

**Independence Charter School
Board of Trustees Meeting Minutes
December 8, 2010 7:00 pm**

Board Members Present: Rona Buchalter, John Eagen, Derrick Johnson, Fran Melmed, Pam Prell, Pedro Rodriguez, Elsie Stern, Dana Twyman

Board Member(s) Absent: Mary Fitzpatrick, Eli Lesser, Naomi Wyatt

Others Present: Jurate Krokys, CEO; Leonora Cravotta, Development Director; Robin Kohles, Owner's Rep; Megan Steelman, Administrative Assistant; Jerry Santilli, Santilli & Thomson.

I. Call to Order

Rona called the meeting to order at 7:02p.m.

II. Approval of Minutes

The minutes from the November meeting were approved unanimously without changes.

III. Public Comment Period

There were no public comments.

IV. CEO Report

No one had any questions about the report. Jurate reported that the Philadelphia Charters for Excellence (PCE) coalition formed at a very good time and has provided a good support system among charters. The group is meeting at ICS tomorrow from 4p.m.-7p.m. Board members are welcome to stop in.

Jurate reviewed the 2011-12 budget timeline. Jerry requested a fairly large block of time at the March meeting to walk through the draft budget, so that the Board will be prepared to pass the final budget at its April meeting. Pedro suggested having a pre-meeting in February at 6p.m. to discuss the budget process; Jerry agreed that he can do that. Jurate stated that we will be looking closely at how a tighter budget may affect whether or not ICS offers clubs, the impact on summer school, the book budget, and in other areas. Jurate stated we'll have several columns of how the budget will work, depending on what type of increase we actually get from the Philadelphia School District. Rona noted that we want to be sure that the budget clearly reflects the institutional goals. Elsie asked whether they'll be a time in the budget process when Jurate will explain the goals Jurate has in mind as she plans the budget (i.e., what makes the cut and what doesn't). It was suggested that this be done at the January meeting.

Jurate handed out sheets regarding the progress of the Middle States Accreditation process. She noted although we're a little behind on the timeline, we are moving ahead. Jurate stated she had one phone conversation with Eli and is working to set up an in-person meeting regarding the strategic plan part of the process. She stated she feels the Steering Committee, as well as a few Board members should be part of the final strategic planning process, which will primarily be an editing function. Pam noted that the information that has been shared at the Curriculum Committee has been very well researched and asked how that same sort of process will be done for the other facets of

the process. Jurate stated she will try to have that happen at the January meeting. Jurate explained that we can submit a streamlined version to Middle States, but can have a more detailed version for our use. Elsie stated that she feels the Board needs some type of caucus to discuss the recommendations, since this document may represent our strategic planning goals for a while. Rona stated the Middle States process is staff and stakeholder- driven process that at some point gets handed over to the Board. Jurate said the Board will receive a big chunk of the report at the January meeting. She stated she isn't expecting any major surprises; more likely she feels like there will be recommendations for ways to allocate funds. Rona suggested we could have a two-hour discussion at some point between the January and February Board meetings. Pam asked whether the Ed Committee is going to report to the Curriculum Committee at its January meeting. Pam suggested that if that was happening, some other interested Board members could attend that committee meeting. Elsie stated that her concern is to be sure a rich conversation occurs regarding the process behind the recommendations. Jurate stated the various Steering Committee leaders could certainly share what process they used to collect information and make recommendations. Elsie stated that is not her concern. Instead she wants to know how/why they chose the goals they chose. Jurate clarified that MSA sets very specific goals, which are very structured. She will forward that information to the Board. She will also ask Steering Committee representatives to be at the January Board meeting. Pam asked what the timeline was for getting the final report to MSA; Jurate states it must be sent at least 30 days in advance of the visit in the Spring.

Jurate then gave an update on the draft agreements that charters who were up for renewal last year received from the School District of Philadelphia. The group of charters in that category met yesterday and agreed that none of them will be signing the agreements, since some sections are in violation of state charter school law. Jurate noted that ICS legal counsel agrees with that decision. She clarified that the School Reform Commission should be giving us a license to operate a charter school, not a contract. The School District of Philadelphia also set goals without any consultation with the charter schools. Those present asked what will happen if we don't sign. Jurate stated that at least one school that didn't sign last year was actually given additional students. She stated that she recommends that ICS not sign the contract. At the same time, ICS would file a request to continue the conversation. Jurate explained how the School Performance Index (SPI) was determined. Jurate clarified that under best practice, it is not good for the authorizer to be the same entity that's evaluating. Jurate stated she doesn't feel there is a chance of our being closed down. She noted that charter school law is specific about charters being innovative; it does not talk about specific achievement goals. John asked who will be responding on the Reservation of Rights to the School District. Jurate said each school will probably do that. Pedro stated that it will be important for the charter school group to be able to explain all of this very clearly. He stated there currently aren't any consequences for the School District of Philadelphia not following charter school law. Jurate stated that one problem is that this contract that was sent is not with the SRC; it is with the School District of Philadelphia. Jurate stated that one of the first things the charter school group will do is to draft a letter to stakeholders. Jerry stated that the School District/SRC is supposed to follow state charter law, not interpret it. Jurate stated that with our last charter renewal the agreement-signing process took about six months. Elsie asked whether it was illegal for them to have the achievement requirements. Jerry stated that is not legal. Jurate again clarified that charters are not supposed to be bundled into the local school district's planning process; they are supposed to be innovative. Pam asked who is spear-heading the response effort. Jurate stated the plan is to get the legal counsels from all the schools together to make a list for the response. Rona

recommended that Jurate continue to be mindful of our relationship with the entities involved; she wants to be sure our response is respectful. Jurate reminded everyone that we have had a good relationship with the School District, even when we disagree. Jurate agreed to keep the Board updated weekly. Rona suggested that we request an extension; Jurate stated that we're not saying we won't sign the document; we're saying we have concerns about several parts. Elsie asked whether the follow-up conversations with the SRC and/or School District will be individual or as a group. Jurate stated that we'll decide that after the legal counsels get together and we see each other's concerns/goals. Jurate noted the PCE wants to be an advocacy group and not a lobbying group; she said the PA Charter School Coalition would be more of the lobbying group. Rona stated we also need to know what type of document we would sign. Dana stated that if the issue is that this document should come from the SRC and not the School District, then that's a separate issue. Fran asked what the ultimate goal is; Jurate stated it's not a political goal. She stated that charters want to deal with the particular document and want to have a discussion. Jerry stated that his feeling is that charters should not sign them at all, because it's not equitable and seems to be made to make the Philadelphia School District schools look good and charters look bad. Derrick suggested that the charter school group might want to recommend a way for the SRC to proceed. John asked whether any of the eleven in the group might be trying to avoid scrutiny. Jurate stated that she feels a charter in that type of situation would more likely get someone signing sooner rather than delaying. Jurate stated the Board will get an update next week. A letter will go the ICS community before the group letter goes to the School District.

V. Finance/Business

Jerry stated that this is the lowest period in the cash flow cycle, because a lot of start up costs are paid for through October. He stated there were very few receivables from the Commonwealth during the month of October. He stated that the School District subsidy looks like there's a shortfall; that's because for the first few months of the year, we are paid on last year's student enrollment number. The enrollment number was corrected in November, so the corrected amount will show up next month. He noted we are overspent on books. He stated that since enrollment was increased, we'll most likely get about \$750 more per student. Jerry stated he'll be recommending a budget adjustment soon; Jurate is proposing those for the book budget and professional development. He noted that the surplus is a little higher than budgeted. Jerry recommends that ICS always have a surplus of at least \$200,000. Jerry stated that the Finance Committee will be looking how much debt ICS would be able to incur if they wanted to acquire additional building space. He said that ICS could probably borrow up to \$4 million; since you can't get a bond for that, we'd probably have to stay with PNC. He noted that if ICS would want to go into a partnership, we'd just need to get legal counsel to advise us to ensure it would stay non-taxable (i.e., if we were to try to run a for-profit parking lot or something like that). Rona asked whether the cost of PSERS (PA State Employee Retirement System) is going to be an issue; Jerry said he feels that won't be an issue this coming year. Jerry stated he will run several case scenarios for the Board to consider. John asked Robin to give an update from the Facilities Committee. Robin stated that \$4 million would not be enough to purchase a property. The committee is discussing different scenarios and she will now take these numbers back to the committee. Derrick stated we also have to consider what additional funds could be raised. John stated that now that we know that we may be able to borrow about \$4million, the committee can start to have more concrete discussions. Pam stated that although we don't necessarily want to cut programs, we do want to look at how programs and our mission could be enhanced by a building expansion.

Pedro moved the disbursement resolution; Pam seconded. The motion passed unanimously. Jerry noted that the Food Services program is currently breaking even.

VI. Non-BOT Committee Reports

Teachers: There is no report this month. Rona stated the teachers are discussing whether or not there should be a monthly report to the Board.

Development: Leonora stated the annual appeal letter talks about a goal of \$360,000 towards technology; she said ICS is trying to challenge each family to participate in some way. She stated the External Relations Committee feels we can't try to implement a capital campaign and a major technology campaign at the same time. Derrick clarified that to most families, looking at ICS's facility and programs, it may not resonate that ICS needs funds. That's why the group chose to focus on technology in the classroom. Leonora stated we're trying to have more integration regarding our fundraising goals. Rona asked whether anyone had questions about the Development report. Derrick stated that the appeal goal is to get all families to participate. Pam cautioned that different people feel that if they participate in a fund raising activity (i.e. a PTA fundraiser), then they feel that's their "giving" and they do not feel the need to give a separate donation. Rona recommended being very specific about the current amount spent per child on each child, compared to children elsewhere so that people can see how that works. Pam stated it would probably be good if we can also somehow count what people give through the PTA fundraisers. Leonora said that could probably be done through discussions with the PTA to ensure we're all capitalizing on fundraising efforts. She plans to come up with a process to make that work. Leonora said that looking generally at parent contributions through PTA fundraisers, as well as donations, it seems that about 40% of families donate in some way. Leonora stated that she is currently working on several grants and grant reports. Leonora circulated samples of some possible re-branding. Derrick stated the issue has resurfaced because the decision needs to be made before we finalize materials to be sent to potential funders. These drafts are being further developed; Derrick invited everyone to participate in the next External Relations meeting and/or to comment via e-mail. Leonora will circulate them electronically.

VII. BOT Committee Reports

Human Resources: A report was circulated before the meeting. Naomi was not able to attend this meeting. No one had any questions about the report.

Policy: There was no report. Eli was not able to attend this meeting.

VIII. Old Business

Rona asked Elsie to give an update on the work of the Board Governance/Development Committee. Elsie said her committee will be asking committees for mid-year goal accomplishments.

IX. New Business

There was no new business discussed.

X. Adjournment

Pam moved for adjournment; Pedro seconded. The meeting was adjourned at 9:12 p.m.

Handouts circulated at this meeting:

Agenda

CEO report

October 2010 financials

Development Report
Finance Minutes
Human Resources Report
Middle States Accreditation progress paperwork (handed out at the meeting)

**Independence Charter School
December 8, 2010
Resolutions**

ADOPTED

1. October Disbursements (Pedro moved; Pam seconded)

Be it resolved that the Independence Charter School Board of Trustees hereby approve disbursements from the month of October 2010 in the amount of \$204,841.16 as presented to the Board.

**Resolutions
DEFEATED
None**

**Resolutions
TABLED**