stated he thought some of these funds needed to be allocated in 2024 but not sure.

Ty requested Joe Kaplan discuss with Jeff this project and follow back up with Ty.

School Performance -

Ty stated that the number of students being served is climbing and growing but staff is distracted, this includes pulling Tim, Matt and Steve in a direction that was not the original intent.

Elsa - SCA team is doing great despite changes. SCA Board is focused on SCA.

Jeff - Committed to communication.

K. Public Comment on Non-Agenda Items-None

L. Reminder for next board meeting: Regular Meeting-Wednesday, February 26, 2025 @ 12:00 PM

M. Adjournment-Meeting was adjourned at 1:25 PM

Motion: Elsa motioned to adjourn

Support: Becky seconded the motion **Ayes:** 5 **Nays:** 0

MINUTES CERTIFICATION

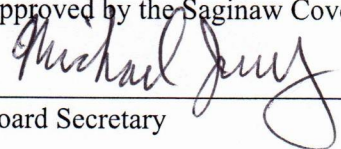
Jennifer Carpenter
Board Secretary/Recording Secretary

12/4/2024 _____
Date

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Approved by the Saginaw Covenant Academy Board of Directors on February 26, 2025.



Board Secretary

26 FEBRUARY 2025
Date

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