



Endeavor Board Meeting Minutes: February 21, 2011

Call to Order

Lisa Springle

Lisa Springle called to order the regular meeting of the Endeavor Board of Directors at 7 pm in the ECS multi-purpose room.

Present

Lisa Springle, Christian Nechyba, Margaret Holder, Steve McAdams, DJ Hill, Helen Harris, Christine Northrup, Larry Woolard.

Approval of Minutes

Christian Nechyba

Christian Nechyba moved for approval of the minutes from the January regular board meeting. Lisa Springle seconded the motion. The minutes were unanimously approved.

PAWS Update

Kris Stauffer

Kris Stauffer provided a PAWS update. The board meetings are scheduled for the remainder of the year and are posted on the Endeavor website. The PAWS officer nominating committee is actively recruiting. Two board members will stay in their current seats: Gina Williams and Linda Diemer. PAWS elections will occur in May. The picnic is scheduled for June 5th (4-6 pm). Ideas regarding recognizing new families at the end of year picnic were discussed. The estimated profit from the book fair was \$6700.

Leadership Team Update

**Jennifer Tatum
Christine Northrup**

Jennifer Tatum and Christine Northrup presented a growth plan update from the fine arts team. This included the following goals. Goal 1: Each teacher engages in an additional interdisciplinary integration lesson and assesses measurable core subject standards and public speaking goals/standards each year. Goal 2: Each teacher engages in an additional in-service or out-service community project that can integrate with classroom teacher's ideas or be accomplished by an individual fine arts teacher. Goal 3: Each teacher engages in an additional hands-on experiential learning assignment that aligns with the new fine arts standards and reinforces differentiation. Goal 4: Each teacher will engage in one additional community outreach opportunity per teacher per year. Goal 5: Each teacher engages in additional parent communication opportunities. An upcoming symposium for charter schools in March was discussed briefly. The upcoming performance of *Seussical*

at the Burning Coal Theater and the upcoming Fine Arts Extravaganza at the Franciscan School's Clare Hall were also discussed.

Treasurer's Report

Larry Woolard

The school's Bank of America account had a balance of \$202,627.45, the Regions Bank account had a balance of \$225,468.85, and the First Citizens Bank operating account had a balance of \$607,595.34. Melissa Bonsted is proposing leasing 10 new computers to replace old laptops. The purchase of a one-year \$250,000 CD was being considered. Expenditures for background checks by the school were higher than expected, and other options to curtail this cost for the coming year were discussed. Water costs were also higher than expected.

Mathematics Textbook Funding

Steve McAdams

Steve McAdams requested funding for the purchase of mathematics textbooks for grades 2 through 5 to help achieve the goal of achieving a common, consistent language in mathematics at the school. Other textbook and instructional supply priorities were briefly discussed. The mathematics textbook purchase could be funded through the existing instructional supplies budget. Christian Nechyba moved to allocate up to \$28,500 for the purchase of mathematics textbooks for 2nd through 5th grade. Lisa Springle seconded the motion. The motion was unanimously approved.

Communication Policy

**Helen Harris
Lisa Springle**

Helen Harris provided a preliminary draft of the parent-teacher communications policy for board review. The section addressing communication of urgent information was still under construction. The process for addressing concerns and conflicts was also reviewed, including board involvement when expectations were not being met. A final version of this policy would be reviewed at the March board meeting.

Survey Update

Christine Northrup

Christine Northrup stated that the faculty had appreciated the opportunity to provide feedback on the structure of the faculty and parent surveys. Christian Nechyba would draft revisions in the surveys, including revisions based on faculty feedback, and present the revised surveys to the board at the March board meeting. The survey would then be entered in an online survey tool and administered at the beginning of the fourth quarter.

Employee Benefits: 403b plans

Helen Harris

Helen Harris stated that she had explored the possibility of offering 403b retirement plans to ECS staff, which would be voluntary and create no additional costs for the school. A company that offers plans to Wake County school employees had already been contacted, and several other companies would be interviewed also. Input from front office staff, administration, and faculty would be considered before a final recommendation was made.

Land Financing

DJ Hill

DJ Hill reviewed a non-exempt tax bond financing option as a possible tax-free public financing instrument for funding land purchase and facility construction. The ECS Foundation board has had preliminary discussions with BB & T Bank on this topic, and this would need to be explored in much greater depth before the school could move forward with it as a viable option. BB & T Bank and Wachovia Bank offered bonds. Although bond rates are low, they are variable. The bank would issue a letter of good faith and credit. If interest rates rise beyond acceptable levels, prepayment can be made without penalties. The advantages of this approach vastly outweigh the disadvantages in theory. The school would need to be underwritten, and the bank would require a 5-year operational budget, as well as the past two years of financial records and audit reports for the school. The school would retain bond counsel to review a bond proposal if we chose to pursue this option. BB&T Bank had provided bonds to charter schools in the past. DJ Hill moved to approve a "Resolution of Official Intent to Reimburse Expenditures with Proceeds of a Borrowing" (attached as Appendix A), which states that we intend to use public financing as a vehicle, so that any expenses incurred on land going forward can be rolled into a potential future bond issue. Adoption of this resolution would not in any way commit the school to the bond financing option. Christian Nechyba seconded the motion. The motion was unanimously approved. After completion of underwriting, a bond issue would require approximately 90 days to get to market.

Priorities Review

Lisa Springle

Lisa Springle reviewed an approach for pursuing a long-term vision for ECS, and strategies through which the board could organize that vision. The board discussed how a vision could help the board organize long-term goals and priorities. The board would continue to organize general categories of long-term priorities at the March board meeting.

Board on Track

Lisa Springle

Lisa Springle discussed an organizational tool for charter school boards called "Board on Track, which would cost \$8500 in the first year. She recommended against purchase of this tool, although the board agreed to continue to pursue other organizational tools.

Public Comments

Audience comments included a request for addition of a faculty member devoted to academically gifted students and a suggestion for a new family orientation or open house.

Closed Session

Lisa Springle moved that the board go into closed session to discuss personnel topics, in accordance with statute 143.318.11 (a) (6). Christian Nechyba seconded the motion. The

motion was unanimously approved, and the board moved into closed session at 9:30 pm. The board reconvened in public session at 10:22 pm.

Adjournment

Lisa Springle

The meeting was called back into open session at 10:22 pm. Lisa Springle adjourned the meeting at 10:22 pm.

APPENDIX A: ENDEAVOR CHARTER SCHOOL, INC.

Resolution of Official Intent to Reimburse Expenditures with Proceeds of a Borrowing

WHEREAS, Endeavor Charter School, Inc., a North Carolina nonprofit corporation (the “School”), intends to acquire, construct and equip capital improvements, including acquisition, construction, renovation and equipping of school facilities (the “Project”) to be used by the School in furtherance of the School’s purposes; and

WHEREAS, plans for the Project have advanced and the School expects to advance its own funds to pay certain expenditures related to the Project (the “Expenditures”) prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds or taxable debt, or both;

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ENDEAVOR CHARTER SCHOOL, INC.:

1. The School intends to utilize the proceeds of tax-exempt bonds (the “Bonds”), or to incur other debt, to pay some or all of the costs of the Project in an amount now currently estimated to be up to \$15,000,000.

2. The School intends that the proceeds of the Bonds be used to reimburse the School for Expenditures with respect to the Project made on or after the date that is no more than 60 days prior to the date of this Resolution. The School reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.

3. Each Expenditure was or will be, unless otherwise approved by bond counsel, either of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure) or a cost of issuance with respect to the Bonds.

4. The School intends to make a reimbursement allocation (which is a written allocation by the School that evidences the School’s use of proceeds of the Bonds to reimburse an Expenditure) no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The School recognizes that exceptions are available for certain “preliminary expenditures,” costs of issuance, certain de minimis amounts, and expenditures for construction of at least five years.

5. The School intends that the adoption of this resolution indicate its “official intent” within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

6. This resolution shall take effect immediately upon its passage.

The undersigned secretary of the Board of Directors of Endeavor Charter School, Inc. do hereby certify that that the foregoing is a true and correct extract from minutes of the Board of Directors meeting duly called and held on 2/21/2011.

Christian Nechyba

Secretary, Board of Directors