BONNIE CONE SCHOOLS - ANNUAL BOARD
DRAFT MEETING MINUTES
16105 Poplar Tent Road Huntersville, NC 28078
BCLA Upper School 6-17-2025 at 4:45 p.m.

Board of Directors' Access:
Video call link: https://meet.google.com/wsj-ybme-ydc
Or dial: (US) +1 224-900-6823 PIN: 768 395 576#

I. **Call to Order:** at 4:48pm by Chairman, Marty McCarthy

II. **Pledge of Allegiance IMAGE**

III. **Reading of the Mission Statement:** Read by Director, Judy Russo.
Our mission is to equip students with the tools of learning to think critically, reason effectively, and communicate persuasively through the rigors of a classical education

IV. **Roll Call:** Taken by Chairman, Marty McCarthy

Board Member	Title	Term Expires	Attendance
Marty McCarthy	Chair	May 2025	Present
Brian Puckett	Vice Chair/Treasurer	May 2025	Present
Stephanie Newbrough	Secretary	May 2025	Not Present
William Mills, III Esq	Director	May 2025	Present
Judy Russo	Director	May 2025	Present
George Gately	Director	April 2028	Present

V. **Approval of the agenda:** The **Motion** was made to approve the agenda as presented by William Mills, Director. Second by Judy Russo, Director. All were in favor, the motion passed unanimously.

VI. **Public Comment:** No public comments were made.

VII. **Jason Dowdy**, Executive Director of Partnerships for Great Hearts America introduced himself to the BC School Board, as an Academic Partner for BC Schools. Jason is a parent in one of the Great Schools and has worked for GH for 15 years in various roles, spending most of his time opening and managing schools in new regions like Texas and now NC. The Board introduced themselves as members of the Bonnie Cone School Board of Directors.

VIII. **Management Reports:**

- **Campus Report**
  BCLA Lower - Ramon Richardson reporting for BCLA Lower school shared Total Confirmed Enrollment at 885 students and current BCLA Lower Enrollment for 24-25: 699 students.
  BCLA Upper - Ramon Richardson, Upper School Director shared Current BCLA Upper Enrollment for 24-25: 519 students
  Total Current 24-25 Enrollment for BCLA Upper & Lower: 1,218 students
  Total 25-26 Projected Enrollment for BCLA Upper & Lower: 1,634 students. Great Hearts Leadership Calibration Training is scheduled for June 9 & 10th. All staff return on Monday, July 21st.
  BCCA - Pamela Franklin, Lower School Director shared
- Hiring for the last two teachers, and feel good about where they are in the hiring process.
- Participated in two days of leadership training with: Great Hearts where we focused on:
  - Strengthening leadership practices
  - Collaboratively refining our Teacher Training Plan for the upcoming school year
  - Clarified assumptions
  - Working on action Items and plans for teaching training, rigorous and intentional training beginning on July 21st for 10 days This will bring everyone together as one Bonnie Cone school - one voice, one narrative for teachers.
- We are hosting a New Student Orientation for students in Grades 1-6 on Saturday, June 21st.
  - Parent and Student Workshops will be held by grade-level cohorts and sets the tone for what a Bonnie Cone Classical education looks like.
- Kindergarten Summer testing has been scheduled for July 14th- July 15th
  - Our Kindergarten teachers have volunteered to conduct one-on-one testing for all newly-enrolled Kindergarten students. This data will support our kindergarten readiness.

- Our teachers return for Teacher Training on July 21st.

- Kindergarten Round- Up is scheduled for July 26th. This event serves as the official orientation for newly-enrolled Kindergarten families.

  Question to Pamela Franklin: Why isn't Classical Orientation made mandatory to new students?

  Reply shared by Great Hearts: Can you present orientation to classical education? Yes, surely you can but you can't make enrollment contingent upon that orientation because the law doesn't allow that. NC Article 14 & 15.

  Academics
  Pamela Steinauer, Gifted Education Coordinator, Charter One presented to the Board of Directors for the purpose of the plan for the state of NC, article 9b mandates identification in services for gifted students in K-12 charters and LEA's. This presentation is a 3-year plan and requires approval from the school board and then will be submitted to NCDPI for compliance.
  - **AIG Plans Presentation**
    - **BC Schools AIG Plan - 2025-2028**
  - Comments/Questions: Do we have certified AIG Teachers?
    - BC Schools will have 1 main teacher that is certified. NC does allow teachers to teach AIG students for 2 years and in the 3rd year NC requires these teachers work to get certified.

Charter One Financial Update

Michael Dixon, Financial Director

- **Financial Report**
  Michael Dixon presented revenues and expenses through May 31, 2025. The Principal's Monthly Report (PMR) 9 ended on May 23. We invoiced five LEAs for BCCA and 11 for BCLA. Office manager training is scheduled for June 26. ALA Charlotte will be the host site.

- **BCCA**
  - **FY25 BCCA Financial Dashboard**
    Month to date reporting on Revenue, Expenses, Personnel, Purchased Services and Supplies and Materials. Year to date reporting budgeted revenues down slightly due to DPI pullback. Category vs expenses showed personnel costs higher than we had budgeted at 51%, Purchased Services aligns with what was budgeted.

And Supplies & Materials less than what we had budgeted. Michael reviewed Funding By Source chart sharing that the majority of funds comes from State at 62.56%, he reviewed the Federal Grants status, and PMR updates. Once remaining local funds are in place from CMS, BCCA will access federal funds, and appropriate these accordingly to plan to meet the debt service coverage ratio. This plan has also been approved by DPI for those funds as well.

- **Budget Remaining**
  - Year to Date
  - Balance Sheet

  The Budget Remaining, Year-to-Date and Balance sheet is what is used to create the Monthly Financial Dashboard and is the same as the individual reports.
  FY26 DRAFT Budget Michael created the FY26 Budget from the revenue draft with enrollment at the top. Each category of the revenue is listed. He shared the details of the draft budget; Operating Costs, Total Personnel, Purchased Services and Supplies & Materials. Adjustment column is where we will have expenses that we will capitalize and does not impact the EBITDA and the importance of meeting the debt service coverage ratio. This budget is budgeted for 12.5% on management fee.
  FY26 DRAFT Revenue
  Projected revenue for FY26. Michael reviewed each category with the Board giving in depth explanations with Total Funding and Funding Snapshot for FY26. Budgeting on the 697 Student Enrollment and a 1% increase. In NC the student is not considered enrolled until the first day of school to take a seat. There was an increase in the State ADM Funding from DPI. The FY2025 was $6,390.31 per student and this coming year FY2026 will be $6,505.14, per student. From Day 1 to Day 180 looking to see total funding per student at $11,643.11.
- **FY26 DRAFT Fee Budget Analysis**
  Michael shared the Sensitivity on the management fee analysis fees based on these EBITDA percentages.
  EBITDA - 12% Leadership Services
  EBITDA - 13% Leadership Services

- **BCLA**
  - **FY25 BCLA Financial Dashboard**
    Expenses were down on the month to date reporting. Our actual revenue to date is slightly higher than what our straight line budget shows as and the expenses have increased. Personnel costs are less, purchased services are more as well as the supplies and materials. The majority of your funding source comes from the State, the local and lastly, Federal dollars. Michael reviewed Federal Grants and shared the Grants Team has done a great job at expending the funds allotted. Any funds leftover will rollover to next year. PMR 1- PMR 9 was reviewed as well.
  - **Budget Remaining**
    - Year to Date
    - Balance Sheet
  - **FY26 DRAFT Budget**
    Michael shared Total Operating Revenue amount and each area of expenditure. This budget is budgeted at 12.5%.
  - **FY26 DRAFT Revenue**
    Items listed in blue are estimated funds based on receipt of funds from previous years. BCLA does not qualify for IRLS monies. There are funds for CTE and Title lll but will not be able to apply for the funds unless BCLA joins a consortium. Michael shared what this process would mean. He reviewed the ADM state initial funding BCLA at 1,267 on Day 1. Michael has projected a growth ADM of 89 and built the budget on 1,356 and this is a 1% increase. Local Funding charts were explained and where this feeds into the formula projections. Total revenue was shared and per student would be estimated to be $11,033.44 per student and to educate that student.
  - **FY26 DRAFT Fee Budget Analysis**
    Management Fee Sensitivity Analysis was shared for the management fee based on these percentages:
    EBITDA - 13%
    EBITDA - 12%
    Debt service, depreciation, and interest were not enclosed. What your debt service coverage is based on your EBITDA and what Michael shared. Explanation of Debt Service Coverage was shared: The debt Service Coverage is calculated at the end of every year with the audit and C1 financial team monitors this to see what

direction it's going. The FY24 Audit has not been completed from the Auditor. The Budget Sheet is shared with the BC Board to share this information.

National School Lunch Program (NSLP)
Michael Dixon reviewed the program and what the NSLP will be for the BC Schools for this coming year. These documents have been signed and given to Ramon Richardson to complete the process.

Jeff Patterson, Chief Financial Officer

- **FY24 Audit Update**
  Unadjusted financial statements were materially incorrect from what Marty commented.
  Jeff Patterson explained we received the draft for BCLA and we're waiting for BCCA. They did say that BCLA had material that was misstated, and Jeff will discuss it with the auditor. One of the adjustments had to do with the loan between BCLA and BCCA. Schools in NC are required to follow the governmental accounting standards under GAZBY, and Jeff shared what this means as the full accrual versus a modified accrual report and the statement shared. From Jeff's experience and perspective it can go either way and he will look to get the misstatement removed from the audit and share auditor updates and response in July, along with the BCCA audit draft.

- **FY25 Auditor**
  It was shared with the Board that It's a challenge to search for a new auditor when the current FY24 audits are not available. Most auditing firms will not present an engagement letter without having the prior audit approved.

  Marty McCarthy, Chair, shared there is no issue of concern with Sharpe Patel, auditing firm and will go forward with them. Marty also commented that they should report directly to the Board.

  Jeff Patterson will reach out to the current Auditor for an engagement letter to present to the Board.

School House Development Update:

Abigail Straigt, SE Regional Vice President, PreK-12 Operations, shared on behalf of Jim Way. The final platt and 'as built' survey review is in progress with the Town of Huntersville and the final request for Occupancy. All questions regarding the update can be shared with Jim Way.

IX. Approval of the Consent Agenda: A **Motion** to approve the Consent Agenda by William Mills with exception of item one. Second by Judy Russo, Director. All were in favor of approving the Consent Agenda and the motion passed unanimously.

1. **Outstanding Board Meeting Minutes:** Minutes were not provided to the Board Liaison to record for the **Special Meeting, May 12, 2025**
   It was shared by William Mills, Director, to Jana Allen, Charter One Board Liaison, that she will receive these Special Meeting minutes when they are submitted by their Counsel and this item will carry over to the next meeting for approval.
2. **May 20, 2025 Board Meeting Minutes**
3. **2025-2026 New Hires**

BCCA:

- Tabitha Tarleton - 1st grade Teacher
- Dana Taylor - 2nd grade Teacher
- Matthew Washington - Utility Sub
- Meredith Dougherty - Latin Teacher
- Pamela Hopper - Food Service Asst.

BCLA:

- Krislynn Hawthorne - Music Teacher, 7-12
- Raechel Jennings - Science Teacher, 7-12

X. Discussion/New Business/Action Items:

1. **2025 Elections of Officers:**

Bonnie Cone Bylaws

Election of the following offices, Board Chair, Vice-Chair, Secretary, and (2) Director roles:

Brian Puckett noted that the former Secretary of the BC Board, Brian Lisk signed the BC Bylaws on July 23, 2018. William Mills shared he was the secretary at the time the bylaws were adopted. There have been no updates or amendments since this time. The Bonnie Cone Bylaws were used for a reference to assist the Board of Election process.

Marty McCarthy asked if the Board of Directors had a motion for the Election of Officers.

Brian Puckett, Vice Chair made a **Motion** for the following offices in the chart below. Second by William Mills, Director. The motion passed unanimously with a voice vote of 5-0.

William Mills made a **Motion** to re-elect those Board members whose terms are expiring (below) for a renewal term of 3 years. The motion passed unanimously with a voice vote of 5-0.

Board Member	Office	Term (3 years)	Re-elect or Resign
Marty McCarthy	Chair	2025-2028	Re-elected
Brian Puckett	Vice Chair	2025-2028	Re-elected
Stephanie Newbrough	Secretary	2025-2028	Re-elected
William Mills, III Esq	Director	2025-2028	Re-elected
Judy Russo	Director	2025-2028	Re-elected

2. **Approval of:**
    a. **BCCA FY26 DRAFT Budget**
    William Mills made a **Motion** to approve the BCCA FY26 DRAFT Budget as presented in the agenda. Second by Judy Russo, Director. All were in favor and the motion passed unanimously.
    b. **BCLA FY26 DRAFT Budget**
    William Mills, Director made a **Motion** that the Board wait on the approval for the FY26 DRAFT Budget until next month's meeting and further revisions can be made to the report. Second by Judy Russo, Director. All were in favor and the motion was approved unanimously.
    c. **Discussion and vote of Audit Engagement Letter**
    William Mills, Director made a **Motion** to authorize the Chairman to execute an audit engagement letter from Sharpe Patel as our auditor for FY25. Brian Puckett seconded the motion, and all were in favor. The vote passed unanimously.

3. **Approval of:**
    a. **BCCA AIG Plan 2025-2028 and BCLA AIG Plan 2025-2026**
    Brian Puckett, Vice Chair made a **Motion** to approve the BCCA and BCLA AIG Plan 2025-2028 as presented. Judy Russo seconded the motion. The motion passed unanimously.

4. **Approval of:**
    The Board of Directors requested an explanation for these certifications before approving them. Michael Dixon gave an explanation of these certifications linked below as they relate to federal programs and are part of federal grant submissions.
    a. **FY26 Debarment Certification**
    Explanation: Attesting that the Board of Directors will not purchase from vendors that have been debarred from service. There is a list provided at DPI that assures us that we are using vendors that have not been debarred from serving NC schools. This certification has to be approved every year as part of our federal grant submissions.
5. **Approval of:**
    a. **FY26 NC Prayer Certification & Single Set of Assurances**

Explanation: The school certifies that the Board of Directors will not restrict constitutional protected prayer in the schools. A document that you're attesting what is required and following the federal guidelines & regulations in administering these federal programs, being Title 1 and Title II.

Brian Puckett, Vice Chair made a **Motion** to approve the FY26 Debarment and FY26 NC Prayer Certification and Single Set of Assurances as presented and shared. Second by Judy Russo, Director. All were in favor and the motion passed unanimously.

6. **New Business:**

William Mills, Director shared that the Board of Directors meetings open with the pledge of allegiance and reading the mission statement each month. He proposed the Board of Directors add prayer to the agenda. Marty asked for legal counsel to advise.

William Mills made a **Motion** to add to the monthly Board Meeting agenda an invocation prayer as a 4th item. The Chairman will call on individual board members to give an invocation prior to the roll call each month, this will not be written only a spoken invocation. Second by Judy Russo, Director. All were in favor of this addition to the agenda, and the motion passed unanimously.

XI. Closed Session:

William Mills, Director made a **Motion** to go into Closed Session pursuant to **§ 143-318.11(a)Closed Sessions**. Second by Judy Russo, Director. The motion passed unanimously to go into Closed Session at 6:14pm.

The BC School Board of Directors discussed issues relating to the proposed Great Hearts Education Management Agreement and accompanying legal issues with its attorney, James G. Middlebrooks.

William Mills, Director made a **Motion** to come out of the Closed Session at 7:30pm. Second by Judy Russo, Director. All were in favor, and the motion passed unanimously.

XII. Announcements

A. **The next regular scheduled Board meeting is Tuesday, July 15 2025.**

XIII. Adjournment: The Bonnie Cone Board of Directors meeting adjourned immediately following Closed Session at approximately 7:30pm.