



**Minutes of a Meeting of the Board of Directors
of
Casa Esperanza Montessori
held on
July 1, 2021 at 6:00 p.m.**

The following are minutes of the meeting of the Board of Directors of Casa Esperanza Montessori Incorporated, a North Carolina nonprofit corporation (the “**School**”), held via videoconference at the time and date noted above.

Member	Present	Absent
Monique Taylor, Chair	X	
Seraka Davis, Vice Chair	X	
Alice Ward, Treasurer	X	
Mike Slipsky, Secretary	X	
Jon Lee	X	
Monica Perry	X	
Seth Wood	X	
Thomas Miller, Interim Head of School	X	

Proper notice having been given and a quorum of directors being present, the meeting was called to order by Mrs. Taylor at 6:00 p.m.

I. WELCOME

Mrs. Taylor welcomed everyone, including Dr. Miller as the newly appointed Interim Head of School.

Mr. Slipsky read the School's Conflict of Interest statement and its Mission Statement.

II. CONSENT AGENDA

In the first matter to come before the meeting, Mrs. Taylor proposed to add two closed-session items to the previously circulated Agenda for the meeting: (1) discussion of a sublease proposal, and (2) certain personnel matters. Mrs. Ward made a motion to amend the Agenda to add the aforementioned items as closed-session matters, which was seconded by Mr. Lee. The motion was unanimously approved by a roll call vote.

III. MINUTES FROM JUNE 17, 2021

The next matter to come before the meeting was the approval of the Minutes of the Board's June 17, 2021 meeting. Mr. Slipsky made a motion to approve said Minutes, which was seconded by Mrs. Perry. The motion was approved by all Board members other than Mr. Wood, who abstained because he was not in attendance at the June 17, 2021 Board meeting.

IV. PUBLIC COMMENT

Mrs. Taylor then asked if there were any persons in attendance who would like to make public comments, and she requested that any such persons enter their names into the videoconference's chat feature. No attendees indicated an interest in making public comment at the meeting; therefore, none was made.

V. ANNOUNCEMENTS

Next, Mrs. Taylor introduced Dr. Miller of Leaders Building Leaders as Interim Head of School. Dr. Miller made introductory remarks and mentioned that he has been involved with Casa from time to time since 2012. He also mentioned that the transition team is working through the interviewing and hiring process for new Head of School candidates. He also stated that he would be reaching out to School staff and other stakeholders to discuss how they can be involved in that process going forward.

VI. NEW BUSINESS

A. TEACHERS & STATE EMPLOYEES (TSERS) RETIREMENT PROGRAM

In the next matter to come before the meeting, Mrs. Ward gave a PowerPoint presentation regarding the School's participation in TSERS and its recent and projected impacts on the School's finances. She observed that (a) the School's contributions to TSERS have grown from 3.42% of payroll in 2003 to 21.68% of payroll for FY20-21; (b) the School's contributions to TSERS are not held in employees' names but rather go into the general pool for all participants; (c) TSERS requires participating employees to make a 6% contribution annually, whereas the 457 plan allows employees to have much more flexibility regarding their contribution levels; (d) based on discussions with TSERS staff members, there is no reason to believe that required contributions to TSERS will decline or even stabilize due to actuarial trends among participating employees—i.e., longer lifespans; (e) there is no ability to “grandfather in” current employees with TSERS while requiring new hires to participate in a 457 plan; and (f) fewer than one-third of North Carolina's approximately 200 charter schools participate in TSERS, which is indicative of the tension between the charter school financial model and TSERS's growing financial burden. Mrs. Ward concluded that for all of these reasons, continued participation in TSERS is not financially sustainable for the School, especially in light of our other strategic plans and goals. She went on to discuss the logistics of officially giving notice to TSERS of School's intent to leave the TSERS plan—i.e., notice will need to be sent by Mrs. Taylor in her capacity as Board Chair and reference the Board's vote to leave TSERS. She also noted that if timely notice is given to TSERS (i.e., by the end of July 2021), the quoted amount of the School's TSERS exit liability (which would be funded by bond proceeds) will not change because the next calculation is not scheduled to occur until October 2021. Mrs. Ward also mentioned that, if the School leaves TSERS, it will need to purchase disability insurance for its employees because that coverage was included in TSERS. The School's premium costs for disability insurance have been priced and are not expected to be a material expense.

Mr. Slipsky made a motion to approve the School's cessation of participation in TSERS and to approve giving the withdrawal notice to TSERS prior to the end of July 2021, which was seconded by Mr. Lee. The motion was unanimously approved by a roll call vote.

B. CHANGE OF REGISTERED AGENT

The next matter to come before the meeting was the appointment of a new registered agent for the School due to the departure of Mrs. Connor as Head of School, who had previously been appointed to that role. Mrs. Taylor stated that the Executive Committee recommended that the Board continue to appoint the then-current Head of School to serve as the

School's registered agent, which would mean appointing Dr. Miller to that position during his tenure as Interim Head of School (and then appointing the new permanent Head of School to that role upon his or her hiring).

Mr. Wood made a motion to appoint Dr. Miller as the School's registered agent, which was seconded by Mr. Slipsky. The motion was unanimously approved by a roll call vote.

C. INSURANCE RENEWAL

The next matter to come before the meeting was the renewal of the School's insurance policies. Mrs. Taylor discussed the information provided by the School's insurance broker, which was available for review by the Board. The overall premium cost increase from the prior year was negligible. Mrs. Davis noted that the "Other employees" coverage appears to have changed from \$19,500 to \$100, and she agreed to contact the School's insurance broker to understand why that change was made and determine whether that level of coverage is appropriate.

Mrs. Ward made a motion to approve the renewal of the School's insurance policies for the 2021-2022 year, which was seconded by Mrs. Perry. The motion was unanimously approved by a roll call vote.

D. SERVICE AGREEMENT FOR SPEECH THERAPY SERVICES

The next matter to come before the meeting was the proposed contract between the School and its speech therapy service provider for the 2021-2022 school year. Mrs. Taylor observed that Mrs. Connor had previously approved the form of the proposed contract, and Dr. Miller had no objections to it. Mrs. Taylor also noted that the services contemplated by the proposed contract appeared to be very consistent with past services contracted by the School for speech therapy.

Mrs. Perry made a motion to approve the proposed contract with the School's speech therapy service provider, which was seconded by Mrs. Davis. The motion was unanimously approved by a roll call vote.

E. SIGNERS ON THE SCHOOL ACCOUNT

The next matter to come before the meeting was the removal of Mrs. Connor as an authorized signatory on the School's bank accounts. Mrs. Taylor explained that Mrs. Connor needed to be removed from that role due to her departure as Head of School, but she did not believe that the School would need to add Dr. Miller as an authorized signatory at this time because Mrs. Taylor and Mrs. Ward also having signing authority and can handle check-signing duties until a new permanent Head of School is hired and added as an authorized signatory.

Mr. Lee made a motion to remove Mrs. Connor as an authorized signatory on the School's bank accounts, which was seconded by Mr. Wood. The motion was unanimously approved by a roll call vote.

VII. OLD BUSINESS

The next item on the Agenda was Old Business, of which there was none.

VIII. CLOSED SESSION

Next, Mrs. Taylor stated that the Board would need to go into closed session to discuss a proposed sublease and certain personnel matters.

Mrs. Perry made a motion to go into closed session to discuss such matters, which was seconded by Mrs. Ward. The motion was unanimously approved by a roll call vote, and the Board went into closed session at 6:36 p.m.

No action was taken in closed session. At 7:30 p.m., Mrs. Perry made a motion to leave closed session, which was seconded by Mr. Lee. The motion was unanimously approved by a roll call vote.

IX. ADJOURN

There being no further business on the Agenda, Mrs Perry made a motion to adjourn the meeting, which was seconded by Mr. Lee. The motion was unanimously approved by a roll call vote, and the meeting adjourned at 7:32 p.m.

Monique Taylor / 7/23/21 _____ Monique Taylor, Board Chair
Michael Slipsky / 7/23/21 _____ Mike Slipsky, Board Secretary