



**Cleveland Transformation Alliance
Minutes of the Board of Directors**

September 23, 2019 | 5:30 PM

Cuyahoga Metropolitan Housing Authority | First-floor conference room
8120 Kinsman Road, Cleveland, OH 44104

In Attendance

Bingham, Anne	Heard, Robert	Marbury, Shana	Randel, Erin
Downing, Diane	Jackson, Mayor Frank	Mullin, Ann	Reyes, Jose
Friedman, Lee	Klupinski, Stephanie	Napoli, Augie	Zachariah, Sajit
Gordon, Eric	King, Brooke	Price, Monyka	Tenney, Turkessa
			Williams, Helen

Absent:

Baumgartner, Mark	Hewitt, Philip	Patterson, Jeff	Rosskamm, Alan
Gibson, Richard	Jordan, Sharon Sobol	Payton, Kevin	Victor Ruiz

Cleveland Transformation Alliance staff

Rutledge, Deborah

Welcome & Review of August 5, 2019, Meeting Minutes

Mayor Frank Jackson called the meeting to order at 5:35 PM. The board reviewed and voted on the minutes from the August 5, 2019 meeting. Turkessa Tenney noted that a date in the narrative of the minutes needed to be corrected. Diane Downing moved to approve the minutes, Helen Williams seconded, and the minutes were unanimously approved with the addition of a corrected date.

2018 Financial Audit and Funding Update

Lena Parks from Barnes Wendling CPAs presented the 2018 financial audit. Ms. Parks explained that the finance committee reviewed all of the documents in detail, so the presentation to the full board would focus on the financial analysis and benchmarking, as well as a summary of expenses. Ms. Parks advised that since the Transformation Alliance is no longer limited by the sunset clause, the Board should review the organization’s operating costs in comparison to industry standards. Eighty percent of the Transformation Alliance’s costs are programmatic, which is higher than industry standard. The Transformation Alliance spends 14 percent of its costs on management expenses, which is in line with the industry standard. The Transformation Alliance spends only 4 percent of its budget on fundraising, which is lower than industry standard. Ann Mullin noted that the Transformation Alliance’s current fundraising mix is not financially sound, nor sustainable, and should be a focus for the incoming Executive Director.

In terms of liquidity, the liquid assets divided by average monthly expenses shows how long a nonprofit can operate without additional revenue. The Transformation Alliance can operate for about 9.5 months without taking in more revenue. This is longer than the typical amount for nonprofits, which is two–four months. Ann Mullin noted that this was driven by the current staffing situation.

Barnes Wendling CPAs issued an unmodified opinion on the Transformation Alliance's finances and stated as a whole the organization's finances reconcile appropriately. Mayor Jackson called for a motion to accept the outcome of the 2018 Financial Audit. Lee Friedman moved to approve the minutes, Erin Randel seconded, and the motion was unanimously approved.

Executive Session

Mayor Frank Jackson asked for a motion for the Board to go into executive session to discuss personnel issues. Diane Downing moved to go into Executive Session, Augie Napoli seconded, and the motion was unanimously approved. The executive session began at 5:40 PM and ended at 6:05 PM. Following discussion, Diane Downing made a motion to leave executive session, Stephanie Klupinski seconded, and the motion was unanimously approved.

Executive Director update

Deb Rutledge indicated that the Alliance's new executive director, Meghann Marnecheck, would be starting work in early November. Deb also indicated that Catherine Smith, program director, had given notice to the Alliance several weeks ago and has taken another position in the community.

2020 School Quality Guide

Deb Rutledge discussed the need for a consultant to manage the production of the 2020 School Quality Guide to ensure its availability for the 2020 enrollment season. Board member, Erin Randel, abstained from the conversation and left the room. Deb indicated that Erin Randel was being considered for the role on a short-term, contracted bases. Ann Mullin indicated that Erin has a background in marketing, has experience with the School Quality Guide through the School Quality Guide Committee, and has developed public documents that require a similar process and deliverable through her consulting firm. The recommendation to have Erin Randel complete the 2020 School Quality Guide was vetted by several lawyers and cross-checked with the IRS guidelines.

Under Ohio and Federal Law, a nonprofit board member can enter into a financial arrangement with the nonprofit they serve if they meet the following guidelines:

- 1) the Board of Directors must agree on the decision without the member present;
- 2) there is sufficient evidence that the individual is qualified to do this work; and
- 3) the process for the decision-making is documented.

Following review of Erin's proposal, the Board of Directors discussed the recommendation. Helen Williams believed the proposed action to be a good solution to provide the Transformation Alliance with the capacity to complete the Guide on time. Lee Friedman believed the price to be reasonable and the proposed action to be a good solution. Sajit Zachariah asked whether a leave of absence would be appropriate under the circumstances. Eric Gordon noted that this did not seem to be necessary under the regulations. Brooke King noted the discounted rate and indicated her support for the proposed action. Augie Napoli expressed concern that the Communications Committee, which he chairs, was not notified nor consulted about the staffing changes nor the proposed action to contract with Erin Randel. Ann Mullin acknowledged that was an oversight. Deb Rutledge apologized for the oversight. Additional conversation ensued. Deb Rutledge said she would oversee Erin's work and manage the contract. The Communications Committee, along with other interested board members would advise Erin during the process. Augie Napoli indicated he was not sure whether he would continue oversight responsibility for the Guide. Brooke King suggested a Communications Committee meeting be scheduled as soon as possible. Eric Gordon moved to approve hiring Erin Randel for a

short-term project to produce the Guide, Lee Friedman seconded, and the motion was approved by the majority of members. Augie Napoli abstained. Erin Randel will be instructed to disclose this agreement as a conflict of interest as a board member.

State Report Card Update

Eric Gordon provided an update on the 2019 state report card. The Cleveland Metropolitan School District is continuing to make gains in literacy, the Third Grade Reading Guarantee, and the Performance Index. The CMSD's graduation rate increased 26 percentage points since 2011, putting the District's average four-year graduation rate at 78.2 percent. The state average is 85.3 percent, and the national average is 84 percent. The CMSD also eliminated the graduation rate gap between students of color in Cleveland and their peers statewide. Hispanic students are graduating at a rate of 77 percent, a 23-percentage point gain since 2011. African American students are graduating at a rate of 79.8 percent, also a 23-percentage point gain from 2011. The District also saw positive gains on the Career Tech Report Card and the Special Education Report Card. Multiple indicators show although work is needed, CMSD is heading in the right direction and showing measurable progress.

Brooke King gave a brief update on the Intergenerational Schools (IGS). IGS made several gains in student achievement and other areas. The newest IGS school, Lakeshore, went from an F rating to a C rating. Near West IGS is rated a B and IGS East is rated a C. Ms. King also spoke to the social and emotional demands of students.

Stephanie Klupinski spoke about Buckeye Community Hope from an authorizer perspective. Buckeye received an exemplary rating for the first time, due to the fact that its academic rating went up to a C.

Cleveland Plan Progress Committee

Shana Marbury gave an update on the 2019 Cleveland Plan Progress Report. The Committee kept the framework from the last report and is currently in the process of integrating the state report card rating into the report. The 2019 Cleveland Plan Progress Report will have a section on preschool, K-12, and college and career readiness. There are two more committee meetings scheduled, one for October 15, and a final (if needed) meeting on October 22. The Committee will have a final draft of the report to bring to the board on October 28 for a vote. Board members will receive a copy of the final draft and have an opportunity for input before the October 28 board meeting. If board members would like an active role in shaping the final stages of the report, they are encouraged to attend the October 15 Report Committee meeting.

Acknowledgement of the Passing of Steven Minter

Ann Mullin asked the board to take a moment to acknowledge the contribution Steven Minter made to Cleveland's education community. The board thanks him for his decades of leadership. Mr. Minter's presence was felt at a local level deeply, but also shaped the nation's educational landscape. The Transformation Alliance Board will submit a letter to one of Steve's surviving daughter's, Robin Minter Smyers.

Adjournment

Mayor Jackson adjourned the meeting at 6:58 PM. The next meeting of the board of directors will be October 28, 2019 at the headquarters of the Cuyahoga Metropolitan Housing Authority, 8120 Kinsman.