

**Independence Charter School
Board of Trustees Meeting
December 13, 2006, 7:00 pm**

Board Members Present: Becky Baehr, Anyabwile Banko'le, Ryan Boyer, Michelle Campbell, Eric Cramer, Joana Davis-Diaz, Susan Gobreski, Sean Hennessy, Rosina Miller, Laval Miller-Wilson, Lisa Nelson-Haynes, Nicole Perkins Kilcullen, Pam Prell

Board Members Absent: None

Others Present: Sean Gallagher, Vice Principal; Jurate Krokys, Principal/CEO; Jerry Santilli, Santilli and Thomson; Ramzy Andrawos, Operations Manager; Megan Steelman, Administrative Assistant; Amy Leigh, Tienne Martin, ICS teachers; Kristen Denahan, ICS Counselor; Rona Buchalter, Susan Burrows, Cara Carroccia, Cindy Cassel, Ann Farnsworth, James Gilroy, T.J. Gobreski, Jody Graff, Terry Henry, Ernst Hohmann, Beth Jacquot, Steven Johns, Tina Kluetmeier, Robin Kohles, Rob Kopf, Monika Kreidie, Marcie Lichtman-Lentz, Maureen Long, Kellianne McCarthy, Conswelia McCourt, Gerry McDermott, Fran Melmed, Brett Mandel, Kristin Nocco, Ellen Pannell, Amy Rivera, Ken Roscioli, Caren Seltzer-Devine, Cristina Veal, David Webber, Laura Weinbaum, parents

I. Call to Order

President Rosina Miller called the meeting to order at 7:00 pm. The Board went immediately into Executive Session to discuss confidential matters. The meeting resumed at 7:50p.m.

Rosina gave an update on the strategic planning process, noting that the first draft of the strategic plan was recently received from the consultant. The next step will be for the Strategic Planning Committee to review the draft and make edits. After that the revised draft plan will be circulated to the Board and the general public for review and additional suggestions for edits.

Rosina next introduced ground rules by which she recommended the Board adopt as a way to more effectively run its meetings. The proposed ground rules are:

1. We assume positive intent.
2. One person speaks at a time, in order.
3. No sidebar conversations.
4. We want to hear from everyone.
5. Set and respect time limits.
6. We encourage brevity (no holding forth).
7. Apply a relevancy test when speaking.
8. We have clear goals for our meetings.

Becky moved a motion to approve these ground rules; Sean seconded. The motion was approved unanimously.

II. Approval of Minutes

Rosina asked if there were any changes to be made to the November minutes that were circulated; there were no changes. Ryan motioned to accept the minutes as circulated; Anyabwile seconded. The minutes were approved.

III. CEO Report

Rosina asked Jurate to mention any additions to her written CEO report. Jurate noted that today she attended an International Education Forum in Harrisburg. It was the first such meeting in Pennsylvania and was a great networking

opportunity. She noted that the state is looking into how to teach language acquisition and that she invited many people to visit ICS. Rosina asked if anyone had questions about the CEO report; there were no questions.

IV. **Committee Reports**

A. Finance

Sean asked Jerry to review the October financial information. Jerry noted there are very few receivables and that ICS is in a strong cash flow position. He reported that the School District reconciled the student count in the beginning of November, so that increased amount is not reflected in the October figures. He further noted that there are several payroll checks that were cut due to some clerical errors. Rather than having the employee have to wait for a payroll check a manual check was cut. Sean noted that the Finance Committee had already reviewed the financial information and had received satisfactory answers to their questions. He asked if anyone had questions; no one had questions. Sean moved that the October disbursements in the amount of \$215,045.11 be approved; Nicole seconded. The motion passed unanimously.

B. Human Resources

Becky circulated meeting minutes to the Board by e-mail prior to the meeting (due to a technical glitch, they were not included in the Board meeting packet). She noted that the Committee drafted sick leave buy-back policies, which will be proposed at the January Board meeting. The big item on the HR agenda is the teacher pay scale revisions.

C. Curriculum

Pam reported that at the Strategic Planning retreat, a lot of feedback was received regarding curriculum. There was a discussion at the retreat about FLES and Immersion and whether ICS should consider going to one program. She explained that such a discussion would not be about FLES vs. Immersion, since whether we kept one or both programs, they'd likely not be in exactly the same form as they are now. The retreat participants made a list of many factors that would need to be considered; for example, if we were to move to an all immersion program, would we be able to staff it? The retreat group took a straw poll as to whether a vote was taken at that point, would they choose one program or two; the group was almost evenly divided as to their answers. Future discussion will most likely focus on particular models.

D. Facilities

Rosina reported that ICS received a draft letter of intent from CHAD this week regarding a lease with an option to buy. She asked ICS parent and ICS legal counsel, Terry Henry, to explain this letter. Terry reported that the offer is for a lease extension for one year and that the rate still needs to be negotiated. Once that is decided, ICS would have 10 days to execute the lease. CHAD is also offering an option to buy; the first step would be to buy a condominium unit and some common space to be mutually shared and developed with the ability to grow once other tenants leave. If the building were to be sold, ICS would share profits of the building. ICS would have 90 days to negotiate the option to buy. If the right is not executed by April 15, 2007, it wouldn't happen. If ICS takes the option, it would take effect as of June 1, 2007.

Rosina explained that we would now consider four resolutions on tonight's agenda, before moving on to the presentation regarding facility possibilities.

She asked if there was a motion for resolution #1, regarding ICS accepting the Lenfest grant of \$53,000. Sean moved the motion; Ryan seconded. The resolution was passed unanimously.

Becky then moved resolution #2, regarding hiring David Peterson as the ICS Technology Support Person; Sean seconded the motion. Susan asked whether the Human Resources committee had discussed the use of the money from the Lenfest grant; Becky responded that the grant specified how the money was to be used and that ICS will be using it according to the grant. The resolution passed unanimously.

Ryan moved resolution #3, regarding ICS admitting four kindergarten classes for the 2007-2008 school year; Lisa seconded the motion. Susan made a friendly amendment to change the word “policy” to “practice.” The resolution passed unanimously with that wording change.

Becky moved a revised version of resolution #4, regarding the lease extension at 105 South 7th Street; the revised resolution deleted the word “include” in the next to last line of the resolution and added the following phrase at the end: “and to negotiate and execute a fourth amendment to the lease, extending its terms for the academic year 2007-2008. Susan seconded. Clarification was given by Jerry, noting that Designing Futures owns LA Liberty Square. The motion passed unanimously.

Rosina then gave the floor to Nicole. Nicole, with the assistance of parent Rob Kopf, gave a PowerPoint presentation, similar to the one presented at last week’s PTA meeting, which focused on four areas: the facilities search process, the decision about moving forward to this point with the Durham site, the findings from the Durham due diligence period, and what will occur if ICS doesn’t move to the Durham site. Afterward, Rosina thanked Nicole and Rob for their excellent work in preparing the PowerPoint presentation.

E. Development

Laval reported that the calendar event was a successful cultivation event and that it did raise a small bit of funds. He emphasized that fundraising was not the main goal of that event. He publicly thanked the many people involved with making the event a success: Francesca Rosselli for providing the wonderful venue, Beth and Jean Claude Jacquot for hosting and coordinating food and beverages, Jody Graff for designing the calendar, Susan Burrows, Fran Melmed and Cristina Vea for spearheading calendar sales; Tr. Natalie for selecting artwork to be included; and Pr. Jurate, Iris Hohmann and Megan Steelman for providing administrative support.

Laval noted that in the short-term he is not hopeful that ICS will meet its \$50,000 fundraising goal for this school year, since only about \$10,000 has been raised so far. He noted that he is more hopeful regarding the longer-term fundraising capacity. The committee’s plan is to focus on individual and corporate donors, as opposed to foundation funding. He stated that the committee will be working in conjunction with the Curriculum Committee, but that it expected that the Curriculum Committee would work primarily in pursuit of program-specific grant funding. The long-term goals of the committee are to raise funds both to increase programs and to raise money for the purchase of a building. The committee hopes to soon make a recommendation to the Board regarding hiring a consultant to complete a fundraising feasibility study. That process would take one to two months and would cost between \$10,000 and \$25,000. He noted that

there will likely be some overlap between this process and strategic planning and that it makes sense to wait until after the strategic plan is developed to embark on the fundraising feasibility study. From initial contacts with potential consultants, Laval reported that organizations do better in the fundraising arena when there is a strategic plan in place, as opposed to starting from a point of desperation. In addition, ICS will need to spend a significant amount of money in order to significantly increase revenue over the long run. The committee also wants ICS to look at trying to leverage public dollars by using more political muscle. Finally, Laval noted that the whole Board needs to be actively involved in fundraising, which includes ensuring that 100% of Board members contributes financially in any way they are able.

Rosina opened the floor to questions regarding finances and facilities. Susan clarified that the actual projected class size in fifth grade would be 26.7 students; Nicole responded that was the number included in the presentation. Amy asked Jerry to give an update on what he mentioned in a prior Board meeting, regarding bond issuers possibly changing their minds if an organization makes changes in its plan. Jerry clarified that sanctions are usually only imposed if there are major issues regarding the type of change that is being made. Laval asked what happens if we actually don't need all the money that is approved for a bond; Jerry stated any remaining funds must be used to pay towards the debt service. Joana pointed out that collapsing from four to three classes in the upper grades would not involve firing any teachers, since we are not yet at full capacity in the upper grades. Lisa asked how current grants are being listed in our budget. Sean explained that something like the Lenfest grant involves us needing to make expense commitments. Therefore, it doesn't make sense to credit it to Development. Development funds are generally unrestricted. Eric asked whether Jerry has ever heard of a grant for a million dollars for a school. Jerry responded that both CHAD and Mastery have received such grants. Laval clarified that although the preference is to receive unrestricted funds, ICS would be open to consider designated corporate donations. Ryan stated that CHAD obviously was able to raise money for this building, so therefore he feels ICS should start looking at ways to raise money to stay here with the possibility of someday being able to building up. Becky asked Jerry whether there are penalties for paying off a bond early. Jerry stated that it's difficult to pay back early.

Jurate asked Jerry for clarification regarding what types of things would need to be cut in order to stay within a budget at Durham. Jerry stated that ICS can afford Durham, based on 732 students and reduction of three classes in the middle school, but that if renovation costs run higher than projected, ICS would need to look in other areas----textbooks, supplies, administrative assistance, etc, to save money. Ryan asked why ICS spends so much money on textbooks. Jurate replied that we are creating programs. One large purchase this year was a science curriculum for grades K-8, which won't need to be replaced for a long time.

V. Public Comment Period

Rosina opened the floor for public comments. She reminded everyone to be mindful of the established ground rules. She reminded the audience that those who signed up in advance of the start of tonight's meeting will be given a maximum of two minutes to speak. She thanked everyone who submitted written comments before the meeting and encouraged those who already submitted written comments to only speak if they have something to add to those

comments, since the Board has already reviewed all the written comments. People in that category will only be given one minute to speak.

Ann Farnsworth (parent): I deal with knowables and unknowables; a knowable is that the quality of the current building is inadequate. Unknowables include intangibles, such as “can we raise the money?” What is the cost of saying, “No” and the intangible of how that decision would affect morale?

Kristin Nocco (parent): Thank you to the Board for all the hard work. Purchasing Durham would fit our long-term goals. I’ve looked into community resources near Durham, which are possibilities. Sharing space in this building concerns me. I hope that we all will rally around whatever decision is made.

Steven Johns (parent): We can make it work at either location; parents are going to stay no matter what. A risk would be losing wonderful teachers due to low salaries. Also, beware of windows that open; they can be costly in terms of utility costs.

Monika Kreidie (parent): I had worked on starting a charter school that was approved. We did a lot of research on foundations who fund charter schools; I now am passing that information on to ICS. This is a commercial location; I feel we should move to Durham.

Amy Leigh and Tienne Martin (teachers): The major teacher concerns are: the number of students in each classroom, salary, space and programming. The teachers appear split as to the facility decision. The focus needs to be on retaining strong, experienced teachers. The teachers carry the culture of the school with them.

Amy Rivera (parent): There is something to be said for kids walking through a historic school; it’s a good experience to give them.

Cara Carroccia (parent): My major concern is sunlight at Liberty Square; there is a lot of research on how much sunlight affects many things. I feel we need a great faculty, curriculum and environment. I feel we already have a great faculty and curriculum and that if a move to Durham can work without compromising faculty and curriculum, I think it’s the right choice.

Rob Kopf (parent): I look to the Board to minimize risk. I see more risk by moving. Projects always go over cost estimates. There is also the impact on staff by hiring so many new teachers each year. I want the decisions to be about staff and programs, not the building.

Karl Olsen (parent): I have faith in the Board’s decision. Initially I was very enthusiastic about the move. I sense the risks of moving to Durham are impossible to predict. I’m concerned about losing teachers and building up the programs.

At this point, Rosina asked Terry Henry to give clarifying information about potential cost overruns. Terry stated that the school would not be responsible for additional costs having to do with the plan as proposed. Jerry clarified further that the school would be responsible for additional costs if the Board requested changes to be made in the plan.

Ken Roscioli (parent): This isn't about a building or working out the numbers. It's about who we are now and where we are going as a school.

Marcie Lichtman-Lentz (parent): I want to keep happy, good teachers and small class sizes.

Brett Mandel (parent): This building will always have narrow hallways, etc. I endorse Durham. This space has been fine for the short term; in the long-run, it would be a mistake.

Tina Kluetmeirer (parent): I am concerned about the risk, here in the school and at the park. Recently when my husband was volunteering with our child's class at the park, someone rushed a classroom group. Luckily a park ranger was able to assist in having the person moved away. Durham requires a leap of faith. Take Liberty Square off the table; look elsewhere if Durham doesn't work.

Gerry McDermott (parent): Look at why teachers have left; don't make assumptions. Stick to what you have. We haven't begun a financial campaign. Moving to Durham is about a vision and mission that works.

Jurate Krokys (Principal/CEO): We should go to Durham or a place like that. We have an exceptional school; we have things to work on, but we're quite good. Several potential funders are starting to make commitments. Safety is the main concern for me. Most of Durham's classrooms would be larger than the rooms here. Durham would give us identity.

Rosina clarified to the audience that a proposed resolution regarding Durham had been circulated earlier to the Board. She asked if there was someone who would like to move the resolution. Michelle moved the resolution and read it:

Whereas ICS has entered into an Agreement of Sale with the School District of Philadelphia to purchase the property known as the Durham School located at 16th and Lombard Streets;

Whereas ICS is to close on the Durham School property on March 1, 2007;

Whereas, the Durham School will provide ICS, as sole occupant, a traditional school building, a private, enclosed outdoor space, larger classrooms with natural lighting and flexibility with movable classroom dividers;

Whereas ICS's feasibility study determined that the cost of acquisition and minimum necessary renovations and construction for occupancy will be approximately \$17.4 million, about \$5 million more than originally projected;

Whereas ICS is not able to finance renovation or construction at the Durham School beyond the minimum necessary for occupancy;

Whereas the debt service for financing the acquisition and minimum necessary renovations and construction costs will be approximately \$1.2 million annually;

Whereas ICS will be required to maintain its maximum student capacity of 732 students annually and make cuts in programming to meet its debt service obligations;

Whereas ICS will not immediately be able to meet its present core program requirements within the minimum necessary renovations and construction at the Durham School; and

Whereas defaulting on its Agreement of Sale with the School District of Philadelphia may cause ICS to incur over \$250,000.00 of expenditures made during due diligence for the Durham School, which expenditures would not be qualified for reimbursement in any subsequent bond financing.

Now, therefore, be it hereby resolved that the ICS Board of Trustees authorizes the Executive Committee to undertake those actions and expenditures necessary over the next thirty (30) days to continue preparing for closing on March 1, 2007, which actions and expenditures include, but are not limited to, applying for a bridge loan, obtaining necessary zoning approvals and authorizing the architects and retained design professionals to begin phase II activities.

Nicole seconded. Discussion ensued.

- Joana: Teachers who left last year mostly did not leave due to salaries. Charter schools are limited on the lengths of contracts they can offer due to the limited length of each charter. Upward mobility is also limited. We can't compete with the suburbs.
- Eric: Do we have an estimate of the 30-day costs?
- Nicole: There would be an additional \$80,000 for architects; that work is required to meet zoning. There would also be some legal fees and the cost of financing a bridge loan. A total of about \$100,000.
- Susan: Am I correct that this resolution is about spending resources over the next 30 days?
- Nicole: Yes. If we vote "no," we know we'll be in default of our agreement, since we wouldn't be able to get zoning approval. It could be corrected eventually.
- Anyabwile: Is there anything beyond zoning that would be in jeopardy?
- Rosina: Yes, we also wouldn't be able to get the bridge loan.
- Joana: By the time we would be in Durham we wouldn't have hired the middle school teacher so when you say we lose 3 teachers we really don't right?
- Nicole: You're right that we do not "fire" teachers. However, the money for those three teachers is already in the teacher salaries budget and so we would be taking that additional money and spending it on facility rather than leaving in teacher salaries or using it elsewhere on programming.
- Ryan: This resolution doesn't make sense. It's basically a resolution to wait to decide whether to move forward. What does the Executive Committee expect to change in 30 days?
- Pam: If we vote for this resolution, we'd vote for it because our mind isn't yet made up about the decision on Durham and that if more funding is available, we might change our minds; otherwise, you'd vote against it.
- Eric: Is there something we're expecting to happen in the next 30 days?
- Nicole: Part of the reason for this resolution was a plea from the CEO to have more time to talk with potential funders.
- Jurate: I have several meetings lined up over the next few weeks.
- Pam: Is the nature of those meetings to talk about money specifically for Durham or for the school in general?
- Jurate: I'd approach them differently for programming.

- Pam: No matter how much money we get, Durham is still too small.
- Rosina: Detailed design is the next part of phase II. If we make changes and could make it bigger, do we need to go back to zoning?
- Nicole: Yes, we would.
- Susan: I think we should wait 30 days; 732 is a big school. Durham would cost 38% more per student. The money should follow the kids. Every member of the Board and our staff need to be committed to raise funds, wherever we are. We've had fundraising efforts, we've hired a fundraiser, but we haven't cultivated it.
- Anyabwile: Try not to tie Durham to the potential donors.
- Joana: The table have turned over the last two months. We voted months ago not to negotiate a long-term lease at this site. Now it seems it's back on the table.
- Michelle: I'd vote yes to proceed. We decided earlier not to stay here. For the long-term, this is not the space. The ICS founders had a vision and it worked. Durham can work too.
- Eric: If we vote for this resolution, we're saying we'll spending a lot of money, the equivalent of about two Lenfest grants, to give people some time to identify sources of a lot of money.
- Becky: I don't think the length of a charter affects whether staff stay or leave. The decision is all about programming. If we move to Durham and have only three classes per grade, it could work. However, as it is, I think it's an inadequate space. This space has been wonderful to us. Consider it a real estate investment. We could sell our share and moved later. It's different for the founders now, because there are real kids here for whom decisions have to be made.
- Lisa: Thanks to all the community members who spoke tonight. If it's not Durham, we need to consider someplace else.
- Ryan: This resolution is to pacify some people.
- Rosina: You might want to offer a friendly amendment to take out the "30 days."

Ryan moved to amend the resolution to take out the term "30 days." Sean seconded. Discussion about the amendment ensued.

- Becky: We need to make this decision. I don't think the financial picture will change significantly in 30 days.
- Nicole: We may have a better idea as to the range we realistically can raise. For me, fundraising is the key. With Liberty Square, ownership would make a big difference with the current problems, as opposed to a long-term lease. We also don't want to alienate donors.
- Laval: A funding feasibility student can't be done within 30 days and probably needs to wait until the strategic plan is completed. I'd vote down the amendment and the original resolution. Voting this down, to me, doesn't mean I want to stay at this location.
- Sean: Are we discussing the amendment?
- Eric: Yes, we're talking about the amendment.
- Sean: I'd like to call the question.

There was a roll call vote:

Anyabwile	No	Michelle	No
Becky	Yes	Nicole	Yes
Eric	Yes	Pam	Yes
Joana	No	Rosina	Yes

Laval	Yes	Ryan	Yes
Lisa	Yes	Sean	Yes
		Susan	Abstain

The amendment passed.

- Sean: Durham is woefully inadequate; it would force us to make a lot of program compromises.
- Pam: A couple months ago, I was all for Durham. I have a lot of faith in the Board and this community. The \$6 million less makes me feel comfortable.
- Michelle: Jerry, please clarify the numbers regarding collapsing classes.
- Jerry: We would collapse four classes into three for grades 6,7 and 8 with a total student enrollment of 732. With that plan, we can afford to go to Durham.
- Joana: If we vote down this amended resolution, what is our plan for dealing with bad feeling from proponents?
- Nicole: We fought for a fair shot at this site. We have gone through a due diligence process, specifically to find out whether it would work. The School District never did anything for us along the way. We have an obligation to the children we're serving now. The class size would be larger in middle school. There is a notion that the middle schoolers will move around and that only the homeroom would be larger. That is not true because we don't physically have any other classrooms to put them in. So far we have not been willing to make a decision about one language program versus two, but that is essentially what we would be doing in the middle school at Durham. Are we now willing to make that program change just to fit into a facility?
- Rosina: We're looking at the CHAD proposal because the Executive Committee felt it would be irresponsible not to look at it. I like the idea of a middle view. Nicole's impassioned speech swayed me. I won't support Durham now.

Rosina called for a roll call vote:

Anyabwile	Abstain	Michelle	Yes
Becky	No	Nicole	No
Eric	No	Pam	No
Joana	Yes	Rosina	Didn't vote
Laval	No	Ryan	No
Lisa	Yes	Sean	No
		Susan	No

The motion failed.

VI. Adjournment

Susan moved for adjournment; Pam seconded. The meeting was adjourned at 10:59p.m.

Handouts circulated at this meeting:

Agenda
 Minutes from the November 2006 meeting
 CEO report
 Curriculum Committee minutes
 Development Committee minutes
 Finance Committee minutes
 October financial report
 Discipline Committee report
 Ground rules

Durham floor plans
CHAD letter of intent

Independence Charter School Board of Trustees Meeting

December 13, 2006 7 PM

Resolutions

1. Brook Lenfest Foundation Grant

Be it resolved that the BOT of ICS accepts the Brook Lenfest Foundation grant of \$53,000, the purpose of which is to support mobile computer technology, a technology support person, and after-hour tutoring utilizing computers.

2. Hiring

Be it resolved that David Peterson be offered the full-time, pro-rated 10-month position of Technology Support Person, as part of the Lenfest Foundation grant for the 2006-2007 school year under the terms and conditions specified by the CEO and the ICS contract.

3. Kindergarten Lottery 2007-08

Be it hereby resolved that the Independence Charter School continues its practice of admitting four incoming Kindergarten classes – two FLES and two Immersion – for the 2007-08 school year.

4. Lease Extension

Whereas, ICS currently leases its facilities (portions of 105 South 7th Street) from LA Liberty Square Associates;

Whereas, the terms of those leases, as amended, expire on August 31, 2007;

Whereas, ICS is currently pursuing the purchase and development of a property known as the Durham School, located at 16th and Lombard Streets;

Whereas, the Durham School will not be ready for occupancy for the 2007-2008 academic year;

Whereas, ICS does not currently have a commitment for a facility for the 2007-2008 academic year;

Now, therefore, be it hereby resolved that the ICS Board of Trustees authorizes the Executive Committee to negotiate and execute a Letter of Intent with LA Liberty Square Associates (Designing Futures) that expresses an intent to agree to a lease extension at 105 South 7th Street and an option to purchase a portion of the premises at 105 South 7th Street, and to negotiate and execute a fourth amendment to the lease, extending its terms for the academic year 2007-2008.