
MINUTES – October 24, 2016 - TRCS Board of Directors Meeting

Mission Statement: We will support each student's continuing discovery and development of self and community by providing a learning environment that is relevant, active and project oriented. All aspects of the student's experience at Two Rivers Community School will enhance his/her natural learning power.

Members Present: Lindsay Masland, Laura Mallard, Alex Serrano, Jessica Janc, Kevin Warner, Jonathan Carpenter, Bryan Martin, David Rizor, Natalie Oransky, Rachel Wood

CALL TO ORDER

- Meeting called to order by Lindsay at 5:38 p.m.
- Quorum established with 7 voting members present at call to order

MISSION STATEMENT

- Mission statement read by Laura

APPROVAL OF OCTOBER 24, 2016 BOD MEETING AGENDA

ACTION: Laura moved to approve today's meeting agenda (*attached to these minutes as Exhibit A*); Alex seconded – **MOTION CARRIED: 7-0**

APPROVAL OF SEPTEMBER 26, 2016 BOD MEETING MINUTES

ACTION: Jonathan moved to approve September 26, 2016 meeting minutes; Laura seconded – **MOTION CARRIED: 7-0**

CONFLICTS OF INTEREST

- None

PUBLIC COMMENTS

- None

GOVERNANCE PROCESS POLICIES

- ENDS 1-5
 - Read by Lindsay, Jonathan, Jessica

**ACTION: Bryan moved to re-commit to the above
ENDS policies; seconded by Jessica – MOTION
CARRIED: 7-0**

DAVID HOSTETLER VISIT

- David's training outline is attached to these minutes as *Exhibit B*
- We have flexibility to do at-will employment relationships with teachers
- A lot of laws are governed by a reasonableness standard
 - i.e. our duty of good faith and to act in the best interests of the school, did we act in a way that a reasonable person would believe was in the best interests of the school
- Due process is invoked when life, liberty or property is being taken by the state – we can only take these things away (right to education is a liberty/property interest) by giving notice, hearing and decision, and determining that the school was substantially affected
 - suspending a student for even one day invokes due process
 - in the case of suspension of less than 10 days, this requires telling the student you are planning to suspend him/her, listen to his/her side, and render a fair decision
 - in the case of a suspension of longer than 10 days (or firing a teacher), a formal due process procedure is required (governed by statute, hearing in front of board)
 - the reason we have closed session on employee termination is that otherwise we could potentially be defaming that person in public, which is taking a liberty interest
- In drafting a social media policy (David has templates), we need to be broad, and perhaps cite the trigger words (such as restricting activity that “substantially affects the school”)
- We might want to have a policy on how parental concerns are raised to Board members (if we feel it is necessary)
- Concerning FOIA requests, we do not have to release anything confidential, but otherwise any member of the public can request even our emails

CARRIED: 7-0

DIRECTOR'S REPORT

- Director's Report attached to these minutes as *Exhibit D*
- Virginia Fox is visiting TRCS tomorrow at 8:30 a.m., staying for an hour
- Ryan got BREMCO to do an energy audit concerning use and efficiency, and we will get those results and full report on how to address any issues
- We had a fight between two middle school students during a field trip, and both were suspended
- We gained and lost a few students since last month, net zero (174)

DEVELOPMENT DIRECTOR'S REPORT

- Development Director Board Report attached to these minutes as *Exhibit E*
- We are getting presented with the NC Green School award on Friday
- We are putting a lot of emphasis on events, grants and business sponsorships this year
 - Laura found us a grant source from a new organization - we are the first
- Go to the Cardinal tomorrow night
- Giving Tuesday is November 29th
 - We are having an event at AMB, a donation gets you a free beer
- If you are buying stuff on Amazon they ask you if you have a charity, and we are on there
 - Once you are signed up once, it automatically links you in, and a portion of every purchase goes to TRCS
- Looking for other restaurants for future Community Nights
- Jessica will look into nametags for Board and Staff, and will continue to look at shirt options

ADJOURN

- Laura moved to adjourn the meeting; Alex seconded – PASSED by consent
 - October 24, 2016 TRCS Board of Directors meeting adjourned at 8:06 p.m.

Two Rivers Community School
Board of Directors Agenda
October 24, 2016

We will support each student's continuing discovery and development of self and community by providing a learning environment that is relevant, active, and project oriented. All aspects of the student's experience at Two Rivers Community School will enhance his/her natural learning power.

5:30 pm Opening of formal meeting

- Call to Order
- Mission Statement
- Approval of Agenda
- Approval of Minutes
- Conflict of Interest

5:40 pm Governance Process, Board Leadership, Ends, and Executive Limitation Review

- Ends 1-5

5:45 pm Review of relevant legal issues with attorney, David Hotstetler

6:30 pm Executive Reports

- Chairs
 - FYI: Karen Trefz will assume chair duties in November
 - Strategic planning timeline
- Secretary
- Treasurer
 - Finance report
 - Approval of ModSpace contract negotiation
- Director

7:15 pm Committee Reports

- Development
 - Development Director's report
- Policy
- HR
- Academic Standards
- School Leadership
- Buildings and Grounds/New School

7:30pm Adjourn

ENDS-1 POLICY TITLE: Global

The students will have a life-long passion for learning and will recognize their place in and potential to affect the local and global communities to which they belong.

ENDS-2 POLICY TITLE: Academic Accomplishment

The students have a strong basic core of academic knowledge.

1. Each student will meet or exceed individually established academic standards for performance in all content areas based on the North Carolina Standard Course of Study. The content areas shall include, but not be limited to:

- a. Language Arts
- b. Mathematics
- c. The Arts
- d. Social Studies
- e. Science
- f. Technology
- g. Physical Education

2. Each student's skills will meet or exceed individually established standards for analysis, critical thinking, and presentation.

3. Each student will have the capacity and confidence to make decisions and use time wisely.

4. Each student will have the tools and the ability to learn, acquire, and evaluate information as needed through a variety of resources and current technologies.

5. Each student will have the ability to evaluate and value the quality of his or her own work, striving for excellence.

Each student will have the capability to recognize and appreciate the relevance of academic

content and its intrinsic value in his/her life.

ENDS-2a POLICY TITLE: Individuality

Students are self-confident and have personal visions and goals.

Students:

- a. Celebrate their own strengths
- b. Are self-disciplined
- c. Have self-respect
- d. Know that knowledge is essential and powerful

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ENDS-3 POLICY TITLE: Stewardship

Students are socially responsible and enrich the communities in which they choose to live.

ENDS-4 POLICY TITLE: Leadership

Students are leaders who use their core values and individual talents to inspire others throughout their lives.

ENDS-5 POLICY TITLE: Community

The school is a model of community stewardship.

Lex-is School Law Services

Legal Counsel, Instruction & Support for North Carolina Schools of Choice

www.Lex-is.com

TWO RIVERS BOARD LEGAL TRAINING & UPDATE

DAVID R. HOSTETLER, ESQ.

OCTOBER 24, 2016

A. Introduction

1. Meet the lawyer
2. Understanding legal basics and “strategic legal practices” (appendix)

B. 5 key legal principles

1. Board fiduciary duties: good faith, loyalty, and diligence
2. Reasonableness (vs. arbitrariness), standards of legality, and judicial deference
3. Mission integrity and internal legal compliance: bylaws, policies, contracts
4. Student/employee due process re. property and liberty interests: fair notice, hearing, and decision
5. Sunshine laws: open meetings and public records

C. A few scenarios

1. **Board and Administrative Roles and Procedures.** *Ms. Parent, a close friend of yours, is upset that her 9th grader has to read the book, the Scarlet Letter, because of its sexually-related subject matter. She calls you to complain and requests of you, as a board member, “to see what you can do” about it, and to help ensure her daughter can be exempted from the assignment. What should you do?*
2. **School Records and E-mail.** *The local newspaper contacts the school and requests to see copies of all board member emails for the past year. Must the school comply and, if so, how?*
3. **Employment Contract Decision.** *Mr. Jones is a long-time teacher and popular favorite among the students and parents; he is gregarious and does many extra things for the students. In the past couple of years Mr. Jones’ students have been performing poorly on end-of-year tests. He has been well supervised, and has been on a detailed action plan since the beginning of the year. It is the end of October, and observations and evaluations indicate that his class is headed for another year of very poor performance, and he is failing to fulfill many of the Plan requirements. The director now recommends to the board that Mr. Jones be dismissed at the end of the semester. What do you do?*
4. **Student Discipline Suspension and Expulsion.** *Johnny, a 9th grader, has been caught with an ounce of marijuana in his desk. The director has short-term suspended him and recommends a long-term suspension to the end of the school year. What are Johnny’s rights and the Board’s duties?*

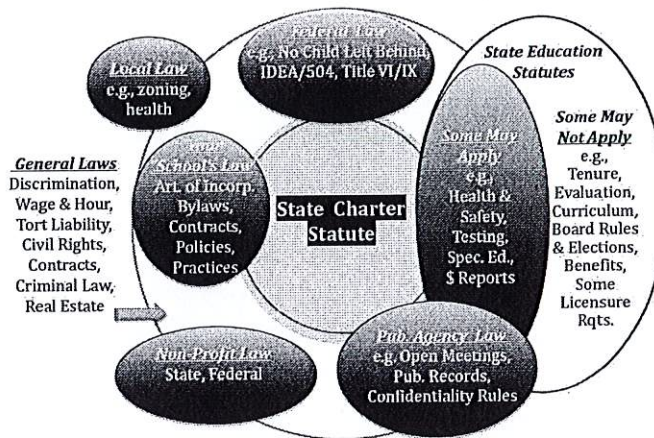
D. Q&A and Others Issues

1. LGBT, Bathrooms and State-Federal legal challenges
2. December 1, 2016: revised overtime regulations

Appendix A - Charter Law Basics and Strategic Practices

I. Charter Law Basics

Sample Charter Law Framework



A. Terminology, Hierarchy, Sources, etc.

1. External vs. internal rules
 - a. External: constitutions → statutes → agency regulations → court decisions → A.G. opinions
 - b. Internal: school charter → by-laws → articles of incorporation → contracts
2. Positive vs. common law:
 - a. Legislation or rules deliberately enacted (e.g., anti-discrimination, wage & hour statutes)
 - b. Judicially-created claims, rules, duties (e.g., law of negligence, defamation, contracts)
3. Civil vs. Criminal Laws
 - a. Differences burdens of proof: “preponderance of evidence” vs. “proof beyond a reasonable doubt”
 - b. Different parties: individuals/organizational parties vs. State v. criminal defendant

B. Partial de-regulation: exemption from *most* state public education laws

1. The NC Charter School Act: GS §115C, Art. 14a = §115C-218 *et seq.*)
2. Legal limitation and accountability vs. board discretion and flexibility
 - G.S. §115C-218.10: “*Except as provided in this Part and ... its charter, a charter school is exempt from statutes and rules applicable to a local board of education....*”
 - GS §115C-218.15: (a) “*All charter schools shall be accountable to the State Board for ensuring compliance with applicable laws and the provisions of their charters....*”
 (c) “*A charter school shall operate under [its] written charter ... [but is] not required to enter into any other contract. The charter shall incorporate the information provided in the application, as modified during the charter approval process, and any terms and conditions imposed ... by the [SBE]. No other terms may be imposed ... as a condition for receipt of local funds.*”
 (d) “*The board of directors of the charter school shall decide matters related to the operation of the school, including budgeting, curriculum, and operating procedures.*”

C. Major areas of school flexibility

1. Curriculum, grades
2. Teachers: licensure (50% requirement), salary, benefits
3. Partnerships and contracting practices
4. Employment arrangements (at-will contracts v. term contracts)

II. Strategic Legal Practices

Introduction: A legal toolbox for organizational excellence

1. Use the law to raise the “bar” of school quality (a culture of strategic legal practice)
2. Maximize board legal discretion and flexibility (minimize extralegal duties; e.g., personnel decisions)
3. Clearly establish and guard board-administration roles and process integrity (“stay in your lanes”)
4. Carefully prepare and review ALL contracts (beware vendor and employment problems)
5. Implement other effective legal systems & structures (governance committee, audits, effective counsel)

A. Use the law to raise the “bar” of school quality

1. Scenario: Hoke Co. Schools and NC Tenure Law: increased student proficiency, 54% → 82% (2004-09)
2. Apply the law’s meritocratic principles, commitment to high standards for teacher performance
3. Sergey Brin (Google): “Any conversation I have about innovation starts with the ultimate goal”
4. Is it “about the children” or not?

B. Maximize board legal discretion and flexibility

1. Example: Still v. Lance (NC 1971) - nonrenewal of contract for “regular permanent employment”
2. Comparison of traditional vs. charter school employment rules
3. Employment at will (EAW): may terminate employment for any/no reason, with or without notice
4. Exceptions: term contracts, legislative/constitutional protections, public policy

D. Clearly establish and guard board-administration roles and process integrity

1. Proper relationship of board and administration: defining and practicing respective roles
2. Respect boundaries of responsibility: deference to one another’s areas of responsibility
3. Due Process requirement for board members to remain neutral and unbiased

E. Carefully prepare and review ALL contracts

1. Vendor contracts may include vague, one-sided, autorenewal, and other unfavorable provisions
2. See Lex-is Resources NC Public Charter Schools Association article: “Effective Contracts” (2012)

F. Other effective legal systems and structures

1. “Pay now, or pay later:” risk management and cost-savings
2. Effective policy practices
 - Problems: short-cuts (“cut & paste policies”), too much or little policy, ambiguity, poorly written, inconsistency, poor training, outdated
 - Issues: how many policies, policy v. procedure, handbooks, generality v. specificity
3. Establish a Law & Policy/Governance Committee (nomenclature may vary)
4. Engage effective legal counsel
 - Board membership ideally includes at least one lawyer
 - Relying “On advice of counsel:” to fulfill board member fiduciary and good faith duties
 - Regular board-staff ethics and legal training (at least annually)
 - Prepares and/or reviews all contracts
 - Helps Governance Committee, and with governance audits, policy development, etc.

5. Implement a governance audit process

Annual Tasks; e.g.,

- Board/staff training on legal duties
- Review annual contract obligations
- Update policies per new laws and needs
- Review facilities/grounds for safety issues

5-Year Rotational Tasks; e.g.

- Yr. 1: Student safety, athletics, emergency plans
- Yr. 2: Contracts (employees, insurance, vendors)
- Yr. 3: Board Policy Series
- Yr. 4: Handbooks and procedures

- Teacher/staff contracts and decisions

Yr. 5: Charter, strategic plans, corp. documents

FINANCE COMMITTEE - SEP 2016			
BUDGET TRANSFERS - REQUEST FOR AUTHORIZATION			
Item Description	Current Budget	Proposed Change	Updated Budget
Fund Balance Appropriate @ July 1, 2016		362,588	
Previously approved Revenue Budget Transfers this year		(135,077)	
Previously approved Expense Budget Transfers this year		64,100	
Through Previous BOD Meeting - Forecasted Reserves		163,411	
Cash on hand Aug 22 - Operating Account: \$232,504.90			
Cash on hand Aug 22 - Legacy Account: \$27,187.68			
Real Estate Loan balance: \$161K (10 yr fixed 5.25%)			
LOC: Balance: \$0, available: \$85K			
Change in Revenue			
Federal 050	14,569	(2,069)	12,500
Initial allotment projection is lower than budgeted amount			
Subtotal - Revenue Changes		(2,069)	12,500
Change in Expense			
#5 Reproduction Costs	5,000	530	5,530
New Copier Contract (and copier)			
<i>Budget Re-categorizations (\$0 net change) FBA only</i>			
#1 Teachers	562,589	(61,829)	500,760
Moved Remediation to another line, cleaned up salaries			
#1 Remediation	-	39,433	39,433
Moved from Teacher line			
#1 B & A School	8,604	11,396	20,000
Held out from original budget-July transfers went to teacher line			
#1 Administration	130,400	11,000	141,400
Held out from original budget-July transfers went to teacher line			
#6 EC Services	12,000	(10,500)	1,500
Moved to Salaries & Social Security for OT			
#1 Therapist	-	9,754	9,753
Moved from EC Services to Payroll			
#2 Social Security	69,783	746	70,529
SS for Therapist			
Subtotal - Expense Changes		530	
Net impacts of "budget transfers" to / (from) reserves this period		(2,599)	
June 30, 2017 - Estimated Operating Account		160,812	
Includes Legacy			
FOR BOARD AWARENESS			
(no immediate authorization required; potential financial exposure items)		Impact	Comments
#1 General Classroom support (Aide)		\$30,000	\$15K part-time; \$30K full-time
#3 Instructional Materials		\$3,375	Sci Kits/refurb/dissecting scopes/primary scopes (Legacy)
#8 Pre-K Skills Program		\$3,500	

#14 Teacher Computers		\$11,000	Total Est=+/- \$13K (18 @ \$500 ea + software, accessories); \$2K funded at Aug 2016 BOD meeting--2K built into budget
#16 Development/Events		\$10,000	Endowment (Legacy)

	Change in Revenue	Change in Expense	Change in Reserves	Running Balance
Starting				362,588
July	-	43,400	(43,400)	319,188
Aug	(135,077)	20,700	(155,777)	163,411
Sept	-	-	-	163,411
Oct	-	-	-	163,411
Nov	-	-	-	163,411
Dec	-	-	-	163,411
Jan	-	-	-	163,411
Feb	-	-	-	163,411
Mar	-	-	-	163,411
Apr	-	-	-	163,411
May	-	-	-	163,411
Jun	-	-	-	163,411
accrual				163,411
	(135,077)	64,100	(199,177)	

**Director's Report
September 26, 2016**

Director's Report
September 26, 2016

1. Enrollment

- o We picked up an additional 5 students since the last board meeting. We will receive a portion of the state funding (5,800) based on how many days the students were enrolled during the first 20 days of school. As the year moves forward, we will receive county funding (based on (apx. \$1,000-3,000 per year depending on county) on a monthly basis as long as the student is enrolled at Two Rivers.

2. Playground

The new playground set is installed and students are playing on it. A concern was brought up by one board member about the need for special substrate. The playground was installed with certified playground mulch. The play area was already enclosed buy timbers to hold the mulch, so that portion of the original quote was removed, saving the school nearly \$1,000. The final cost was \$14,060.

- 3. In order to keep parents informed, most grade levels will be sensing out mid-term reports next week. Because mid-terms coincide with parent-teacher conferences, some grade levels will not send mid term reports until the second trimester.
- 4. Patrick Lipinsky and Beth Vossen spent to evenings one until almost 10 pm and another until about 8pm installing a new, single switch in the computer lab and rerouting the wiring. Previously, there were multiple consumer grade switches under the tables that were accidently unplugged from power. The new, single commercial grade switch is located in the locked closet in the computer lab.
- 5. Fix up clean up day.
- 6. School Report Cards will be released next month. That information is currently embargoed. However, the same information is available on the NCDPI website with public access. The information for Two Rivers:

Two Rivers will once again received a school grade of B
Two Rivers did not meet anticipated growth as a school

School & County Results (Percent Proficient)

	Math	Reading	Science
Two Rivers	73.0	80.2	91.7
Watauga	66.7	70.1	81.4
North Carolina (Apx)*	54.6	57.0	72.7

*Composite data not available. These numbers average grades 3-8 for North Carolina

Rankings of Two Rivers Classes among the 9 Watauga Schools:

Math	Reading
3—1 st	3—1 st
4—2 nd	4—1 st
5—1 st	5—1 st
6—4 th	6—5 th
7—1 st	7—4 th
8—5 th	8—3 rd

7. Contracts to be signed by the board
OT Supervisor Contract

State & Federal Submissions

Principals Monthly Report
EC Transfer Report
Small & Rural Schools Grant Verification

Tension Points

- EC Staffing & Space Transition

Key Performance Indicators:

No informal grievance meetings were held by the Director

No formal grievance meetings were held with the Director

Parent Meetings & Emails: Two Parent Meetings concerning behavior of a specific student & emails from the same parents; Two emails from parents concerned about an out of school interaction between their daughters; 1 email & meeting regarding fund raising for 8th grade; 3 emails thanking the school for purchasing the play set; 1 meeting regarding a parents concern for their child's mental state because of statements & actions at home

Totals This School Year	
Informal Grievance Meetings	0
Formal Grievance Meetings	0
Parent Meetings	4

Enrollment Report for the Period of August 19, 2016 to September 26, 2106

Grade	Current	Prior	Change	Capacity	Current Target	Comments	Wait List
K	21	19	2	22	22		0
1	19	19	0	22	22		0
2	21	21	0	22	22		0
3	11	11	0	22	22		0
4	22	21	1	22	22		4
5	23	23	0	22	22		0
6	20	20	0	22	22		0
7	20	17	3	22	22		0
8	17	17	0	22	22	1 returning- spring	0
TOTAL	174	168	6	198	198		4

Looking Forward:

August

Board Meeting: Aug 22@ 5:30

Finance:

Excom:

September

Board Meeting: Sept 26@ 5:30

Finance:

Excom:

October

Board Meeting: Oct. 24@ 5:30 pm

Finance:

Excom:

November

Board Meeting: Nov. 28@ 5:30 pm

Finance:

Excom:

December

Board Meeting: No board meeting this month

Finance:

Excom:

January

Board Meeting: Jan. 23@ 5:30 pm

Finance:

Excom:

February

Board Meeting – February 20 @ 5:30 pm

Finance –

Excom –

March

Board Meeting – March 27 @ 5:30 pm

Finance –

Excom – March 16 @ 8:15

School Board Appreciation Month Celebration

Open Enrollment/Open Houses

Board members attend open houses to meet potential families

April

Board Meeting – April 24 (Lottery) @ 5:30 pm

Finance –

Excom –

Lottery Held @ this meeting

Draft budget discussed at this meeting (based on data available)

Formal approval of Contracts for next year (Buffalo Cove, other programs)

Plan ahead for board retreat agenda

May

Board Meeting May 22@ 5:30 pm

Finance –

Excom –

Budget approved at this meeting

Staff contract (contracted & salaried staff) renewals approved at this meeting

Community Meetings held in early May

June

Board Retreat Dates – TBA

Excom-

Development Director Board Report 10/24/16

Fundraising Snapshot:

Goal for 2016-2017: \$50,100
- 17% of goal fulfilled

Grants Goal: \$10,000 (25% fulfilled)

Events Goal: \$23,500 (0% fulfilled)

- Two Rivers Live Goal: \$13,500
- Grandparents Day Goal: \$5,000
- Peace Feast Goal: \$5,000

Private Donations Goal: \$11,600 (40% fulfilled)

Business Sponsorship Goal: \$5,000 (30% fulfilled)

Upcoming & ongoing fundraisers & campaigns:

Community Night at The Cardinal (tomorrow starting at 4 p.m.)

8th Grade Raffle

Pints For Non-Profits

Giving Tuesday Campaign & Event at AMB

Amazon Smile

End Of Year Appeal

BOD Requests:

- I need a short story to why you are involved with the Board or Two Rivers Community School. These stories will feed into our fundraising efforts for the year.
- Community Nights- I need connections to restaurants
- Attendance for Virginia Foxx visit, Community Nights, Chamber of Commerce Events, and school events
- Board of Directors and staff name tags- Who is leading this project?