



West Virginia Academy, Ltd.

Governing Board Meeting

November 16, 2023 | 7:00 pm (EST)

Board Members Attending: John Treu (J. Treu), Frank Fidler (F. Fidler), Susan Dull (S. Dull), Trista King (T. King), Stephanie McWilliams (S. McWilliams)

Board Members Not In Attendance: Frank Oliverio (F. Oliverio), Allison Woods (A. Woods)

I - Approve Meeting Minutes to Prior Meeting(s)

J. Treu, I reviewed the meeting minutes and I have no changes. Are there any comments or changes.

No additional comments/changes were suggested.

Motion: S. McWilliams moves to approve the 10/19/2023 Board Meeting minutes as circulated. Seconded by S. Dull.

Discussion: None.

Outcome: Motion is unanimously approved by the Governing Board.

II – Proposed Amendments and Updates to Bylaws

Proposed amendments were circulated by J. Treu 11/9/2023 via email. Frank and Allison not in attendance for this meeting, F. Oliverio circulated comments and areas for discussion via email and Allison gave her proxy to Susan for voting on it. Uncertainty in terms of proxy use was discussed, confirmation of proxy uses to be confirmed and clarified for this circumstance and future reference.

J. Treu, so Frank gave at the end Bylaw changes will streamline processes and issues are listed first. All of us received the email, however, I'd like to open this up for discussion. I can address most of the questions pretty quickly:

A big party of the goal of this revision- for history the Bylaws were written for a Board that were also the Officers as this was the case in the first 2.5 years of the Charter. When we got funding, we then hired people to maintain Officer Positions. The Charter Law also requires that anyone paid or compensated can't sit on the Board. That division happened when the school opened, and we received funding. That is the difference between Governments, setting policies, hiring, and determining whether to continue the key Officers. Running the day to day is done by the Officers and Employees. The Bylaws as presently constituted presume the Board is running the school. This hasn't been the case for over a year. Some of the provisions talk about hiring/firing,

writing, and approving the checks, there are a lot of provisions in there that just aren't accurate for where we are now. A major goal is to separate out Governance from Administration. Governance is approving policies and picking the key Officers. The Bylaws weren't clear before, the purpose is to add the Executive Committee is administering the Operations. Are there any comments?

T. King, I think for me, better communication between the Board and the Executive Committee would be helpful as we all need to be on the same page. Kenney did circulate an email to help with that, however, I would love to be more involved with much better communication.

J. Treu, that makes sense. Does the provision need to change, or should this just functionally occur?

T. King, I think functionally better communication needs to occur.

J. Treu, there was a question on sole elected director. I believe we have this language if we ever got into a position where there were mass resignations, deaths, or you were below the minimum number of Directors. We do have legal obligations in terms of a minimum number and qualifications. The only time I see this happening is if the school closed and the Charter was revoked.

S. Dull, so this is a like a last ditch, if we ever closed.

J. Treu, yes. Other than in a closing, I don't see that this provision would matter.

J. Treu, as a Corporation, we don't have shareholders. The Members include the Board itself and up to three parents and three Employees. I trimmed this back because we now have the Foundation Board which is three people. Full time employees are also tricky as they are under the Officers and the Board and so they are appointing the Board Members. When we have talked around about it, they don't want to serve because they don't want to upset my boss and boss's boss. We have never used this provision, I looked at it and thought we could trim it back because of the Foundation. It can remain as three and three or we can trim it down to two and two.

J. Treu, the last one is a general question. What is the role of the Corporation as it relates to the Board, Foundation, Officers, etc.

J. Treu, the intention was that the Members always appoint the Board, the Board hires the Officers, and the Officers run the company. I think there is language that says the Board can just appoint someone to fill the vacancy. I wrote it that way because the Board and the Officers were all the same people. It should have been "the Members" instead of the Board, so that created two different ways to appoint- the Members can appoint in annual meetings, or the Board can just appoint it. The challenge is as an organization, we should have a community representation in terms of direction of the organization, in terms of having members (parents/employees/Foundation) it gives you a broader swath of who is on the Board. The

provisions where the Board can just appoint when there is a vacancy wasn't the intention and is problematic from 501c3 status, so its important to have community input. I wanted this to be clear that even with a vacancy, it is still the Members of the Board.

S. McWilliams, so Corporation, Executive Officers, Board, Foundation, there are four entities?

S. Dull, we really only have two entities, right? The School and the Foundation.

J. Treu, yes. Two entities, the School and the Foundation. The School created the Foundation.

S. McWilliams, who is in each of these groupings now? I agree with a wider swath, more division brings more brains to the table.

J. Treu, it might be helpful to read the resolution I circulated. So the original purpose of the organization was to start a Charter School to improve college readiness in the community and to support school choice in West Virginia. The challenge with that all under one hat is that as you get funding, you have to use it exclusively for the Students. If you hold land and property, if the Charter ever failed for whatever reason, all of that goes to the School Districts. From a donor perspective, it is a problem with their land/real-estate in the Charter School operating entity. So those were the two biggest concerns that prompted the Board at that time to create the Foundation.

J. Treu, part two- the Board directs the Foundation be established with three Board Members which shall include at least one or more members of the Governing Board or Corporation. So, a member of this Board has to be on the Foundation at all times, also an Officer. That makes it a related organization under the law. Susan, me, and Heidi, and Glenn are on the Foundation. I think a document was being finalized for removal of Glenn. If our Charter were ever revoked through litigation, the IP organization goes to the Foundation, so the Foundation can continue WVA as a Hope Scholarship funded school. As soon as you become a Private School, the law restricts you to converting back to a Charter School. So, the point is the Foundation is a backup if the Charter ever failed. The Foundation has a bank account and a 501c3 status which was achieved over the summer. Functionally it is a bank account, holding company for land, and would market in coordination with the Academy on Hope Scholarship services. The resolution was from 1/1/2020.

S. Dull, I think an answer to Frank's question, is there is no mega-board, it is two separate Boards that are related.

J. Treu, yes, we put our Board Members and Officers on the Foundation's Board. The Board and the Executive Officers are the Officer positions that we have appointed. The Members who vote on the Board do include the Foundation; they are voting members of who is on our Board. There are 7 of us, 5 Officers, if we appoint the others, there are 4 more, which would be the votes.

S. McWilliams, who are the others?

J. Treu, as currently constituted, the members would be the 7 on our Board, the Officers, there are 5, 6 including me.

S. McWilliams, who are the Officers? Heidi, Holly, Bogie...

J. Treu, yes it would be Heidi, the Board Chair which is me, Holly after her 6-month probationary period and the new Suji which is Trisha, and the Vice Presidents which are Kenney and Bogie. There are 6 Officers and 7 Board Members. There is potential for the other 4-6 parents and employees, and the Board of the Foundation.

T. King, so that is capturing all the Members?

J. Treu, yes, so that's a total of 22 members at this point at the Annual Meeting.

S. McWilliams, but some of those are repeat votes or aren't filled at all.

J. Treu, yes, some are repeat and some aren't filled because we haven't filled them. So the change to the Bylaws makes it so that in every instance the Members pick the Board.

J. Treu, I think we have gotten through Frank's questions, the main question is do we want to change any of these provisions we have reviewed? I would rather just get it done tonight.

S. Dull, I think the first one is a technical correction, I think we can leave the language in.

J. Treu, does anyone care to change sole remaining elected director?

S. Dull, no, hopefully we never get there.

J. Treu, the last one is on two parents and two employees, this was at my discretion since we are adding the Foundation.

T. King, so if we appointed two and two, they would have a vote consistently for everything?

J. Treu, the Members only job is to vote on the Directors which is usually in the Annual Meeting unless there are resignations.

S. McWilliams, my position would be to not change it, because you can always not fill the positions if they aren't needed.

J. Treu, it does give the Board discretion to include three and three then. Are there any other questions regarding the provisions.

T. King, I think this is a lot to digest.

S. McWilliams, Frank did send the red-lined version, it is a lot to go through.

S. Dull, I have a thought about going ahead and approving, we are coming under audit, and we will need to have our documents before they come into the field.

J. Treu, the audit is supposed to be completed by March so at some point we will get a request for all the documents. There is a pretty severe mismatch between the Bylaws and our Operations. If they see practices diverge from the Bylaws it is an internal control risk. Our next Board Meeting is in January and by then the document request would have been completed. There is urgency for that reason.

S. McWilliams, is it an option to conduct the vote asynchronously?

J. Treu, we can, but it would require unanimous resolution. I would not recommend that because one descending vote would push us to have Bylaws that aren't consistent with our practices.

S. McWilliams, is there an option to have another meeting in December? I know Frank had asked in email can we push the meeting back?

J. Treu, Frank was thinking can we push it back a few days.

S. McWilliams, Frank actually said it was a lot to digest and I agree. I'm trying to understand them. I don't think waiting until January is a good idea, but a proper conversation and time to digest would be helpful.

T. King, I would expect the vote to be unanimous, so additional time to digest would make sense. We could just add it into the minutes to approve the Bylaws by unanimous vote through email.

J. Treu, we could do any of these things, but we are subjecting ourselves to further risk. So if the thought is to delay, I would schedule it for next Friday and who wants to come in on Black Friday and hash this out? I don't, but if you want more time to adjust, we can schedule for Black Friday, I prefer not to do that.

S. McWilliams, why does it have to be Black Friday?

J. Treu, that is the quickest we can schedule. I think some of us are traveling so if we delay now, we are into December. It has been out for 7 days and I think we all had the document for a week to look at, I know it is a lot to digest but the changes were needed.

S. Dull, I think Frank being an Attorney and going through it, and I read through it, there are some things I thought about but nothing that hasn't been explained.

J. Treu, its not set in stone so if we amend it now and we decide there isn't something we don't like, 2/3 of the Board could vote to revise it. There is so much that is off right now that it is a pressing matter. The reason I went in was because of the PCYC provision, which is no longer effective, once I started reading through I realized we needed a more extensive revision. I'm nervous and concerned overall if we don't pass them tonight. We also have the YASS funding coming in, right now, if that gets split between the Foundation and the School, there is nothing

about that in the Bylaws. I'm hesitant to delay and my recommendation would be to pass them. Are there other questions?

Motion: S. Dull moves to pass the Bylaws as amended. Seconded by F. Fidler.

Discussion: None.

Outcome: Four in favor in addition to Allison's proxy. One abstention.

III – Address Officer Vacancy

J. Treu, as it stands right now, Heidi is President. The Bylaws modified the terms to Chief Executive, Chief Operating Officer, and Chief Financial Officer. The CFO role would be filled by Trisha once she finishes her 6 months. The COO would be filled by Holly once she finishes her 6 months, but I wanted to recommend accelerating Holly to appoint her now. For two reasons- Suji left so there are only two Officers on the Executive Committee and I think we want three. Normally we wait until 6 months is up, but Holly is doing a fantastic job. I would propose we appoint now as opposed to January. If we would like to discuss, we can address publicly or in an Executive Session. Susan has been hanging onto interim status for a long time. I think it would make sense to appoint and address terms now.

J. Treu, CEO is currently Heidi, Susan would be CFO until Trisha takes over, COO would be Holly. The CEO does say it operates as President, so its practically the same, we haven't removed Officers. If they are three-year terms, Trisha would come on in the Summer, Heidi has been in for 1.5 years so her term would come up the following Summer, and Holly would come after that, starting now, she would have 2.5 years. I think it works well to do it that way, so it would align with when they started in their roles. Are we comfortable with establishing those roles and terms?

Motion: S. McWilliams moves to appoint Holly as Chief Operating Officer with the term to end at the Annual Meeting in 2026, Heidi is CEO with term ending in 2025, and Susan as CFO with term ending 2024. Seconded by F. Fidler.

Discussion: S. Dull, with Trisha taking over? J. Treu, yes. S. McWilliams, we are doing this just to make it cleaner? And to be clear, if someone is rolling off of their term, they can be reappointed? J. Treu, yes, there aren't term limits, and they can be appointed or reappointed.

Outcome: Motion is unanimously approved by the Governing Board (J.Treu abstaining)

IV – Approval of WVA Intervening in Constitutional Challenge Lawsuit

J. Treu, there is still a Constitutional Challenge Lawsuit out there. There was an injunction that said Charter Schools couldn't open, however, it was overturned by the Supreme Court. Now that we are an operating school, we do have a legitimate interest in this case because it would

impact all of our families. So, we can intervene and become a party in the lawsuit. To do that, you have to pay Lawyers, however, two groups have approached us and really want this lawsuit to fail. They will hire the Attorney and pay the fees and do all the work- we just need you to be a party. So, I'm seeking board approval for us to join that lawsuit as a party and not pay any legal fees. There really isn't a risk, and the advantage is the publicity because it does impact us. It also gives us a seat at the table, so we know immediately what happened with the lawsuit. Is there a risk- not that I am aware of, it isn't costing us anything.

F. Fidler, will we win anything?

J. Treu, we won't get any money, but they are challenging what the PCSB can offer to Charter Schools, and there is grant funding that we could receive over 7 years.

T. King, I don't feel like there is a downside to this?

J. Treu, not that I am aware of. The cost is administrative time for Heidi and me, but I think its time well spent.

Motion: F. Fidler moves to join the Lawsuit. Seconded by S. McWilliams.

Discussion: None.

Outcome: Motion is unanimously approved by the Governing Board.

V – New/Additional Business

T. King, we had talked about the Handbook for Parents in a past meeting and in email, if we are updating the Bylaws, it is important to also make sure we are parsing away at things that need adjusted and updated.

J. Treu, yes so Trista had reminded me that I was to create a shared Google Document to view and make comments on the policies, I may delegate that to Holly. Holly, would you mind creating a shared document of the policies?

H. Honeycutt, Heidi has the most updated one.

J. Treu, we can't have a document that everyone can edit, however, with view only, where everyone can save and edit on their own computers.

T. King, would it be more helpful to work through a handful of pages at a time?

J. Treu, I think everyone needs access so proposed changes can be discussed.

S. McWilliams, comments can be added as opposed to making actual changes.

J. Treu, yes, I'll look into that. At a minimum we need that, I just haven't done it, and it is on me to do.

S. McWilliams, will we be meeting Trisha?

J. Treu, yes, so we are finalizing the closing of the books from last year. We are trying to make sure everything is closed out, we did identify some things like the textbooks and workbooks that are all on just the 5-year form, we do have to go back and make an adjustment there to revise. The group that is involved on the accounting side is going back to fix that, so we have the proper depreciation on those books. Once that is done, in the next meeting she will come and present last year's results and present a budget. We are behind on this process.

S. McWilliams, the next meeting is January 18th?

J. Treu, yes, items will include setting the calendar.

T. King, that was difficult last year so the sooner a copy can be circulated the better.

J. Treu, what I would like to do is push dates back a bit. Final date for applying and renewals might align in May so its an easier process. We want to pass the Academic Calendar and deadlines for enrollment and reenrollment.

F. Fidler, I don't know if we are still considering thoughts of the Preston County Campus, but one thing with the calendar that could potentially be an issue is the Buckwheat Festival. Preston County doesn't have classes that week, it could present issues with attendance if we hold classes that week.

J. Treu, if we offer classes, Glenn would need to make the donation, he still talks about it but I'm not sure what he is going to do.

S. McWilliams, we rent this building now, is that something we could consider at that location?

J. Treu, I wouldn't do that, the Board could decide, but given where we are I don't think at this point I would do that. We have a lease hold on the Falling Waters and that should be our focus for the next 6 months.

S. McWilliams, do we have an update on that?

J. Treu, we did extend the lease until May, it is a lease-purchase option. So it does boil down to how effectively we can operate. YASS funds come in when the startup grant comes in from the state, there is a lot of large funding coming in to start development. We don't want to overextend ourselves. We can close on it with just one grant, it will be more about the development which takes additional funds. I think we will close on the land by May, there is a lot of energy needed to put everything to work.

Motion: S. McWilliams moves to adjourn. Seconded by T. King.

Discussion: None

Outcome: Motion is unanimously approved by the Governing Board.

[Meeting minutes approved by Directors on 04-18-2024]