

Career Academy of South Bend, Inc.
Minutes of Meeting of Board of Directors
April 28, 2020

Directors Present: Dan Adams, Kay Antonelli, Larry Garatoni, Michael Garatoni, Marian Hodges, Mark Melnick, Lori Smith

Absent: Chad Hartzell, Nick Swisher

Staff Attending: Alex Hammel, Dean Fecher, Jeremy Lugbill, Nick Garstka, Kim Richardson, Rob Koehler

Also Attending: Brian Pawłowski, Emily Gaskill, Charles Loeser

Larry Garatoni called the meeting to order at 5:00. The meeting was held by Zoom.

A. Prior Minutes. The minutes of the prior (February 25, 2020) meeting were approved.

B. Superintendent Position. Larry announced that in view of the Corona-virus situation, Alex has offered to stay on for another year as superintendent, i.e., through the 2020-21 school year, and after that to give at least eight months notice if he decides to leave.

C. Enrollment Update. Marketing Director Rob Koehler listing new applications for each grade for 2020-21, with 54 for kindergarten and 110 overall. Alex noted that the new student-focused enrollment ads (<https://www.youtube.com/watch?v=HXQXle9tFR4&feature=youtu.be> for Success Academy and <https://www.youtube.com/watch?v=Gt83OppPzwl> for Career) have been well-received.

D. School Operations/E-Learning Up-date.

1. E-Learning Update. Jeremy reported there's been a good response to E-Learning but the lack of direct student-teacher interaction is definitely a drawback. Dean reported Success students have been allowed to take the I-Pads home for the first time. Many students have done well on Zoom, Dean said, but not all students have shown up on Zoom. Some parents are having difficulty but many are doing a great deal.

2. Accountability. Jeremy explained there will be no ILEARN or ISTEP testing this school year and the Indiana Department of Education will leave all schools with the accountability grades they received in 2018-19. Dean added that the IREAD test for third graders has also been cancelled this year.

3. Grading. Because with E-Learning it is not possible to know how much parents have contributed to the work, Dean said, Success has moved to pass-fail grading for the second semester, as the IDOE has recommended.

4. Attendance. Dean said attendance via E-Learning has been about 90%, placing the year-to-date rate at about 95%.

5. Teacher Evaluations. Jeremy explained that evaluations from 2019-20 will be carried over for most teachers. For new teachers, the first semester evaluations will be used. Dean has done new evaluations when requested by teachers who feel their performance is significantly improved over last year.

6. Graduation Ceremony. Jeremy explained there will be a drive-through graduation ceremony on May 30. Former principal Lydia Jagger will present a video commencement address.

7. Last Day. Alex announced the last day of the school year will be May 22.

E. Food Service Update & Contract Renewal. Steven Stutz from Chartwells, Food Service Director for Career and Success, presented the proposed contract renewal for the 2020-21 school year, with a 2.6% increase in fees based on the Consumer Price Index increase for food away from home for the Midwest region. Alex remarked that food service continues to be excellent and renewal is recommended. The board unanimously approved the renewal. Steve reported meal service has continued during the shut-down, expanding from about 80 meals on the first day to about 1,400 meals today. Parents drive up, tell how many kids they're picking up, and are given meals to go.

F. Athletics Conference Change. Alex commented it's been discussed before but he feels worth reminding that CASB has joined a new athletic conference (the Hoosier Plains conference). Athletics Director Geriann Druyoss has led this and has done a great job. The number of students participating in athletics has increased and athletes have done better this year than any prior year.

G. 2020-2021 Budget. CFO Kim Richardson presented the interim 2020-21 budget, which is based on 2019-20 enrollment and is to be updated in the Fall when actual enrollment is known. On motion made and duly seconded, the interim budget was unanimously approved.

H. Trine Report. Emily Gaskill presented the Trine Team's report, noting that with the shut-down Trine has not visited the since February. She noted there's been improvement in financial conditions, including completion of the 2017-18 audit. She commented Trine appreciates that the three schools submitted E-Learning plans to the IDOE that were on-time, complete, and properly prepared.

I. Building Expansion. Larry explained that due to the growth in enrollment this year, he's obtained from Panzica Building Corporation a proposal for a building expansion as per the plans emailed to the board, for which he's willing to loan funds as described in Exhibit A. Alex said this would provide four additional classrooms and an expanded cafeteria and music room. If enrollment growth continues, Alex said, we'll need more classroom space in the future, but the proposed addition is the best way to obtain additional space needed for the 2020-21 school year. Larry noted the project cost is slightly less than \$2 million. Upon motion made and duly seconded, the board voted (with Larry, Mike Garatoni and Lori Smith abstaining) to accept Larry's offer of interim financing and to proceed with the addition.

J. Public Comment. There being no comments, questions, or further business, the meeting was adjourned at 6:02 pm.



Charles M. Loeser, Assistant Secretary

RESOLUTION OF THE BOARD OF DIRECTORS

The undersigned members of the Board of Directors of Career Academy of South Bend, Inc. (the "Corporation"), on April 28, 2020, approve the following motion:

Whereas, the Corporation's enrollment growth requires additional classrooms;

Whereas, Lawrence Garatoni, President of the Corporation, has obtained from Panzica Building Corporation ("PBC") a design for an addition and remodel of the Career Academy building providing five additional classroom, enlargement of the cafeteria, and an improved/enlarged music room at cost of approximately two million dollars (the "Project");

Whereas, Mr. Garatoni is willing to make a loan to the Corporation (the "Loan") from the Garatoni-Smith Family Foundation ("Foundation") to finance the Project on the following terms:

1. The Corporation shall use its best efforts to secure grant financing from other sources for the Project ("Grant Financing");
2. The Corporation shall authorize Mr. Garatoni and Alex Hammel, Superintendent, to negotiate with PBC to reach agreement for completion of the Project by October 1, 2020 at cost not to exceed \$2,000,000;
3. Upon completion of the Project, the Corporation shall execute a promissory note (the "Note") payable to the Foundation for
 - a. the lesser of the Project cost or \$2,000,000
minus
 - b. the Grant Financing, if any, obtained for the Project;
4. The Note shall provide for interest at 3% per annum with amortization over ten years with fixed monthly principal and interest payments beginning February 1, 2021
5. At Mr. Garatoni's discretion, the Note may be secured by a mortgage on the Career Academy building and lands, to which the existing mortgages held by the Foundation and Mr. Garatoni shall be subordinated;

Whereas, Mr. Garatoni together with Michael Garatoni and Lori Garatoni Smith are abstaining from voting on the proposed Loan;

Now, therefore, the Board of Directors, with such abstentions, hereby resolves:

1. Mr. Garatoni and Mr. Hammel are authorized to act for the Corporation to reach agreement with PBC for completion of the Project and take all action needed for such purpose;
2. The Corporation accepts Mr. Garatoni's offer of the Loan;
3. Mr. Hammel is authorized to act for the Corporation to execute a Note and mortgage as described above and to deliver the same to the Foundation.

APPROVED BY: DANIEL C. ADAMS, KAY ANTONELLI, MARIAN HODGES, MARK MELNICK.