

**Independence Charter School
Board of Trustees Meeting
July 11, 2007 7:00 pm**

Board Members Present: Becky Baehr, Anyabwile Banko'le, Joana Davis-Diaz, Sean Hennessy, Nicole Perkins Kilcullen, Rosina Miller, Laval Miller-Wilson, Lisa Nelson-Haynes (by phone intermittently during the meeting), Pam Prell

Board Members Absent: Ryan Boyer, Eric Cramer

Others Present: Ramzy Andrawos, Operations Manager; Jurate Krokys, Principal/CEO; Jerry Santilli, Santilli and Thomson; Megan Steelman, Administrative Assistant; Andrea Yanez, Teacher; Claudia Lee, Curriculum Specialist; Matthew Drexler, Development Associate; Dawn Ang, Rona Buchalter, Stephanie Kindt, Tina Kluetmeier, Robin Kohles, Karl Olsen, Caryn Seltzer-Devine & David Webber, parents; Emily Wartchow, Fairmount Ventures Development Consultant.

I. Call to Order

President Becky Baehr called the meeting to order at 7:16pm. Becky noted that State Representative Babette Josephs was delayed in Harrisburg, so her presentation to the Board, honoring ICS for its status as a "charter school of the year" will take place at another time.

II. Approval of Minutes

Becky asked if there were any changes to be made to the June Board minutes. There were no changes; the minutes were approved.

III. CEO Report

Jurate reported that 28 visitors from South Africa met with a group of ICS students this week; ICS was asked if we would host three South African student teachers next year. Jurate circulated copies of a letter from Goldman-Sachs; although ICS was not awarded the grant from them this year, we were a runner up. The Beth Jacquot Fund now totals over \$4,000; the Development Committee is discussing possible ways to best use the funds in Beth's honor. We had all but one teacher position filled; however, we were notified by two of the new teachers, who had already signed contracts, that they have decided to take other positions. We have already found other good candidates and are in the interview/demonstration lesson process. According to the raw PSSA results, it appears that ICS has once again met Adequate Yearly Progress (AYP) standards. We don't have the hard copies of the test results yet due to the School District not paying the bill. It appears that only the fifth grade scores are lower than anticipated.

The EITC grant has been submitted and we should hear soon as to whether or not our application has been approved; once it is approved, Matt Drexler, the new Development Associate, will work on developing relationships in that regard. Jurate introduced Matt to the Board at this point. ICS hired a grant writer to assist with the 21st Century grant writing this year and that has already been submitted. A group from Standard and Poors will be visiting ICS at the end of the month in regard to bond financing for the Durham project. This year's annual report is required to be done electronically and is now called the E-Strategic Plan. Jerry noted that there are still some glitches in this system, since it is being used for the first time.

Summer School has been going well; we are following up with the families of students who were required to attend, but haven't shown up for classes. Since at this time next year, we will most likely be in the process of preparing to move to Durham, we need to start planning how we may need to adapt the summer school program.

Becky asked whether there were any questions for Jurate; no one had questions.

IV. PTA Report

No report.

V. Teachers' Report

No report.

VI. Committee Reports

A. Development

Laval reminded everyone that he will be stepping down from the Board as of tonight's meeting. He gave an overview of development at ICS and stated that ICS has been severely underdeveloped. Other charter schools get a bigger percentage of funds privately and have primarily non-parent boards. Instead, their boards are tied to philanthropic organizations. He emphasized that revenue enhancement makes governing easier. He stated that it concerns him that ICS is unable to get 100% of its Board members to contribute financially to the school, adding how important that statistic is when the school seeks funding. Laval then introduced Emily Wartchow from Fairmount Ventures, who was at the meeting to give a presentation on their development recommendations.

Emily went through the written report, highlighting various areas. The plan has two phases; the first is laying the groundwork by better stating ICS's urban educational model, establishing a separate fundraising board---possibly through the Worlds of Opportunity Foundation, raising ICS's visibility, and starting a consortium of successful Philadelphia charter schools. The second phase is implementation, which would involve raising money from outside of the ICS community, getting foundation and corporate support and getting public funding beyond the School District. The goal would be to raise \$1.5 million over a three year period. Emily emphasized that capital project support and program support are usually about the same; therefore, Fairmount Ventures recommends that ICS not launch a capital campaign.

Fairmount Ventures summarized five factors that will be crucial to success: 1) get the word out that ICS is an urban education model that works, 2) ICS has consistent and dedicated lay leadership who want to be involved, 3) at least 15% of the CEO's time will need to be dedicated to fundraising activities (such as recruiting members of the new fundraising board, meeting with potential donors, etc), 4) hire a full time development person, and 5) give latitude to the fundraising board; that board would work very differently from the current board.

Laval thanked Emily for her presentation; he also stated that the Development Committee is holding a five-hour retreat on Friday to go through the development plan and prioritize and hopes. Becky thanked Laval for his work on the Board, especially on the Development Committee. She also stated that Lisa has agreed to be the Interim Chair of the committee. Sean stated that we should set a deadline for when we're going to have a permanent chair; Becky said her goal is September. Sean stated that he doesn't think the Worlds of Opportunity Foundation is the best place for the fundraising board and that we may need to

start a separate foundation. Rosina disagreed; Laval stated that may be a lot of change to the Worlds Foundation. Sean asked Emily whether the two-board model is well established; Emily said it is. Anyabwile asked if Emily was saying this plan can't work if we don't set up a separate board; Emily stated that it could work, but would be very difficult, since the current board has been very clear that it doesn't want to be a fundraising board. Rosina asked whether we have budgeted for a full-time development person. Laval said the money is in the budget as a placeholder; however, there are a lot of other development activities that come from that line item. Nicole asked when the three-year period would start; Emily stated that there is no set date. Nicole asked whether the new administrative model allows an adequate amount of Jurate's time for development. Becky stated that is not in the current plan, but is a part of the on-going discussion in the HR committee. Pam suggested that Megan could probably look at Jurate's current activities and estimate the current amount of time she spends on development activities; Laval said he doesn't think that would be helpful, since we need to know specific tasks and need a development person to do that.

Becky stated that more clarification is needed regarding the relationship between the Board and the Development Committee and said she disagreed with the focus being on urban education, because she feels the focus should be Spanish language acquisition and international studies. Emily stated that Fairmount Ventures feels that the emphasis needs to be that ICS is a charter school that is succeeding, as well as the specifics of ICS programming. Sean stated that he understands the point about not having a major capital campaign, but asked whether a parent appeal letter would be recommended once/if settlement is made on the Durham building. Rosina stated that the Board will need to think about how the arrangement would work having the regular ICS Board and a fundraising board. Jerry stated that other charters have the foundation also be the fundraising board, but added that it can be difficult to get the fundraising people interested in facilities issues. Pam stated that feels Jurate already spends at least 10-15% of her time on development activities and that this plan would only increase that amount. Due to that, she stated that it is critical to look at the staff model to see what changes are needed. Anyabwile asked who is going to develop this plan and when will it be done. Pam added that we need to be clear that our Board is mainly parents who want to send their kids to this school.

At this point, Pam moved resolution #6 regarding the Board's commitment to fundraising; Sean seconded. Anyabwile asked why the in-kind amount is \$2,000 while all the other amounts are \$1,000. Laval stated that emphasizes how much cash donations make things easier. Nicole stated that if we haven't been able to get 100% Board participation before, she fears that the \$1,000 amount may discourage people, since current Board members never anticipated this requirement. Laval stated that the intent is not to put a member off the Board if they don't contribute, but to strongly urge participation. Pam stated this may be a deterrent to someone who doesn't have the money, but would be an asset to the Board and asked why a personal phone call approach isn't used. The vote was taken; the motion carried with two votes opposed to the plan. Becky thanked Laval for his work and for getting the Board to this point on development.

B. Finance

Jerry reported that although our budget was based on an anticipated 3% increase from the state, the increase was 6%. His recommendation is to use that towards non-recurring expenses---those that aren't institutionalized, since it is likely that the increase will not be that high next year due to School District budget cuts.

Jurate asked whether there is concern about saving money due to the recent Attorney General's case; Jerry said there is some concern, but that a reserve fund is needed to ensure a strong cash flow position. ICS has significantly less variances from prior years and earned a lot more interest on its funds this year. Jerry was thanked for his expert banking recommendations that made this happen. Rosina moved resolution #2 regarding May disbursements; Sean seconded. Rosina stated that she will start to circulate the disbursement sheet before the meeting for people to review. The motion passed unanimously. Sean asked Jerry whether the reserve resolution was written; Jerry stated that it first needs to be discussed at the next Finance meeting and stated that our fund balance needs to be able to cover cost for a 30-60 day period.

Rosina moved resolution #7 regarding audit services; Nicole seconded. Rosina explained that good accounting principles recommended changing auditors every few years. The motion passed unanimously.

C. Curriculum

Pam circulated additional notes from Rona Buchalter and noted that these are not part of the proposed resolution; she apologized for not circulating them before the meeting. Rona gave a brief presentation, summarizing that the plan to unify the school involves four (4) components: 1) establishing "villages," 2) becoming more visually bi-lingual (i.e., bi-lingual signage throughout the school), 3) intensifying Spanish for FLES students, and 4) changing the name of the FLES program. Rona's suggestion for a name change is "World Cultures." Both programs would focus on world cultures and Spanish language acquisition; however, one would put more emphasis on world cultures and one more emphasis on Spanish. Pam stated that adopting this resolution would give Jurate direction in regards to future hiring. Rosina stated that she sees this as a plan for a year after which we'd reevaluate, rather than a major program decision. Becky asked what grades would be affected. Rona stated that the plan would start with kindergartners and first graders and that fourth grades were already doing this. Becky asked how this will affect how much Spanish Immersion kindergartners and first graders. Rona said it won't affect it at all; Pam added that the point is to increase the amount of Spanish all kids get. Pam moved resolution #1; Rosina seconded. Becky offered a friendly amendment, suggesting that only sections one and two be adopted. Pam stated that by passing the entire resolution we are agreeing that this needs to be done. There was no second for the friendly amended. Nicole asked how this plan will be evaluated in light of moving to Durham, whether we have a time limit on it as a pilot and what is the evaluation piece. Pam stated the evaluation piece is written into the plan. Nicole stated she feels kindergarten is such a critical year and it sounds like it will be a lot of changes. Pam stated the committee did think that through, but that this current year's pilot showed that second grade seemed too late to introduce it. Rona stated that the plan calls for it to start in October; therefore, giving time for students to get connected with their primary classroom teacher and classmates. Becky asked whether this has worked for other schools. Rona stated that ICS is unique, so there are no other models to review. She reminded everyone that it was the kindergarten teachers who recommended that it start in kindergarten. It was agreed to add wording to the end of the resolution indicating that this is a pilot for the 2007-2008 school year; the motion passed unanimously.

Pam asked Claudia to distribute information about a proposed Spanish curriculum writing proposal. Claudia circulated the draft proposal and explained that all the Spanish teachers, both Immersion and FLES, participated in the draft planning and that it covers both programs. She stated that we need a goal of

what ICS students will have accomplished in regards to Spanish at the completion of eighth grade. Pam stated that it will take a long time and it's critical to our school. She added that if we get more resources we might be able to complete it sooner. Rosina stated that she is impressed with the document and feels it will take ICS to a new level and that we needed these years of experience before we could be ready to start this process. Pam reported that the Middle School Task Force has begun its work.

D. Human Resources

Sean moved resolution #3 regarding new hires; Anyabwile seconded. Becky stated that there is a revision to the resolution in that Robin Kohles will be a part-time employee. The amended motion passed unanimously.

E. Policy

Nicole announced that she has agreed to be the interim chair of this committee. She reported that there has been some discussion at the Executive Committee about the Policy Committee discussing the size of the Board, but that it's been decided that that needs to be decided by the full Board.

F. Healthy Kids

Pam suggested that we consider disbanding this committee.

G. Discipline

Becky stated that since we don't currently have a chair person for this committee, she's been called regarding some discipline issues and suggested that we may want to consider this process, rather than having a standing committee.

H. Facilities

Sean stated that this committee may be able to be disbanded in the future. He moved resolution #4 regarding the Durham project; Anyabwile seconded. Becky explained that the maximum that will be spent is \$18 million, but that the total cost is expected to be less than that. She asked Rosina to give more details. Rosina explained that this resolution allows us to do what we need to do. She added that we're trying to get accurate soft costs and will soon have the GMP (guaranteed maximum price), which is expected to be about \$17.4 million. Nicole stated that we need to acknowledge that we're at about the same cost now as we were in December, although we do get more space, and that we need to thoughtfully look at where we need to make cuts. Anyabwile stated that at one point he was asked to stop asking for political support or trying to negotiate how much we need to pay for the building. Jurate stated that trying to negotiate that now would negatively affect the timetable and asked what are the soft cost increases? Rosina and Robin stated that the increase is about \$325,000 and is mostly due to items, like moving expenses, that were left out of the initial estimate. A vote was taken and the motion passed unanimously.

Rosina moved resolution #5 regarding asbestos abatement; Sean seconded. Becky explained that this does not affect the costs; abatement will happen before other work begins. Laval asked if there's a way to contain the asbestos. Robin explained that we have chosen the middle ground, which includes abating occupied areas and containing it in unoccupied areas. The motion passed unanimously.

I. Executive

Becky stated that the Board has had several vacant Board seats for a while and that the Executive Committee has been discussing cutting down the number of

Board seats. She added that the hope would be to delegate more work to committee members, who do not have to be Board members. Becky stated she feels this could help with communication between the Board and the ICS community. She said that Lisa has offered to draft a communications report. Becky stated that one goal will be to receive committee reports within a few days of the committee meetings, rather than all at once right before a Board meeting--- -therefore giving Board members adequate time to review the reports. Rosina added that our strategic planning consultant Joel Bradshaw had reminded us that the strategic plan should guide the work of the Board and that we shouldn't be adding on other things to that; Rosina stated her recommendation would be a Board of nine (9) to eleven (11) members. Sean stated that we have a lean administrative staff and that if a smaller Board will mean asking them to do more, we need to see how that would work. He added that he is in agreement that we should get more non-Board members involved in a lot of work. Anyabwile stated that he feels moving from fifteen (15) to nine (9) would be too drastic and that we should decrease more gradually and decide later if we want to decrease further. Laval stated that the Board has discussed the question of trust and how much everyone is going; he suggested that we need a document that states clear expectations for Board members. Nicole added that she doesn't necessarily think that a larger number means less work for individuals and asked what Jurate thinks. Jurate responded that she feels the strategic plan has done a lot and that she feels it's more a matter of Board functioning and that she's not opposed to having fifteen (15). Pam stated that we need to address whether or not a non-Board member can be a committee chair. Nicole stated that we could require that each Board member be represented on a certain number of committees. Sean added that he feels we can have efficient meetings with fifteen (15) members. Joana stated that by having a larger Board, you can have more diversity and points of view. Sean added that we have a disparity between how we do things and our by-laws. Rosina stated that we need to remember that Board member recruiting and training is time consuming. Nicole stated that she disagrees that about assuming staff would need to do all this work and that she feels volunteer committees would work. Pam clarified that Jurate needs to know when she is allowed to convene a volunteer corp. Nicole stated that we need to share research as to what models will work.

VII. Public Comment Period

No one signed up to speak at the meeting.

VIII. Old Business

Becky apologized for our not having the time to properly thank Rosina at the June meeting for all her wonderful work as Board president last year and thanked her at this time.

IX. New Business

X. Adjournment

Laval moved for adjournment; Anyabwile seconded. The meeting was adjourned at 10:36 p.m.

Handouts circulated at this meeting:

Agenda

Minutes from the June 2007 meeting

CEO report

Goldman-Sachs letter

Two language program proposal

Additional notes from Rona Buchalter
Spanish language curriculum proposal
Memorandum from Fairmount Ventures
Resource Development Plan
May financial report

**Independence Charter School Board of Trustees Meeting
July 11, 2007**

Resolutions

Adopted

1. Two Program Language Instruction

Be it resolved that the Board of Trustees adopt the Proposal for Two Program Language Instruction submitted by the Task Force on Language Instruction as a model for development of program and curriculum as a pilot program for the 2007-2008 school year.

(See attached)

2. May Disbursements

Be it resolved that the Independence Charter School Board of Trustees hereby approves disbursements from May 2007 in the amount of \$169,040.44 as presented to the Board.

3. New Hires

Be it resolved that the following individual be offered a full time position as listed for the 2007-2008 school year under the terms and conditions specified by the CEO and the ICS contract:

Neyza Cabrera- WINGS/Transportation Coordinator
and that Robin Kohles be appointed as Owner's Representative on the Durham Project, retroactive to June 13, 2007, at an hourly rate as agreed to with the CEO.

4. Durham Project

WHEREAS, 1600 Lombard Associates L.P. (the "Partnership"), a wholly-owned subsidiary of Independence Charter School (the "School"), has the right to purchase the Durham School at 16th and Lombard Streets, Philadelphia, Pennsylvania (the "Facility"), from The School District of Philadelphia under an Agreement of Sale dated April 21, 2006, as amended, which right expires on September 1, 2007; and

WHEREAS, at its meeting on June 13, 2007, the Board of Trustees of the School (the "Board") authorized those actions required to allow the School and the Partnership to move forward to purchase and renovate the Facility; and

WHEREAS, the Board has determined to undertake a project (the "Project") consisting of the financing of: (1) the acquisition of the Facility; (2) the construction of a four-story, approximately 15,000 square foot addition to the Facility; (3) renovations and improvements to the Facility; (4) miscellaneous equipment and other capital costs (including capitalized interest, if needed); (5) the funding of a debt service reserve fund; and (6) the payment of the costs of issuing the Bonds; and

WHEREAS, the School has received a proposal from PNC Capital Markets ("PNC") to undertake the financing of the Project through an issuance of tax-exempt and taxable bonds (the "Bonds") through the Philadelphia Authority for Industrial Development; and

WHEREAS, in connection with the financing of the Project, the Board has determined that it is in the best interests of the School to transfer ownership of the Partnership to Worlds of Opportunity Foundation (the "Foundation"), an affiliate of the School, and to have the Foundation as a co-borrower with the School with respect to the Bonds; and

WHEREAS, the School will lease the Facility from the Partnership and operate a charter school therein;

NOW, THEREFORE, be it resolved by the Board of Trustees of Independence Charter School, as follows:

Approval of Project and Financing. The Board hereby approves the undertaking of the Project and the financing thereof through the issuance of the Bonds by PAID, the sale of the Bonds to PNC and the loan of the proceeds of the Bonds to Worlds and the School as co-borrowers, subject to the approval by the Executive Committee of the Board of the final terms of the financing.

Executive Committee. The Board hereby delegates to the Executive Committee of the Board the authority to approve the final terms of the financing of the Project through the issuance of the Bonds; provided that the principal amount of the Bonds shall not exceed \$18,000,000, the final maturity date thereof shall be less than 30 years and the total interest cost thereof shall not exceed 7.0%. The Executive Committee of the Board is also hereby authorized to approve all documents, certificates and agreements to be executed and delivered by PTC in connection with the issuance of the Bonds and the undertaking of the Project.

Transfer to the Foundation. The transfer of the ownership of the Partnership to Worlds in connection with the financing of the Project and the issuance of the Bonds is hereby approved, and the officers of the School are hereby authorized to execute and deliver appropriate documentation of such transfer. The lease of the Facility from the Foundation is also hereby approved, subject to the final approval of the Executive Committee of the Board.

Approval of Foundation Actions. The Board hereby delegates to the Executive Committee of the Board the authority to approve any actions of the Board of Directors of the Foundation required in connection with the undertaking of the Project and the financing thereof through the issuance of the Bonds to the extent that such actions require the approval of the Board pursuant to the Bylaws of the Foundation.

Security for Financing. In order to secure the repayment obligations of the School with respect to the Bonds, the mortgage of the School's leasehold interest in the Facility and the granting of a security interest in any and all real and personal property of the School is hereby approved, subject to the approval by the Executive Committee of the Board of the terms thereof.

Execution of Documents. The officers of the School are hereby authorized and directed to execute and deliver, and to affix and attest the corporate seal of the School to, such documents as may be necessary or

appropriate to undertake the Project and the financing thereof with the Bonds, subject to the approval of the Executive Committee of the Board required hereby.

Additional Actions. The officers of the School are hereby authorized to take such other actions as they deem necessary or convenient to undertake the Project and the financing thereof with the Bonds, subject to the approval of the Executive Committee of the Board required hereby.

Effective Date. This resolution shall take effect immediately.

5. "Give-Get" Resolution For ICS Board Of Trustees

Be it hereby resolved that during the 2007-2008 fiscal year (i.e., July 1, 2007 to June 30, 2008) each Member of the ICS Board of Trustees will make a financial contributions to ICS of an amount no less than one thousand dollars (\$1,000).

An ICS Board member can satisfy his or her financial commitment by successfully soliciting a financial contribution from an individual, business or foundation of an amount no less than one thousand dollars (\$1,000).

An ICS Board member can also satisfy his or her commitment through an in-kind donation(s) of professional services or goods valued at no less than two thousand dollars (\$2,000).

6. 2007-08 Audit

Be it resolved that the Independence Charter School Board of Trustees engages the firm of Yampolsky, Mandeloff, Silver & Ryan to perform the 2007-2008 school-year audit for an amount not to exceed \$15,000.