

Career Academy of South Bend, Inc.  
Minutes of Meeting of Board of Directors  
December 5, 2023

Directors Present: John DeSalle, Larry Garatoni, Michael Garatoni, Iris Hammel, Chad Hartzell, Marian Hodges, Nick Swisher, Janet Scott  
Directors Absent : Rachel Savoie  
Staff Attending: Jeremy Lugbill, Roxanne Bryant, Becky Bartlett, Andrew Hoyt, Nick Garstka, Maria Reilly, Candy Vanbuskirk, Kim Richardson, Steph Ebersol, Rob Koehler

- A. Call to Order. Larry Garatoni called the meeting to order at 5:00 pm.
- B. Approval of Minutes. The minutes of the most recent (September 26) meeting were approved.
- C. Resolution as to Clay High School. Larry requested approval of a resolution (copy attached) authorizing him and Jeremy to take all actions deemed necessary and appropriate for the Corporation to lease and/or purchase Clay High School after South Bend Community School Corporation ceases using it for classroom instruction at the end of the 2023-24 school year. Upon motion, the resolution was approved unanimously.
- D. Resolution as to Bond Loan Transaction. Larry requested approval of a resolution (copy attached) authorizing the Corporation to enter into a loan transaction to receive up to \$25 million from the sale of tax-exempt bonds secured by pledge of the income of Career Academy High School, Career Academy Middle School, and Success Academy Primary School, as well as mortgages of the buildings and land of such schools, and authorizing each of Nick Swisher, John DeSalle, Kim Richardson and Jeremy Lugbill to sign on behalf of the Corporation any contracts, documents, instruments, certificates, agreements, as well as any mortgages/leasehold mortgages, any assignments of rents and leases, or any security or collateral documents which may be required, or forms necessary for or in connection with such transaction. Upon motion, the resolution was approved unanimously.
- E. Amendment of Bylaws. Tabled until the next Board meeting.
- F. Conflict of Interest Disclosure Form. Larry requested approval of a conflict of interest disclosure form (copy attached) to be completed and signed by all members of the Board, including all future new members. Upon motion, the form and the requirement for all Board members was approved unanimously.

## G. Organization Updates.

### 1. Celebrations and Success Stories.

a. 3E (Explore, Engage, Experience) Showcase Night. Jeremy introduced Chad Roggow, Eighth Grade Science Teacher and Team Leader, who explained the collaboration of science, English and math teachers on the “United States” oversize (6 by 8) map showing information for each state such as natural resources, regional literature and population growth. Students learned a lot and the display is very informative. Jeremy introduced a student who explained how the welding class created snowman figures using several forms of welding.

b. RV There Yet? Mobile Makerspace. Jeremy introduced Dave Ebersol, who described how an RV was outfitted with equipment such as lasers, 3d printers, and a CNC machine to create a makerspace to be taken to any of the 27 Boys and Girls Club sites in St. Joseph County.<sup>1</sup> Dave explained it's important that the equipment can be taken out of the RV to be used indoors at any site with sufficient electrical wiring, which allows for better use on cold winter days and with more space. But the trailer has a 13 gallon diesel generator that can run non-stop for about 60 hours powering furnace, AC, lights, machines, TVs - the whole nine yards. Boys and Girls Club bought an F-250 truck to pull the trailer. Dave said he looked for models for this and there weren't any, but now he's receiving requests from around the country asking for information on how to do this.

### 2. Organizational Updates.

a. New Buildings and Projects. Jeremy said he and his team have been busy with planning using the Entrepreneurial Operating System (EOS) methodology, which as discussed in the September board meeting includes setting quarterly major goals (“rocks”) to be discussed with the Board. Jeremy's rocks include beginning operations in January at the Portage School of Leaders building and the Career Academy annex at 3919 Crescent Circle, which will have four high school classrooms, a teachers' lounge and administrative offices for Kim and the accounting staff. Another major project has been getting students signed up for the “Career Scholarship Accounts” authorized by s House Bill 1002 this Spring, providing students in grades 10-12 with \$5,000 for career coaching and internship costs. So far we have about 70 students signed up.

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<sup>1</sup> See Tribune November 14 article <https://www.southbendtribune.com/story/news/2023/11/14/boys-girls-clubs-of-st-joseph-county-rolls-out-new-mobile-stem-lab/71398799007/>.

b. Operations.

i. Waiver for Asynchronous Learning Days. Candy Van Buskirk explained the school is requesting authorization from Trine to convert December 20 and December 21 for Career High and Career Middle to asynchronous learning days to allow the move to the new Portage School building and the 3919 Annex. A waiver is required for those days to be counted towards the 180 instructional days requirement, Indiana Code 20-30-2-2.7(g), and board approval is required for such a request.<sup>2</sup> Upon motion, the Board approved the waiver request.

ii. Ivy Tech Credit Courses for Paraprofessional Staff Members. Candy explained she's completed an arrangement with Ivy Tech for our paraprofessional instructional staff members to receive credit for two courses towards associate degrees from instruction from licensed teachers qualified to teach those courses. Another course will be added next year. Ideally we'd like to help paraprofessional staff members become licensed teachers.

iii. Partnership with Beacon Heights. Candy explained the new manager of the Beacon Heights apartment complex (across the street from Success Academy) asked to use Success Academy's auditorium for a residents meeting after several homicides at the complex. Ms. Bryant, Principal for Success Academy, agreed, and attended the meeting, as did Candy and Jeremy. From the discussion it was apparent that many of the apartments, where many Success Academy students live, have serious problems – water leaks, holes in walls and floors and the like. It was also clear that some of the adult residents are unable to read. Candy discussed this with Ivy Tech, which will work with us to provide literacy courses for these residents. We want to help in any way we can. These are our students' families. Larry said let's discuss after the meeting.

iv. HR Director. Candy introduced our new HR Director, Stephanie Kabel, who joined us in October.

c. Curriculum. Becky Bartlett, Curriculum Director, said one of her "rocks" is to prepare for hosting an experiential learning conference next year. She's implementing a new curriculum including a science of reading program, Lexia, for Success Academy and Career Middle School. Becky said Career High was invited to a

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<sup>2</sup> See Indiana Department of Education Instructional Time Guidance Document, [https://content.govdelivery.com/attachments/INDOE/2022/05/26/file\\_attachments/2170314/Instructional%20Time%20Guidance%20Document.pdf](https://content.govdelivery.com/attachments/INDOE/2022/05/26/file_attachments/2170314/Instructional%20Time%20Guidance%20Document.pdf).

conference of high-ranking Title 1 schools in Indiana and was ranked fifth of over 100 schools.

d. Principal Report - Success Academy. Roxanne Bryant said her major goals for Success Academy are to raise attendance to 97% and to increase I-Ready pass rates for all grades by at least 5%. Students have increased roughly 400 reading levels since the beginning of the year so there's reason to be optimistic.

e. Principal Report – Career Academy Middle School. Maria Reilly said the middle school is giving incentives – snacks and a chance for movie tickets – for good attendance and for passing lessons. We're encouraging students to set academic goals for themselves. The sixth grade is about to finish the DARE (Drug Abuse Resistance Education) program in which the school partners with the St. Joe County Sheriff's Office. Nicotine is the biggest issue, it's important for kids to learn what the risks are, many of them don't know. John DeSalle asked if there's a school newsletter and if he could get copies, Candy said yes and yes.

f. Principal Report – Career Academy High School. Nick Garstka said his first main goal is a graduation rate of at least 95%, which he expects will be achieved. He's rallying students to beat the state average. PSAT pass rates are below the state average, that was also the case last year when we ended up higher for verbal. aiming for improvement of 5% or more in SAT verbal and math pass rates. For math our PSAT rate was closer to the state than last year's SAT. The high school's food drive for Thanksgiving got a lot of response, about 75 families were served. Marian asked what counseling do we provide for students about college. Nick said we have a college counselor who meets with students regularly. Jeremy said we'll have a presentation on this at the next board meeting.

g. Success Academy as Boys & Girls Club. Sara Timm, Special Education Director, filled in for Brie Childs, who was ill. The school has added new Youth Development Instructors to assess teachers for first and fifth grade. The reading program is adding physical books to reading on devices. The second and third grade visited the Pure Green Farms greenhouse to learn about hydroponic farming, i.e., growing plants using a water-based nutrient solution rather than soil. The owner, Joe McGuire, said the kids asked the most detailed questions of any group that has ever visited, including high school groups. Hydroponic farming is important in inner cities, which tend to have scarcity of fresh food, so this is a good subject for an urban school.

h. Portage School of Leaders. Andrew Hoyt said the Portage School is making good progress in developing a mastery transcript. He's working with the network

of public and private schools (the “Mastery Transcript Consortium”) committed to re-inventing how/what to teach and how to measure and report what students have learned. While the concept has gained extensive acceptance<sup>3</sup> there is not a standard format so each school may emphasize what it considers important. After consultation with students and parents, the Portage School has arrived at a list of competencies. What follows is coming to methods of teaching, measuring and reporting those competencies. An example is Task Management: how to organize a big project, divide it into pieces, allocate resources, prioritize, and finish. Not something that high school students are usually good at, but an important skill for almost any career. The Portage School will be a leader in Indiana in re-inventing high school, it’s exciting and fulfilling for teachers and students alike. On the way, there’s a deeply healthy and positive culture at the school which together with moving to the new building will attract additional enrollment, which has grown over 20% since the last board meeting.

H. Marketing. Steph Ebersol SABGC is now at 91 students, Success Academy-Ardmore at 574, Career Middle at 402, Career High at 442, Portage School at 23. Rob Kohler said we’ve had 200 more applications than last year and 400 more than the year before. Many of our grades are at their limit other than for the Portage School.

I. Financial Statements and Budget. Kim presented the disbursements report, credit card detail and financial statements for the period ending October 31 and the budget revised to show actual Count Day enrollment. Larry said since enrollment was well short of our projections, especially for the Portage School with its building unavailable, we had to decide whether to reduce staff commensurate with actual enrollment. We thought that was a terrible idea so we had no lay-offs and as a result we’ll operate at a loss this year. Fortunately we’re in a secure position anyway. Upon motions and after discussion, the revised budget, financial statement, disbursement report and credit care detail were approved.

J. Trine Report. Emily Gaskill said Education One has posted on its online dashboard<sup>4</sup> much of the data for CAHS, CAMS and SAPS received from the State in October. That includes measurement of growth for CAMS and SAPS based on comparison of 2022 and 2023 ILEARN scores, using the median growth percentile (MGP). Each student’s growth percentile is calculated by comparing the student’s

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<sup>3</sup> Over 380 colleges have accepted students based on mastery transcripts, including Ball State, Indiana University, Purdue, Trine, Harvard and Yale. <https://mastery.org/college-acceptances/>.

<sup>4</sup> <https://sites.google.com/view/casbntwkperformancedashboard/network-home/saps-academic-performance/saps-state-and-federal-academic-performance>

improvement to the improvement of all other students in the state who had the same score on the earlier year ILEARN test: a growth percentile of 40 signifies that student's improvement was greater than the improvement of 40% of comparison students. For a school to have a median growth percentile of 40 means the school had as many students with a growth percentile higher than 40 as below 40. By this measure, SAPS and CAMS growth has improved considerably since the severe loss of 2021, when COVID made in-person instruction impossible for most of the year:

Year	Median Growth Percentile – ILEARN Scores			
	Success Academy		Career Academy Middle School	
	ELA	Math	ELA	Math
2021	20	15	45	23
2023	40	41	55	42

The state does not provide a growth measure for high schools.


Another measurement of growth is based on the improvement from the prior year ILEARN looking separately at students who passed the prior year and those who did not pass, showing the percentage of students with sufficient improvement to continue passing or to catch up to pass in the future:

Success Academy				Career Academy Middle School			
Passed Prior Year		Did Not Pass		Passed Prior Year		Did Not Pass	
ELA	Math	ELA	Math	ELA	Math	ELA	Math
Exceeds	Meets	Approach	Approach	Exceeds	Approach	Meets	Approach

Emily said that based on her observation of classes, together with her colleague Amanda Webb, the quality of instruction at all three schools is good and the leadership is excellent. Administratively, the network is behind in submission of financial reports, both annual audited statements and monthly internal statements.

Mike asked how are our schools doing in comparison with Education One's other schools. Emily said Career High is doing well in both English and math in comparison with other schools, Career Middle is doing well in English but not in math, Success is doing well in math but not in English.

There being no further business, the meeting was adjourned.

  
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 Charles M. Loeser, Secretary

**RESOLUTION**

The Board of Directors (“Board”) of Career Academy of South Bend, Inc. (the “Corporation”) resolves:

Whereas, South Bend Community School Corporation (“SBCSC”) decided on April 17, 2023 to close Clay High School (“Clay”) at the end of the 2023-24 school year;

Whereas, Indiana Code 20-26-7.1 (the “Statute”) provides that a building no longer used for instruction by a school corporation shall be available for purchase or lease by a charter school organization for a purchase price of \$1 or annual rent of \$1;

Whereas, the Board believes that the acquisition of Clay would enhance the Corporation’s capability to serve its mission of providing career-focused education, enabling South Bend’s young people to better prepare for rewarding and fulfilling careers, thereby strengthening the economy of St. Joseph County and improving the quality of life for its residents;

Now, therefore, the Board approves the Corporation’s effort to purchase or lease Clay pursuant to the Statute (the “Project”) and authorizes the Corporation’s President, Lawrence H. Garatoni, together with the Corporation’s Superintendent, Jeremy Lugbill, to take all actions which they deem appropriate for completion of the Project.

PASSED AND ADOPTED by the Board of Directors of CAREER ACADEMY OF SOUTH BEND, INC., an Indiana nonprofit corporation, this 5th day of December, 2023.

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Larry Garatoni, President

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John DeSalle, Member

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Iris Hammel, Member

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Michael Garatoni, Member

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Chad Hartzell, Member

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Marian Hodges, Member

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Rachel Savoie, Member

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Janet Scott, Member

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Nick Swisher, Member

**AUTHORIZING RESOLUTION  
OF THE  
CORPORATE BOARD  
OF  
CAREER ACADEMY OF SOUTH BEND, INC.**

WHEREAS, Career Academy of South Bend, Inc. (the “Corporation”) is an Indiana nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) and is not a private foundation under Section 509(a) of the Code;

WHEREAS, an application (the “Application”) has been submitted by Kim Richardson (the “Business Manager”), on behalf of the Corporation, requesting the Indiana Finance Authority (the “IFA”), to issue bonds, in one or more series, in an aggregate principal amount not to exceed \$25,000,000 (the “Series 2023 Bonds”), pursuant to an Indenture of Trust (the “Indenture”), between the IFA and a trustee to be chosen by the Corporation (the “Trustee”), for the purpose of assisting the Corporation in (1) refinancing all or a portion of the costs of the acquisition, construction, renovation and equipping, as the case may be, of various charter school educational facilities owned or leased by the Corporation in South Bend, Indiana, including (a) an existing one-story approximately 22,722 square foot building located at 502 E. Sample Street, South Bend, Indiana, 46601 operated by the Corporation and known as the Success Academy at Boys and Girls Club and currently serving approximately 89 students in grades K-5 (“Success Academy at Boys and Girls Club”); (b) an existing two-story approximately 65,582 square foot building located at 305 W. Madison Street, South Bend, Indiana, 46601 (which address has been recently changed to 306 West Marion, South Bend, Indiana, 46601) operated by the Corporation and currently serving approximately 19 students and expected to serve approximately 300 students in grades 9-12 (“The Portage School of Leaders”); (c) an existing one-story approximately 83,887 square foot building located at 3408 Ardmore Trail, South Bend, Indiana 46628 operated by the Corporation and known as the Success Academy and currently serving approximately 572 students in grades k-5 (“Success Academy”); and (d) an existing one (and two)-story approximately 81,148 square foot building located at 3801 Crescent Circle, South Bend, Indiana 46628 operated by the Corporation and known as the Career Academy and currently serving approximately 851 students in grades 6-12 (“Career Academy”); (2) financing or reimbursing additional costs of acquisition, construction, expansion, renovation and equipping of any of the foregoing facilities (clauses (1) and (2), collectively, the “Project”); and (3) paying certain ancillary costs associated with the issuance of the Series 2023 Bonds, including underwriter’s discount, costs of any credit enhancement (if desirable), debt service reserves (if desirable), construction period interest (if any), and costs of issuance;



WHEREAS, for the purposes described above, the IFA will loan the proceeds of the Series 2023 Bonds to the Corporation under the terms and conditions to be set forth in a Loan Agreement between the IFA and the Corporation (the “Loan Agreement”), and such loan will be evidenced by a promissory note (the “Promissory Note”) executed by the Corporation and made payable to the IFA and endorsed by the IFA to the Trustee to secure the payment of the Series 2023 Bonds;

WHEREAS, the Corporation will pledge certain revenues of Career Academy and Success Academy (the “Pledged Revenues”) to pay the principal of and interest on the Promissory Note;

WHEREAS, the Bonds will be further secured by a Real Estate Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filings (the “Mortgage”) given by the Corporation in favor of the Trustee with respect to Career Academy, Success Academy and 3919 Crescent Circle, South Bend, Indiana 46628 (collectively, the “Real Estate”);

WHEREAS, the Corporation operates Success Academy at Boys and Girls Club, The Portage School of Leaders, Career Academy and Success Academy as charter schools pursuant to certain charter school contracts, each between Education One LLC, an affiliate of Trine University, and the Corporation;

WHEREAS, the Corporation now desires to (i) ratify and approve the submission of the Application by the Business Manager; (ii) take or authorize all other necessary actions in connection with the financing, refinancing or reimbursing of all or a portion of the costs of the Project; and (iii) approve and authorize certain officers of the Corporation to execute and deliver, for and on behalf of the Corporation, such instruments as may be determined by such officers to be appropriate and necessary to carry out the financing, the refinancing or reimbursing of all or a portion of the costs of the Project;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION, AS FOLLOWS:**

**RESOLVED:** That the Board has determined that it is in its best interest to and is hereby authorized to enter into a bond financing in an amount not to exceed \$25,000,000 of Series 2023 Bonds to be issued by the IFA for the purpose of financing, refinancing or reimbursing all or a portion of the costs of the Project, subject to the conditions that the Bonds shall mature no later than 40 years from the date of issuance and shall bear interest at fixed rates of interest, payable at the time or times, as set forth in the Borrower Documents, but not to exceed nine percent (9.0%) per annum.

**RESOLVED:** That the Board hereby approves the Project and the financing, refinancing or reimbursing of all or a portion of the costs of the Project; and further ratifies and approves the prior submission of the Application by the Business Manager.

**RESOLVED:** That the Board may enter into such contracts, documents, instruments, certificates, agreements or forms as may be necessary and desirable in connection with the Project and the issuance of the Series 2023 Bonds by the IFA, and that each of Nick Swisher, member of the Board, John DeSalle, member of the Board, the Business Manager, and Jeremy Lugbill, Superintendent, or any designee of either (each, an “Authorized Signatory”), is hereby authorized to sign on behalf of the Corporation any contracts, documents, instruments, certificates, agreements, as well as any mortgages/leasehold mortgages, any assignments of rents and leases, or any security or collateral documents which may be required, or forms necessary for or in connection with the Project and the issuance of the Series 2023 Bonds by the IFA including but not limited to the (i) Loan Agreement; (ii) Promissory Note; (iii) Bond Purchase Agreement; (iv) Preliminary Limited Offering Memorandum and final Limited Offering Memorandum (collectively, the “Offering Document”); (v) Automated Direct Deposit Authorization agreement (directing the Corporation to make State Payments to the Trustee (the “Irrevocable Direction”); (vi) Continuing Disclosure Agreement; (vii) Mortgage; (viii) Intercreditor Agreement; and (ix) Tax Certificates relating to the tax-exempt status of the Series 2023 Bonds (clauses (i) through (ix), collectively, the “Borrower Documents”).

**RESOLVED:** That the Board is hereby authorized to pledge the “Pledged Revenues” to pay the principal of and interest on the Promissory Note and to mortgage the Real Estate;

**RESOLVED:** That B.C. Ziegler and Company (the “Underwriter”) is hereby authorized to distribute the Offering Document or supplements thereto in such forms as are approved by an Authorized Signatory for purposes of marketing the Bonds. Further, each Authorized Signatory is authorized to deem the information in the Offering Document final as of its date within the meaning of Securities and Exchange and Exchange Commission Rule 15c2-12 (17 CFR Part 240, §240.15c2-12) (the “Rule”) except for the following permitted omissions: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, if any, and such other terms of the Series 2023 Bonds which depend on the foregoing items.

**RESOLVED:** That all actions heretofore taken by the authorized officers and agents of the Corporation with respect to the Project, the issuance of the Series 2023 Bonds by the IFA and the Borrower Documents is hereby ratified, confirmed and approved.

**RESOLVED:** That this Resolution shall take effect from and after its adoption.

(Signature page follows)

PASSED AND ADOPTED by the Board of Directors of CAREER ACADEMY OF SOUTH BEND, INC., an Indiana nonprofit corporation, this 5th day of December, 2023.

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Larry Garatoni, President

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John DeSalle, Member

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Michael Garatoni, Member

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Iris Hammel, Member

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Chad Hartzell, Member

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Marian Hodges, Member

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Rachel Savoie, Member

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Janet Scott, Member

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Nick Swisher, Member

**CAREER ACADEMY OF SOUTH BEND, INC.**

**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Name of Director: \_\_\_\_\_

I represent to Career Academy of South Bend, Inc. (the "Corporation") that neither I nor any member of my immediate family (spouse, children, grandchildren or siblings) have any financial interest in any enterprise or organization that does business with or seeks to do business with the Corporation except as follows:

Individual	Enterprise/Organization	Nature of Interest

This representation is made as of the date of my signature and delivery of this disclosure form and I represent that I will give written notice to the Corporation if at any time in the future, while I remain a member of the Board of Directors of the Corporation, this representation is no longer true in any respect.

IN WITNESS WHEREOF, this Disclosure Statement was executed \_\_\_\_\_, 2023.

\_\_\_\_\_  
Signature

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Printed