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**JOINT SCHOOL BOARD-GOVERNANCE COUNCIL  
CHARTER SCHOOL CONTRACT COMMITTEE MEETING MINUTES  
October 26, 2023 – 1:00 p.m.  
Waupaca High School Community Room and [Live Stream](#)**

**Welcome and Call to Order:**

The meeting was called to order by Committee Chairperson Dale Feldt at 1:02 p.m.

**Roll Call:**

Present in the WHS Community Room: Chairperson Dale Feldt and Committee members Steve Klismet, Sandy Robinson, and Autumn Beese.

Excused: Committee members Betty Manion, Megan Sanders, and Becky Lange.

**Also Present:**

Present in the WHS Community Room: Ron Saari, Mark Flaten, Sandy Lucas, Carrie Naparalla, Sarah Hackett from WRCCS, and Tim Scottberg from WRCCS and former principal of Fond du Lac STEM Academy.

**Approval of Agenda:**

A motion was made by Steve Klismet and seconded by Sandy Robinson to approve the agenda as presented. The motion carried unanimously on a voice vote.

**Review of Committee Meeting Norms and Commitments:**

The Committee reviewed their collective norms and commitments.

**Review and Revise Draft Multi-Year Contract:**

Section 5.6:

The Committee continued discussion on this section focusing on what happens to the items purchased by CEC/CEC Inc. if CEC ceases to operate.

Sarah Hackett of WRCCS advised that primarily with regard to items purchased with grant dollars, per applicable law they need to be disposed of in a certain way. Beyond that there is no law or regulation, however, in her opinion, the items would go to the District. CEC Inc. never made any purchases with grant dollars so they are District assets, and Charter School funds are on the District's audit so, therefore, are District purchases. So that leaves CEC Inc. purchases. Ms. Hackett suggested to include in the CEC Inc.'s bylaws what would happen to its assets if there is a dissolution of the nonprofit.

Committee member Sandy Robinson advised that there is language in CEC Inc.'s Articles of Incorporation regarding disposal of assets and the Committee reviewed that language. She also shared that Wis. Stats. Sections 118.1401 and 118.1402 address dissolution of a corporation. Ms. Hackett pointed out that it is important to be sure that the language in the Articles of Incorporation does not contradict with the language in the contract.

Ms. Hackett reiterated that she believed items purchased with grant dollars are owned by the District. Tim Scottberg of WRCCS agreed and advised that according to what he has seen, assets are District property and they should be itemized. Ms. Hackett added that most likely at the time the GC signed the grant it was stated that the District was the fiscal agent. Chairperson Feldt and SDW representatives agreed with the language that if CEC dissolves, the property purchased with grant dollars belongs to the School District.

Ms. Hackett questioned the sentence: “In no event shall the Charter School donate property to any organization or governmental body other than the District.” Mrs. Robinson added that, for example, the Suzuki instruments purchased with the grant – rather than going to the District, the GC would like the ability to do what they want with them such as perhaps donating them to a certain organization. Mr. Feldt advised, however, that he wants to keep the language regarding the District having the right of first refusal, adding that even though the District has the right of first refusal, its intention would not be to sell it. If it wants to sell it, then that item can go back to the GC for their right to do whatever they want with it.

Ms. Hackett referenced Section 11.4 of the redlined (former) CEC contract regarding dissolution, adding that it is appropriate to have partnership language in the contract. The Charter School is an entity of the District, so regarding fundraising the assumption is that those funds are part of the District. She emphasized that if the fundraising is not in partnership with the District that needs to be made really clear. Mrs. Robinson advised that most always the fundraising is for the Charter School and not for the nonprofit CEC Inc.

The Committee worked on wordsmithing the language taking into account that some procedures are already in place. This language will, however, set out more clearly exactly who owns the property – CEC Inc. or the District, specifically with regard to fundraising. It was noted that fundraising, donations, etc., is for the SDW students who attend CEC, so we need to work together as a partnership. It was also pointed out that essentially anything raised for CEC, which is an instrumentality of the SDW, would go to the SDW, so it intentionally needs to be set out if it is a CEC Inc. item of the District.

Chairperson Feldt was also concerned with what happens to any debts incurred by CEC Inc. (ex. credit card debt) and who would be responsible for that, noting that debts would have to be paid off first from the sale of assets. Ms. Hackett shared it is very unusual and it would be unprecedented if a charter school incurred any debt. Mrs. Robinson added that the GC has a discussion with SDW first before incurring any debt (see Section 3.15 of the contract).

Ms. Hackett advised that although the contract does not contain any language regarding the Charter School incurring debt or entering into contracts over a certain dollar amount, and the GC has autonomy (see Section 3.6c.9 of the contract), the SDW signs off on the budget which was created by the GC, so again there should be discussion. However, Director of Teaching and Learning Mark Flaten was concerned about what happens if CEC Inc. enters into a contract or incurs debt, who is responsible for the remainder of that contract if CEC Inc. defaults.

Ms. Hackett advised that CEC Inc. could hire their own staff as a community nonprofit, but it cannot hire any staff that would be considered school staff because that is part of the Charter School and therefore falls under the District’s responsibility. Hiring a community garden person, however, is less clear, so it is important to have communications along the way, whether it is in the contract or not. She did suggest adding language in the contract stating that any singular purchase over \$10,000 would have to be approved by both parties. She also noted that it states in the contract that neither party can make the other liable because they are two separate entities.

In the end, Ms. Hackett suggested the SDW and GC check with NEOLA and/or their legal counsel regarding who would be liable for CEC Inc. debts, but advised that she believed the language that is currently in the contract seemed reasonable. Mrs. Robinson advised that the GC would have discussions with the District regarding any contract, and pointed out that the GC raises the money first before they spend it. It was again pointed out that in all of these cases it is important to have conversations because in the end it is for the students.

Ms. Hackett suggested that once the contract is finished and before it goes to the full Board that the Committee share it with her as well as Cassie at DPI so they can do some final checking of the language.

Mr. Flaten suggested that before the Committee does any further wordsmithing, it should make sure that the proposed language is what everyone is thinking at this point. He pointed out that the Committee has modified the intention of Section 5.6, which was the disposal of property, to now include fundraising type language to ensure clarity of what happens to those items/donations. He added that along with that then it may be necessary to modify Section 5.17 as well to include language regarding acquiring things, as Section 5.6 is regarding the disposal of things.

**Homework:**

The Committee's homework assignment is to review the additions made to Section 5.17 regarding purchasing, fundraising, donations, gifts, etc., as well as to continue to review and wordsmith Section 5.6 regarding disposal.

**Next Meeting:**

Chairperson Feldt noted that the next meeting was rescheduled to Tuesday, November 7, at 3:45 p.m.; the GC members agreed with the change and are able to attend.

**Adjournment:**

A motion was made by Sandy Robinson and seconded by Steve Klismet to adjourn the meeting at 2:24 p.m. The motion carried unanimously on a voice vote.