

DISCOVERY HIGH SCHOOL GOVERNING BOARD MEETING MINUTES

Meeting Type: Regular Monthly Governing Board Meeting

Date: Tuesday, September 23, 2025

Time: 9:15 AM to 10:35 AM

Location: Discovery Academy of Lake Alfred

Presiding Officer: Nancy Daley, Chairperson

Minutes Prepared By: Tania Sims, Secretary

The Regular Monthly Meeting of the Discovery High School Governing Board was called to order at 9:15 AM by Nancy Daley, Chairperson.

Board Members Present:

- Kevin Warren, President/Treasurer
- Nancy Daley, Chairperson/Community Member
- Charlotte Butler, Community Member
- Doretha Tillman, Community Member
- John Taylor, Community Member
- Tania Sims, Secretary

Board Members Absent:

None

Others in Attendance:

- Gordon Crozier, CFO from Building Hope (Virtual)
- Beth Fontaine, Assistant Principal (*sitting in for Principal Darryl Jemison*)
- Mel Green, DHS Finance and HR

Chair's Announcement: Mrs. Daley announced that the Principal, Jemison Darryl, was unable to attend the meeting and requested that his absence be excused.

I. Approval of Previous Minutes

Main motion: Moved by Doretha Tillman to approve the minutes from the August 27, 2025, meeting as written. John Taylor seconded the motion. The motion passed by unanimous vote.

II. Principal's Report

A. Personnel Action – Mrs. Fontaine

Beth Fontaine, Assistant Principal, presented a report on personnel changes for the 2025-26 school year.

- She reported the following actions requiring Board approval:
 - **Separation:** One (1) employee is not returning for the 2025-26 school year.
 - **Termination:** One (1) employee has been terminated.
 - **New Hires:** Two (2) new employees have been selected to fill vacant positions.

Main motion: Moved by Doretha Tillman to approve the personnel action as presented. John Taylor seconded the motion. The motion was approved by a unanimous vote of the governing board.



B. Principal's Enrollment Update – Mrs. Fontaine

Mrs. Fontaine provided the following enrollment update for the 2025–2026 school year:

- **Current Enrollment:** 908 total students
 - 9th Grade: 279
 - 10th Grade: 234
 - 11th Grade: 207
 - 12th Grade: 188

- **Waiting List:**
 - 9th Grade: 58
 - 10th Grade: 20
 - 11th Grade: 12
 - 12th Grade: 9

Mrs. Fontaine noted that of 908 students exceeds the initial budget projections for this point in the school year.

B. Title II Funding Update – Mrs. Fontaine

Mrs. Fontaine provided an update on the Title I program for the 2025-2026 school year.

- **Budget Adjustments:** She reported that the allocated Title I funding amount fluctuates annually, requiring adjustments to the planned programs.
- **Tutoring Program Changes:** To align with the current year's budget, the afterschool tutoring program will be reduced from two sessions per week to one session per week.
- **Program Leadership:** The tutoring program is coordinated by Ms. Better, a school counselor, with instructional support provided by several certified teachers.
- **Conclusion:** Despite the reduction in frequency, the school will maintain the critical service of offering afterschool tutoring to students.

III. Old Business

A. Health Insurance Update – Mr. Warren

Mr. Warren provided the following update on staff health insurance:

- **Meeting with Provider:** Discovery Schools recently met with Mullings Insurance for a plan review.
- **Staff Presentation:** The updated insurance options were presented to the staff and were reported to be well-received.
- **Open Enrollment:** The open enrollment period for staff is now closed.

B. Cambridge Program Update – Mrs. Fontaine

Mrs. Fontaine provided a progress report on the exploration of a Pre-Cambridge Program.

- **Team & Outreach:** A team consisting of Mrs. Fontaine, Mr. Jemison, and Mrs. Hudson has met with the Cambridge program contact and gathered necessary information.
- **Staff Engagement:** Mr. Jemison has met twice with a group of interested teachers to discuss the program's expectations, potential differences in curriculum, and their desired level of involvement.
- **Application Status:** The team is actively working on the lengthy application using a shared Google Doc.

- **Timeline & Next Steps:** The team has set an internal deadline to submit the application by the **end of October 2025**. This timeline is critical to allow for the Cambridge program's review period, with the goal of receiving approval by **January 2026**.
- **Rationale for Deadline:** Approval by January would allow Discovery High School to advertise the Pre-Cambridge Program as an option during the upcoming open enrollment period for the next school year.

C. Federal Funds Update – Mrs. Fontaine

Mrs. Fontaine reported that there is no new update on Federal Funding at this time.

D. Audit Update – Mr. Warren

Mr. Warren provided the following update on the annual audit:

- **Current Status:** The audit is actively underway, with the audit team requesting follow-up information multiple times per day.
- **Key Challenge:** The primary difficulty involves financial records from the period before Building Hope took over. The records acquired from George and Anne use a different and difficult-to-decipher coding system, creating a significant hurdle.
- **Outlook & Deadline:** Despite the challenges, Mr. Warren reported that the process is progressing well and the team is on track to meet the **October 1st** deadline. He expressed confidence that they are "getting to a good spot."
- **Next Steps:** The final audit work will be completed in the coming days. The method of the final presentation (in-person or via Zoom) from the audit team is yet to be determined.

IV. New Business

A. Teacher Salary Allocation (TSA) Update – Mr. Warren

Mr. Warren presented an update on the Teacher Salary Allocation (TSIA), state funding designated for staff salary increases.

- **Background:** He clarified that the attached FLDOE template is a mandatory state submission, outlining two key components:
 - **Maintenance Allocation:** 6.67% of the state's total base funding, required to maintain prior-year salary levels.
 - **Growth Allocation:** 0.54% of the total base funding, provided for current-year salary increases.
- **Key Finding:** For the current year, the state's Growth Allocation calculation (row A2) provides **\$29,927**, which funds an approximate **0.7%** salary increase for staff.
- **Board Action & Impact:** Mr. Warren highlighted that at the beginning of the school year the Discovery Schools board approved a 1.5% raise for our staff. While we projected the state to give a 0.6% increase, in efforts to meet and exceed the state and district, we asked the board to approve a 1.5% raise for returning Discovery Schools staff.
- **Conclusion:** Due to the state's lower-than-anticipated funding allocation, it was confirmed that the school will **not** be able to provide an additional raise on top of the 1.5% already implemented for the 2025-2026 school year. Discovery Schools has already exceeded the TSIA with the 1.5% already awarded and will not be issuing any further increase this school year.

Main motion: A motion was made by John Taylor to accept the Teacher Salary Allocation (TSA) update. Charlotte Butler seconded the motion. The motion passed by unanimous vote.

B. Amend Registered Agent on the Articles of Incorporation – Mrs. Daley

Mrs. Daley presented a proposal to amend the school's Articles of Incorporation with the Florida Department of State.

- **Background:** The current Registered Agent listed is Carol Fulks, which is an outdated listing requiring correction.
- **Proposal:** To officially change the Registered Agent to Kevin Warren.

Motion: Moved by John Taylor and seconded by Doretha Tillman to approve the amendment of the Registered Agent on the Articles of Incorporation from Carol Folks to Kevin Warren.

V. Stakeholder Report

Mr. Warren reported that the stakeholder representatives were unable to attend the meeting. He noted that had they been present, their report would have included general updates on the school climate and feedback gathered from teachers.

B. Resignation of Terry Gier – Mrs. Daley

Chairperson Daley read a resignation letter from Board Member Terry Gier into the record. In the letter, Ms. Gier apologized for his recent silence and lack of communication, explaining that she had underestimated the difficulty of balancing board commitments with her responsibilities at Life Skills Academy. She formally resigned from the board but offered to remain available for a transitional period to vote on essential business or sign time-sensitive items until a replacement is found.

Main motion: Moved by Charlotte Butler to accept Ms. Gier's resignation. Doretha Tillman seconded the motion. The motion passed by unanimous vote.

VI. Meeting Reminder - October Mtg Importance

- Mrs. Daley reminded the Board that the **October meeting will be the Annual Meeting**, which includes the election of new board officers and positions.
- Mr. Warren confirmed that the **final audit presentation** will be delivered at the October meeting, with the format (in-person or zoom) to be determined.

VII. Board Member Report – Mrs. Daley

Mrs. Daley reported that there is no update from the bondholders at this time, as the next meeting with them is scheduled for next month. She also stated there is no forbearance update to report.

VIII. Treasurer's Report – Mr. Warren and Mr. Gordon Crozier

Mr. Warren introduced Mr. Gordon Crozier, CFO from Building Hope, who presented (virtually) a comprehensive financial update for July and August, with the remainder of the year based on budget projections.

A. Revenue & Cash Flow:

- All expected state revenues (FEFP, Charter Capital Outlay) have been received.
- Local revenue in August was high due to one-time beginning-of-year fees (e.g., sports, uniforms). No further significant local revenue is budgeted for the remainder of the year.

- The complex cash management structure with DALA and the bond was explained, where all high school revenues are swept into a central account, debt service is paid from reserves, and a net amount is returned to the high school.

B. Expenditures & Challenges:

- **Payroll & Benefits:** Some payroll costs, health insurance (United Healthcare), and retirement (FRS) payments are currently "hung up" in the accounting system, creating a challenge in cleanly separating the two schools' finances. A new process using ADP directly will be implemented for the next payroll.
- **Operations:** A significant July expense for "Plant Operations" covered initial cleaning, maintenance, and school startup costs. Utilities (TECO Electric, City of Lake Alfred) and ongoing janitorial services will continue throughout the year.
- **Transportation:** State transportation funding has been received. Mr. Crozier emphasized the critical importance of the upcoming October bus survey to accurately capture ridership and ensure full funding, suggesting a chaperone on buses to assist.

C. Financial Outlook:

- The High School is currently projected to operate on a break-even basis for the fiscal year.
- Expenses will be monitored closely to identify potential savings and improve the financial position.

Mrs. Tillman requested clarification on the transportation funding flow, specifically asking: "Where it states that DALA absorbs all of the transportation expenses, is this for high school transportation only, or for other transportation besides DALA?"

In response to Mrs. Tillman's question, Mr. Warren and Mr. Frabotta provided the following clarification on transportation finances:

- Mr. Warren stated that Discovery High School (DHS) receives approximately **\$30,000 per month (approx. \$290,000 annually)** from the state for transportation.
- This entire amount is transferred to DALA to fund bus services, including driver payroll, maintenance, and repairs for DHS.
- Mr. Frabotta provided the broader financial context, stating that DALA's total annual transportation expenses are approximately **\$1.6 million**.
- Against these expenses, DALA receives **\$790,000 in total transportation revenue**, which includes the **\$290,000 from DHS** and an additional **\$500,000** from other sources.
- This results in an annual operating shortfall of approximately **\$800,000** for the transportation program.

Discussion on Financial Compliance & Separation of Funds

- Mrs. Tillman raised a question regarding financial compliance, seeking clarification on the separation of funds between Discovery High School (DHS) and DALA to ensure adherence with bondholder and Polk County School Board requirements.
- She stated, "To be in compliance with the bondholders and to keep the Polk County School Board satisfied, are Discovery Schools' operating finances separate from DALA and DHS? Whatever monies that DALA gets, it's only spent for DALA, and whatever money that DHS gets is only spent for DHS. Even though the money is co-mingled together, is there still a separation where DALA spends DALA money and DHS spends DHS money? I know you say it's co-mingled, but I'm just asking if this is the way it works now, as for DALA uses the money that they are allocated and then DHS uses the money that they are allocated."

Response by Mr. Crozier:

Mr. Crozier acknowledged the question and identified the key areas of financial comingling, affirming that transportation is the primary example. He clarified the current rationale and other areas for improvement:

- **Transportation:** He confirmed that DHS is charged a fixed amount of **\$30,000 per month** for transportation, which is the total of its state funding for this purpose. This amount does not cover the full cost of transporting DHS students, with the remaining balance being absorbed by DALA. The rationale for this structure is that DHS carries the full burden of its debt service payment, which is approximately **\$140,000 per month** for principal, interest, and bond reserves.
- **Other Areas:** Mr. Crozier identified **health insurance** and other payroll-related costs as other areas currently comingled in the accounting system. He stated the goal is to rectify the allocation of these costs during the September payroll processing.
- **Conclusion:** He affirmed that at this time, transportation is the most significant area of comingling, with the high school's single largest expense being its debt service payment.

Further Clarification on Financial Separation – Mrs. Green

Mrs. Green provided further clarification on the steps taken to separate finances between DHS and DALA:

- **Payroll System:** She confirmed that as of August, the ADP payroll system has been fully split, giving DHS its own distinct payroll account. This eliminates the previous process of DALA fronting costs.
- **Shared Expenses Process:** A detailed monthly "Shared Expenses" report is now used to track and allocate costs for items like insurance (health, FRS) and shared staff positions. Mrs. Green and Mr. Warren collaborate to build this report each month.
- **Reimbursement:** DHS is formally invoiced for its share of these shared expenses based on the report, and funds are subsequently transferred back to DALA.
- **Transportation Accounting:** The transportation expense (e.g., \$29,731 for August) is included in this monthly invoice, ensuring DHS reimburses DALA for the state funding it receives.
- **Improved Documentation:** Mrs. Green emphasized that this new process provides a clear, documented line item for every expense, a significant improvement over the previous year's practices, ensuring a proper audit trail and financial separation.

Combined Financial Health Update – Mr. Crozier

Mr. Crozier provided an analysis of the combined financial health of Discovery Schools, focusing on key metrics for bond compliance:

- **Debt Service Coverage Ratio (DSCR):** For the trailing 12 months (September '24 – August '25), the combined schools showed a net loss of \$720,000. After adding back \$2.3 million in capitalized interest and principal, the Net Operating Income places the DSCR very close to the required ratio of 1.0.
- **Days Cash on Hand:** The current figure is **33 days**. This is below the required **45 days**, but Mr. Crozier noted it is an improvement over previous figures and is "moving in the right direction."
- **Overall Outlook:** Mr. Crozier affirmed the financial trajectory is positive, citing:
 - Effective belt-tightening on expenses.
 - All revenues flowing as expected.
 - The anticipated receipt of IDEA grants (~\$75k-\$80k) in the coming months.

- The August financial position is stronger than it was in June

IX. Adjournment There being no further business, the meeting was adjourned at 10:35 AM by Chairperson Daley

Respectfully submitted,

Tania Sims

Secretary, Discovery High School Governing Board

Next Meeting: November 19, 2025
Discovery Academy of Lake Alfred Media
Center at 9:15 A.M.