

**Board Meeting Minutes**

Desert Sky Montessori

62968 O.B. Riley Rd

Bend, OR 97703

May 17, 2023

Jessica Loukonen called the meeting to order at 6:15pm.

**Present:** Jessica Loukonen, Cara Nowak, John Eskew, Dave Trexler, Daisy Sexton, Kevin McKennon (6:18pm arrival), Jenna Wazny (6:18pm arrival)

**Also Present:** Heather Phillips, Deli Thordarson, Luke Racine (until 6:50pm), Tom Efthimiades (until 6:50pm), Brenda Bartlett (until 6:43pm), Darlene Weaver (6:18pm arrival)

**BUSINESS**

1. Brenda Bartlett: Audit Results Presentation
   1. Obtained evidence supporting their opinion that DSM’s financials are fairly stated
   2. Found PERS [Public Employee Retirement System] discrepancies, which DSM is already aware of and taking action to reconcile; would like to see the funds put into the accounts in a timely manner
   3. Some deficiencies were noted with DSM’s internal controls (ie processes in place to make sure financials are in place and that DSM is complying with the standards expected); these are not reportable, but are significant enough to make the board aware of them
      1. Grant compliance and revenue recognition: grants tend to be marked as risks because they have strings attached to them
      2. Turnover of management was flagged as a risk, as historical knowledge of the business is lost
      3. Some issues came up with DSMP’s [Desert Sky Montessori Primary] closing being finalized
      4. Before and aftercare funds being uncollected: does not look to be fraudulent, but would like to see a new process in place for tracking and collecting these fees
   4. John Eskew shared the letter he wrote which will go to the state concerning the audit results and what steps DSM will be taking to reconcile any issues
2. Financial/Treasurer Report
   1. Luke Racine
      1. Year Over Year: revenue is down, as district revenue came in later this year compared to last year; everything else is consistent
      2. Budget to Actual: salaries are flat; PERS are lower than budgeted; salaries are similar to budget; numbers have shifted due to some reclassifications
   2. John Eskew: fund balance is showing as stable from last year; next year’s budget is in process—currently reviewing projections for grants and fundraising

2023.05.17.01 Jessica Loukonen moves to approve the letter being sent to the Secretary of State concerning the plan of action to address the fiscal year 2022 audit. Dave Trexler seconds. Sending the letter to the Secretary of State concerning the plan of action to address the fiscal year 2022 audit is approved by unanimous vote.

1. Heather Phillips: Head of School Report
   1. Teacher Appreciation Week went well—the community really showed up and the teachers felt their gratitude
   2. In the process of finalizing staff for next year; lots of time has been spent this year on mentoring teachers
   3. Thanks Jenna Wazny for setting up DSM’s pint night at AVID
   4. Earth Day parade went well; looking into getting a banner to walk with since this is something DSM participates in yearly
   5. RPS [Rock, Paper, Scissors] is this Saturday
   6. Field Day is being planned: able to have the entire school participate on the same day because of the new site; upper el students are planning activities for the entire day
2. Deli Thordarson: Business Director Updates
   1. Facilities updates
      1. Plumbing: the property manager had a camera sent down the toilets—found pencils that were causing the obstructions; property manager is sending a professional under the buildings to make sure the pipes are in good working order
      2. HVAC system: having continuous issues, most likely due to improper maintenance in the past; repairs are scheduled to be completed once school is out, but have requested they are done sooner
      3. Daisy Sexton: wonders what facility-related maintenance needs to happen over the summer break
         1. Heather Phillips: would love to have the floors waxed and the windows thoroughly cleaned
      4. Jenna Wazny: wonders about the lighting outside for aftercare
         1. Deli Thordarson: a parent has installed solar lighting, which is a good solution for now, but a more long-term solution may be needed in the future
      5. There is some concern about security with people holding the doors open for others when coming into the school; considering adding an additional security door to the main building’s lobby so that there are 2 points for visitors to be buzzed in
         1. John Eskew: wonders if some signage addressing this would suffice
         2. Kevin McKennon: wonders if there could be funding available for an additional security door through BLP

2023. 05.17.02 Daisy Sexton moves to approve the minutes from April. Kevin McKennon seconds. The minutes from April are approved by unanimous vote.

1. Jessica Loukonen: Board Chair Updates
   1. Rick Stucky at OSBA [Oregon School Boards Association] sent his final proof of DSM’s board policies to Jessica Loukonen, but they still contain multiple errors (ie the errors the board has specifically requested to be changed have not been fixed); will send another page of corrections for him to handle
   2. Will send letters to the primary and lower el teachers to see if they know of any guardians who would be a good fit for the board
   3. The coffee social before school went well—would like to continue doing this
   4. Kevin McKennon: spoke with a police officer who was unhappy the vehicles in DSM’s pick-up line were waiting inside the double yellow lines before turning into the school; will call the city to see if it would be possible to get the turn lane into DSM extended
2. Expansion Updates
   1. Heather Phillips: DSM has always been working under the premise that when the time was right to expand the program, there would be an expansion grant available to see the project through; have discovered that the ODE [Oregon Department of Education] grant that was being counted on is no longer being offered and that the closest alternative is a federal grant the state can apply for and then pass on to DSM; DSM will need to come up with some other options in order to expand—currently looking into other grants and/or creative use of space
      1. Dave Trexler: the due date to apply for the federal grant is coming up soon, but another entity must apply for it on a school’s behalf; it is a competition on the federal level
         1. Heather Phillips: need to look at the space DSM has currently and make it work; thinks we need to be transparent with our families; need to find general operating grants
      2. Daisy Sexton: the price quoted for renting a modular for the site is not as bad as it seems since it covers 36 months at $3,000 per month; there is an option to purchase the unit after this time, but none of the lease money goes toward the purchase price; a decision would need to be made in the next few weeks, as the longer we wait, the more likely it will be the company will not be able to deliver on time; the company doesn’t provide any permitting or plumbing/utilities hook-ups
         1. Heather Phillips: the landlord is okay with DSM placing modulars on the property
      3. Darlene Weaver: have a grant application in process that was slated for paraeducators, but can pivot that to go toward facilities instead; the funds would likely not be available until mid-fall
      4. Heather Phillips: will meet with Lora Nordquist tomorrow and discuss some of these issues with her
      5. John Eskew: the landlord’s offer of a loan is not currently on the table because we let the term expire, but it is possible he would be willing to offer it again; thinks DSM would be running at a loss for 1-2 years if the decision were made to rent and additional space; will work on 2 budgets for next year—one with DSM’s existing facility and capacity and another which would include expansion—but will need some answers before they can be figured out

**ADJOURNMENT**

The meeting was adjourned at 8:12pm.