

**Independence Charter School  
Board of Trustees SPECIAL Meeting Minutes  
May 13, 2015 6p.m.**

**Board Members Present:** Rashidah Andrews, George Awad, Mike Barsanti, Rebecca Clothey (via phone), Brigitte Daniel, John Eagen, Susanna Greenberg, Tre Johnson, Krista Pfeiffer, Gloria Shabazz, Elsie Stern, Gregory Turlington, Dana Twyman

**Board Member(s) Absent:** Barbara Dundon, Sheila Simmons, Claiborne Taylor

**Others Present:** Thomas Scheid, CEO; Kristen Long, Middle School Principal; Kareem Thomas, Lower School Principal; Ramzy Andrawos, Director of Operations; Amy Leigh, Staff Representative; Cody Smith, IT Helpdesk Assistant; David Peterson, IT Technology; Elisse Santiago-Droz, teacher and parent; Kelly Acuna, Classroom Assistant; Andrea Ringklib Liess, Take Flight Coordinator; Antonia Jauregui, teacher; Jerry Santilli, Business Manager; Michael Danyo, Santilli & Thomson associate; Debora DeVaughn, Ebru Erkut, Yenche Tioanda, David Berney, Dennis Egen, Casandra Cruz, Angela Ricci, Andrea Nunez, Kathleen Brown, Jennifer Valentine, Sue Malia, Beth Dougherty, Shira Rudavsky, Cynthia Kwan, Deeya Haldar, Kapil Dandkar, Maggie Schuler, Kelly Shmukler, Chad Shmukler, parents; Megan Steelman, Compliance Manager; Lance Lukasiak, Amaya McCaskey, Hope Willoe, Meagan Ingerson, Gaja Stirbys & Kerry Routh, teachers; Lisa Palandro, Classroom Assistant; Odamis Fernandez-Sheinbaum, Student Testing & Achievement Coordinator and 21<sup>st</sup> Century Coordinator; Michael Frattone (phone), ICS legal counsel

**Call to Order**

Gloria called the meeting to order at 6:02 p.m.

**Approval of Minutes**

John moved to accept the April 29<sup>th</sup> Special Meeting minutes, George seconded. Dana abstained. The motion passed.

**Public Comment**

Gloria reminded the audience that typically the board does not respond immediately to public comments. However, due to the nature of tonight's meeting, we will try to answer budget-related comments. Gloria stated there has been a false rumor about the FLES program being eliminated; she emphasized that the FLES program is not being eliminated.

Andrea Nunez (parent)- has a kindergartner in the Enhanced program. She said she feels it's wonderful that it's continuing. She noted that her child especially enjoys Maestra Laura's teaching. She has observed her in the classroom and feels she should be held on to.

Jennifer Valentine (parent)- She has a daughter in the immersion program and one in the Enhanced program. She noted that her daughter in the Enhanced program is very

enthused about Spanish and global travels from her experience with Maestra Laura. She understands the budget situation is difficult and hopes the board keeps the mission in mind when restructuring.

Sue Malia (parent)- She has two children in the Enhanced program. She stated she is concerned about cutting staff. She feels ICS cannot live up to its standards if it is cutting staff. She would like to know what data was used to make these cuts and how these decisions were made. She is concerned about what ICS will look like in the future. She stated that her children adore their teacher, Maestra Laura. She stated that we must do better to support our teachers.

Odamis Fernandez-Sheinbaum (parent/staff)- He said he'd like to talk a bit about ICS-West. He said he feels that diversity is what makes ICS- 1600 so great. He said we're now looking at a school in southwest Philadelphia and ICS has the opportunity to bring this great education to more children in Philadelphia--- no matter what the catchment restrictions are imposed by the school district. He noted there is diversity in that section of the city.

Dennis Egen (parent)- has a child in the kindergarten Enhanced program. He said that as a parent, he wanted his child to come to a school where the staff knows how to teach languages.

Mary Ann Duffy (parent)- Megan read an e-mail from Ms. Duffy, who is concerned about Jose Rodriguez's position being cut after his more than 10 years of service to the school.

Amy Weidner (parent)- she heard through the grapevine that Jose, a long-time, caring employee will not have a position next year. She said she feels he is a vital part of the ICS community and is important to keeping ICS safe.

Gloria explained that because Amy is the staff rep, we are allowing her to share some anonymous comments from staff, even though we usually require individual names to comment. She noted that emotions are a bit raw right now. She has asked Amy to not use individual staff names, but to use a general term (i.e., teacher, administrator, etc). Gloria explained that the staff was just informed last week about budget cuts for next year. She stated that teachers couldn't get contracts until the budget is approved. Staff whose positions have been cut in some way were notified last week. However, there is still some restructuring to be completed. Individual meetings will be held with staff whose teaching assignment is being changed in any way before they need to sign their contracts.

Amy Leigh (staff rep)- Amy read a statement that included information given by anonymous staff members. Concerns included the lateness of staff being told whether there will be any salary increase and/or what positions may be cut, questioning the use of time by administration.

Gloria stated these comments are certainly difficult to hear. She stated that during the budget discussion, we will touch on how the decision-making process was done. She noted that some people thought we should have made more drastic cuts last year, so that the pain only happened one time. Since the board was hopeful that some positive changes were going to happen in Harrisburg with the new administration, we only made partial cuts last year. Since positive changes for charters have not yet happened in Harrisburg, we did need to make more cuts this year. Gloria stated that the problem with

letting people know as soon as possible, is that it takes so long to get all the necessary information to create the budget. She stated that once the budget is adopted, we could make changes every 90 days.

### **CEO Report**

Tom gave an update on recent activities:

PTA's successful Silent Auction, raised over \$30,000

8<sup>th</sup> Grade Algebra I and Spanish tutoring to prepare for high school testing

4<sup>th</sup> Grade Philadelphia Bar Association Visit

6<sup>th</sup> Grade trip to Baltimore Science Center

Reading Olympics- blue ribbons

Student Run Philly Style- some participated in the Broad Street Run

Kindergarten Goodbye Tea party for Student Teacher Allegra

Indonesian Delegation visit

Global Citizenship Day Program- next week

National History Day- several made it to the state competition

Garden has continued and will be incorporated into the 21<sup>st</sup> Century summer program

5<sup>th</sup> graders are at Camp Onas

Odyssey of The Mind- one of ICS' team made it to the international competition in Michigan. They will be honored at City Hall tomorrow

### **Governance Committee**

Brigitte reported the committee will be recommending three new board candidates. John Trieu is an ICS parent and has business experience. Harry Mosely is an attorney. Maureen Eagen is an attorney and an ICS parent. Brigitte said the committee is very enthusiastic about these candidates. Gloria said the official vote would happen at the June meeting.

Rashidah gave a summary of the parent rep election process. There are plans to start a subcommittee to talk about the parent rep role and how to improve communication next year. We are in the process of preparing for the next parent rep election, which will happen soon.

### **2015-2016 Budget**

Gloria explained that the budget planning process starts in January or February and that it takes many months to finalize it. She noted there are some "uncontrollables" such as:

-the enrollment cap

-estimated inflationary increases

-PSERS contribution changes

-School District Subsidy (usually don't find out until sometime in June)

She stated that the discretionary areas are staffing levels, program changes and salary increase.

For this fiscal year, we had a 7% decline in the student subsidy. We have budgeted for a flat amount for next year. She pointed out that change is always difficult and is made

more difficult when it involves salaries and jobs. PSERS (pension fund) increases every year; by 2020 the school will need to pay 32.23 percent of salaries towards PSERS. Previously charters received a subsidy toward the PSERS payment; the subsidy has now been eliminated. Gloria stated that we anticipate a double-digit increase in healthcare costs. And, it is unclear as to whether any immediate funding increases will come from Harrisburg.

On a positive note, Gloria reminded everyone that ICS received the 21<sup>st</sup> Century grant, a number of other grants, and that we are anticipating opening ICS-West, which will provide economies of scale by sharing resources with ICS- Center City. Gloria stressed that ICS has been a strong steward of its funds.

Gloria asked Mike to review the budget comparison. Mike explained in addition to cuts in the school district subsidy, we have had decreases special education funds from IDEA and a decrease in federal entitlements. Gloria clarified that staff did get a raise in January of 2014 and returning staff received a 2% raise in the beginning of this school year. And in the prior year, we were able to give staff a bonus.

Gloria stated that in the early spring we ask teachers for their intent to return, so that we can see if there is going to be any attrition before we make staffing cuts. The board got input from the leadership staff, asking how suggested cuts will affect the program. It is a deliberate, thoughtful process. She noted that we are still at a \$600,000 deficit. We are hoping that by the following year, the funding will start to turn around. The opening of ICS-West will also help financially. John moved the budget; Susanna seconded. Gloria said that we could make changes if other funds become available. A parent asked whether the parents have any input or are just observing this process. Gloria said that tonight the audience is observing the budget finalization process. Gloria said we cannot have an open discussion about staff restructuring until the staff affected are informed. Jose stated he has been at ICS 10 years and dedicated himself to it and that he will work as hard as he can until his last day at ICS. Sue Malia reiterated how wonderful she feels Jose is, not just about the facility, but with students. Gloria stated that the FLES program is not being changed, it's how it's; rather, the way it is staffed that is being changed. Annette Earling, President of the PTA, said that she is so upset that the PTA was not consulted about the change in Jose's position. An audience member said that it seems there should have been discussions with teachers, administrators and the board to plan for the following year. Several parents voiced concerns about not being informed about what specific changes were made for next year (Gloria read the list of changes in response). A parent asked if we do get additional funds, whether we will consider rehiring some of the staff who lost jobs. Gloria reminded everyone that there is still an almost \$600,000 deficit.

Gloria announced that ICS' charter renewal was approved this week by the SRC. Gloria stated that last year we did have an open meeting for teachers, but only eight attended. She stated that the way we conducted the budget conversations in the past are not necessarily the best way to proceed. She stated that part of what the board is entrusted to do is to make good long-term decisions for the school. Stephanie Bungard asked about

the status of the fund balance. Gloria stated that this is the third year of the deficit. She noted that some of the fund balance is designated and that we have been using some of it to decrease the deficit. Jerry stated that we need to have about \$3 million on hand to have 60 days of working capital available-- to pay our bills and pay our staff. Gloria reminded everyone that there is only a finite amount of money. Kristen stated none of these decisions were easy and that everyone works incredibly hard at ICS. Elsie stated that at the last board meeting when the board reviewed these numbers, it's like a family who experiences a very stressful financial crisis; there are simply not enough resources. She asked that we remember that the bad guy is not in this room, rather, the problem is living in a state Pennsylvania, which that does not have a fair funding formula or fund its schools sufficiently; we need every member of this community to be activists about this situation. Sue Malia asked about the classroom assistant cuts. She emphasized how hard classroom assistants work.

A roll call vote was taken:

Brigitte- aye  
Mike- aye  
Rashidah- aye  
Krista- aye  
Greg- aye  
John- aye  
George- aye  
Rebecca- aye  
Gloria- aye  
Elsie- aye  
Susanna- aye  
Dana- aye  
Tre- aye

The motion passed unanimously.

### **ICS-West**

Gloria asked Tom to give an update on the ICS-West plans. Tom called ICS legal counsel Michael Frattone; he put him on speaker phone. Tom reported that we are still negotiating with the School Reform Commission's Charter School office. John asked whether the new school can survive with only 800 students. Jerry stated that since the new school employees will have a different pension plan that will make it a bit better. He said 900 is preferable, but we can make 800 work if we have to do that. Michael Frattone said there are lots of assurances for protection of the ICS name. He said he feels the agreements have the appropriate legal safeguards for ICS- 1600 Lombard. Tom noted that there are three items that the current ICS board needs to approve: negotiating the terms of the charter, approving the bylaws, and approving the members of the ICS-West board. Michael Frattone explained that these items need to be completed in order to move the new school forward. Tom clarified that if we cannot negotiate a charter that we can agree with, then the ICS- West board would be dissolved. For now, we are operating on the assumption that the new charter will go through. Michael Frattone said that the

chair of the board of the new school will sign the charter. Elsie asked whether the current ICS board will ratify the final offer on the table. Tom stated that authority will be handled by the attorney, Tom and our business office under the direction of this board. Amy asked about the timing of the building. Tom said that we now have until the end of this month to make a decision about the building. Mike asked who has the right to hire and fire the administration of the new school. Tom said our board recommends the head of staff, but the board of the new school has the ability to override the decision. Tom clarified that the initial board consists of people who understand ICS; most of them will not serve for a long time, but will assist in identifying new board members for the long-run. Tre asked if we have a commitment from the school district as to how soon they will be getting back to us. Tom said he is confident that they will get back to us soon, since they want ICS- West to happen and we have a good relationship with the school district. Mike asked Michael to give details about the academic and services agreement; Michael said that while the new school shares the ICS name and vision, it will be a separate entity with its own liability. Michael said he feels this agreement is clear that the ICS- 1600 board has no liability for the running of the ICS- West school. George asked if our fund balance is protected from having to be used for ICS- West. George asked if ICS as the management service provider could be liable. Michael said that could happen if a third party had a claim against ICS- 1600; they would have to prove their case. Michael said he'd be happy to revisit the management agreement with that in mind. Tom noted that we will be starting with less building improvements to save on costs until the enrollment increases in the following years.

Tom stated that we are in the portfolio of the Philadelphia Schools Partnership (PSP). ICS- West will get \$3,000 per student starting in July 2015 and going through six years, with a possibility of being over seven years if needed. We will get at least \$2.7 million. This will cover an administrator, the deficit until we're fully enrolled, etc. He explained that the shared services agreement will allow for sharing some staff. Jerry clarified that we haven't been able to plot out the long-term net benefit for ICS- 1600. Tre said it doesn't sound like there's anything that will compel the school district to agree to our terms. Susanna asked if the other four new charters are also in negotiations. Tom said he thinks there is only one other in negotiations. Amy asked if we will be able to get a better rate for medical care having both schools. Jerry said we can't save on that, because they are separate entities. However, there are other areas that we can save on when contracting services. Tom said that we've already gotten approval to train current staff on the new data management system we'll be getting for the new school. Elsie asked if we can ask for a building, since the school district is asking us to run a catchment school. Tom said there are no available school buildings in that catchment. Gloria asked Ramzy how this current ICS space as it was when we looked at it compares to the condition of the new ICS-West building. Ramzy said that this current building was in worse condition.

Gloria read the bylaws resolution. Susanna moved the motion; Tre seconded. Krista read a statement, saying that she is committed to giving students in southwest students a quality education. She said she is not sure whether the new school would have the same ICS diversity. She wonders if it will still be an ICS-branded school if several of the

integral components are missing. The achievement gap continues, teacher morale is very low. Are we qualified to open another school at this time? She doesn't think we should make the decision about the new school based on it being financially beneficial to ICS-1600. Elsie asked Tom to share some of the factors that will make ICS-West better funded than ICS-1600. Tom responded that in the short-term we have PSP funds, which includes funding for extra tutoring, full-time classroom assistants, a family liaison and other supports. If our student eligibility for free and reduced meals increases at the new school, this means we would receive increased federal funds. Tom stated that, in his experience with higher economic need populations, that a lot more funding is available. Susanna asked about the catchment. Tom said it doesn't include the entirety of the zip codes. He said it doesn't include the Penn Alexander area. We have asked to add the Overbrook area. Krista stated that some feedback is about much more than funding. She said we still have discipline challenges and an achievement gap. She said she's not convinced that we have what it takes to open a new school when we're only sure about the funding, but have lots of significant challenges at our current school. Mike thanked Krista and others for their input. Mike said that he feels the funding is an important part of the equation and that the challenges of ICS-1600 have to be addressed, no matter the decision on ICS-West. But, he feels that it is much more of a financial risk to ICS-1600 if we do not pursue ICS-West. He feels ICS-West is the next step in the evolution of this school; it reduces global citizenship to the local community. Mike added that it seems that some work at ICS-West could end up helping ICS-1600. Dana said she has some of the same reservations as Krista has. She noted that comments shared tonight, at the strategic planning session and the teacher surveys seem to say there is a cultural disconnect. She noted that even the name, ICS-West, needs to be changed to ICS-Southwest. She said she needs to be communicated to as a board member. She said that no one has closed the achievement gap; she said we need to be willing to use best practices and not reinventing the wheel. She said she doesn't feel comfortable with the new school, because it doesn't sound like we have a plan. She feels we need more clear, consistent communication with the board, because everybody doesn't have the same information --- bits and pieces are being shared with different people. Tom said we have a big communication problem at the school and acknowledged that; there's a big difference between Jurate and his leadership style. Tom noted that he knows he needs to improve on his communication. He said he and the rest of the leadership team is working to strengthen the communication. Elsie asked what specific resources from ICS-1600 will be shared at ICS-West in regards to detracting resources such as leadership time. Tom said that the new school administrator would be starting at ICS-1600 and transitioned to ICS-West. Tom stated that in the beginning of the year, he knows he needs to fix the problems at the current school. Tom said that the leadership team would have a several day retreat to discuss priorities such as communication, discipline procedures, and other critical areas. Tre said, although he has had some concerns similar to those already voiced, however, he noted that nothing rests solely with any one administrator. He stated that he feels the current ICS kind of fell into its diversity and that isn't a strategic growth model. He added that he feels there's a greater calling here. He stated that we can't forget what it took to get to where we are now. Gloria called for the vote. Krista voted no, Elsie and Dana abstained; Rebecca was no longer on the phone. All others voted yes. The motion passed.

Gloria read the board member resolution. Elsie moved the motion; Mike seconded. Krista opposed; all others voted yes. The motion passed.

Gloria explained that she read the management agreement and that ICS- 1600's legal counsel reviewed it also. John moved the motion; Mike seconded. Krista voted no; Elsie and Dana abstained. All others voted yes. The motion passed

Gloria read the charter negotiation motion. She clarified that the group identified in this motion is charged to negotiate to terms of charter that can be agreed on; otherwise, the charter would not be signed. George clarified that the new board cannot sign a charter that this group hasn't negotiated. George moved the motion; Dana seconded. Krista voted no; all others voted yes. The motion passed.

### **Executive Session**

Gloria explained that the board members will now go into an executive session to discuss a confidential matter. When that session is finished, the meeting will be adjourned. The board went into executive session at 9:24p.m. and returned at 9:32p.m.

### **Adjournment**

Gloria adjourned the meeting at 9:35p.m.

## **Independence Charter School May 13, 2015 Resolutions**

ADOPTED

### **Approval of 2015-2016 budget**

Be it resolved that the Independence Charter School Board of Trustees approves the 2015-2016 budget as presented.

### **Approval of ICS- West bylaws**

Resolved, that the Bylaws of Independence Charter School- West as presented to the Board of Trustees of Independence Charter School, are hereby approved and ratified as the Bylaws of Independence Charter School- West and are incorporated into these minutes by reference.

### **Approval of ICS- West board members**

Resolved, that Board of Trustees of Independence Charter School hereby approve of Brigitte Daniel, Rona Buchalter, Pedro Rodriguez, Rebecca Clothey and Pam Prell to be the initial Board of Trustees of Independence Charter School- West and for each of them to serve as a Trustee of Independence Charter School- West in accordance with the Bylaws of Independence Charter School- West.

**Approval of Independence Charter School and Independence Charter School-West academic and support agreement**

Resolve, that the Academic and Support Agreement by and between Independence Charter School and Independence Charter School- West presented to and considered at this board meeting is hereby approved and ratified; and

Further Resolved, that the board officers and Thomas Scheid, Chief Executive Office of Independence Charter School and each of them are directed and authorized to delegate any task necessary to effect this resolution and to execute the Academic and Support Agreement in consultation with legal counsel.

**Independence Charter School- West Charter Term Negotiation**

Resolved, that the board officers of Independence Charter School and each of them and Thomas Scheid, Chief Executive Officer of Independence Charter School, along with the board officers of Independence Charter School- West, Santilli and Thomson and Sand and Saidel P.C., are directed and authorized to negotiate the terms and conditions of the Independence Charter School- West Charter Contract by and between the School District of Philadelphia and Independence Charter School- West; and

Further resolved, that the board officers of Independence Charter School and each of them and Thomas Scheid, Chief Executive Officer of Independence Charter School are directed and authorized to delegate any task necessary to effect this resolution.

**Resolutions DEFEATED: None**

**Resolutions TABLED – None**