



Endeavor Charter School Board of Directors

Meeting Minutes

December 14, 2009

Call to Order

DJ Hill

The regular meeting of the Endeavor Charter School Board of Directors was called to order at 7 pm in Endeavor's multi-purpose room by DJ Hill, who asked that, due to the large audience at this meeting, introductions of board and audience be made. Introductions of all present were made.

Approval of Minutes

Christian Nechyba

Christian Nechyba asked for the approval of minutes from the November board meeting. The minutes were unanimously approved.

Student Presentation

A group of sixth grade students, lead by Robin Thoman, made a presentation to the board. The students presented this as their plan for assisting the foundation in raising money for new facilities. They described the principles that described "what Endeavor means to us," including "education, fun, being different, hands on, life skills, organization, dedication, choice, respect, guidance, security, team building, togetherness, friendship, family community, and investment." The students stated that they wanted to get the school into a good place, but wanted the board to add a high school to the plan. They described their idea for asking two million people for one dollar each using internet-based viral marketing. They asked that the foundation create a website to allow for electronic donations. A packet was distributed on how to create a web-based donation site, and was reviewed by Mrs. Thoman. DJ Hill applauded the students for an excellent presentation and a great example of "learning by doing." Christi Whiteside asked the students for permission to use their presentation during Endeavor's open house.

PAWS Update

Karin Reed

Karin Reed provided a PAWS update. The Lion's Share fundraiser had raised over \$28,000, which was 142% of the goal set. The book fair was complete, and total sales were over \$8000. Less expenses, the profit would be either \$4845.22 in scholastic dollars or \$2018.84 in cash. Christi Whiteside stated that this represented a significant increase from last year. Karin Reed added that Artsonia, the online student art gallery, is doing well, and parents are encouraged to buy products. PAWS was doing well financially. A request had been made by the PRIDE boosters to take over the administration of this year's 4th quarter of

Cafe Days and receive its subsequent revenue. That idea was being considered for the current year, but the larger question was how to best accomplish fundraising needs for Endeavor stakeholders as a whole. DJ Hill asked if PAWS finance meetings were closed committee meetings. Karin Reed stated that they were. She added that PAWS would probably vote on a plan at the next PAWS general membership meeting on March 1 at 7 pm. DJ Hill stated that monthly stakeholder meetings (PAWS, enrichment, pride, foundation, administration, board) revolved around fundraising and scheduling and would also continue to address these issues. DJ Hill added that the board's finance committee meeting had gone through the general ledger, and was continuing to take a forward look at the budget.

Treasurer's Report

Larry Woolard

Larry Woolard gave a treasurer's report. The school currently had \$381,909 at its First Citizens Bank account, and also had \$202,000.82 in its Bank of America CD. The state had allocated 54 instead of the initially projected 32 students for EC money, which represented a significant boost in revenue. The projected end-year surplus was \$139,000. At the finance committee meeting, the board had approved several new expenditures including rental of facilities for a theatrical production. He asked for continued vigilance regarding the budget, and thanked parents for their contributions.

Curriculum Update

Maija McAdams

Maija McAdams discussed a new teacher evaluation tool, and what it means to be a 21st century learner. She stated that someone retiring now didn't grow up with cell phones, computers, calculators, DVD's, etc. According to a company that had a past record of 50% accuracy, children entering kindergarten now might experience a time when artificial intelligence would win the Nobel prize, artificial eyes, the first bionic Olympics, global voting, emotion control chips, a hotel in space, artificial precipitation, a manned Mars base, a moon village, or an immortality chip by 2100. Steve Santana asked if the board would commit to additional enrichment for staff on technology. Maija McAdams stated that the school was looking for staff development on technology topics. Christi Whiteside stated that Melissa Bonsted was providing staff with a once weekly update on technology we already have. Steve Santana asked about budgetary allocation for technology training. Christi Whiteside stated that lots of curriculum money was going towards math development this year, and that the school needed to touch base with the technology committee on ongoing needs in this area. DJ Hill added that there had been a 50% budgetary increase in staff development this year.

Foundation

Steve Santana
Capital Development Services

Steve Santana stated introduced an interactive update on the upcoming capital campaign. Capital Development Services was helping the foundation develop a plan for the capital campaign. Ann Thomas and Ann Bennett Phillips from Capital Development Services proceeded to discuss an executive summary of their findings.

Ann Bennett Phillips and Ann Thomas stated that they had been working closely with the school and had developed a detailed plan of action and recommendations. Capital Development Services was employed in September and has assessed development efforts and a case for support (a written document outlining the history, the vision, and the mission of the school) and would assist in developing a process to engage individuals to contribute. This is also a foundation document for a capital campaign. They stated that they had interviewed

many staff and parents. Areas of focus include administrative infrastructure, volunteer leadership, fundraising activities, communications, financial management, and technology resources. It is important to note this is an assessment, not a feasibility study. It is an assessment of what the school is doing well, and what can be built on.

Under the area of administrative structure, they stated that they found that the foundation is in its early stages. Taking on a six to seven figure campaign is something most organizations take on later. Early fundraising is impressive, but there is no development office or staff. As a next step, they recommended putting together a planning team of 14 to 16 individuals who would review and report in detail on the four pillars of a fundraising campaign: (1) the case for support, (2) who the school is going to raise this money from (parents, grandparents, vendors), (3) the leadership, which is the most important part of a campaign, and (4) staff and volunteer support. About 6 to 7 meetings would be needed to discuss this plan. It is important that all board members and volunteers receive training/orientation about fundraising. Fundraising should be seen as an opportunity, not a burden. The experience should be donor-centered. The school should adopt a gift acceptance/acknowledgement policy. Everyone should be protected and respected when they want to donate items other than cash. They stated that they were impressed by the amount of participation in the school.

Key recommendations include: (1) Early in the campaign, most gifts will come from those affiliated with the school - parents, grandparents, teachers, and vendors. (2) Do not set a final goal. They recommend an initial "quiet" phase. A need of \$2-3 million has been identified, and the school needs to move forward in stages quietly. It is anticipated that the campaign could be successful in 24-36 months. During the quiet phase, they recommend stating the dollar amount as a need, not as a fundraising goal. Securing a challenge gift from a major donor is a key piece. Fundraising is 90% planning and 10% asking. They recommend small, perhaps grade-based gatherings, making them plentiful and easy. Big events take energy from simple, straightforward asking for support. They recommend a donor list, and developing this list should be a confidential process. Margaret Holder asked how the donor list process would work. Ann Bennett Phillips responded that this would involve a very small group, compiling information, recognizing that most giving will come from individuals, not foundations. They recommend starting with lead gifts, then moving out to a broader audience of donors, then end with a "viral campaign." It is important to determine who has the capacity and willingness to fit into the "top" part of the donor pyramid. A pledge period of 3-5 years was recommended; any longer term pledge periods would lead to more defaults. Steve Santana added that, when trying to raise a large amount, the campaign needed to be focused. It would be important to talk to donors at the top end first. Lisa Springle expressed the concern that if the 6th grade proposal were pursued now, a lot of small gifts would be given, with the perception by a lot of donors that they were "done" donating. Ann Bennett Phillips responded that the "viral" internet piece would be part of the last, public phase of the campaign. The public phase of the campaign would be projected for next fall. Steve Santana stated that it is important to show that you are successful prior to the public phase of the campaign. E-mail campaigns work better for annual campaigns, but capital campaigns require pursuing the top of the fundraising pyramid first. The goal would be to raise expectations on donation amounts. Todd Harris suggested keeping the kids' campaign completely separate. Ann Thomas recommended avoiding asking parents directly for donations at this time. She suggested using the campaign to raise broader community awareness. It is important that fundraising costs stay between 6-8% of the goal. The school would need a separate account for campaign funds. In addition, the school website currently does not provide online giving options. The foundation will need to expand prospect research.

In conclusion, this capital campaign would be 90% preparation and 10% asking. Phase 1 of the campaign would involve planning and preparation (about 3 months). Phase 2 would involve campaign preparation and leadership development. Phase 3 would involve implementation of the quiet phase targeting top donors. Phase 4 would involve ongoing campaign implementation including both major gifts and the community phase. DJ Hill asked what percentage would be expected to participate at some level. Ann Thomas stated about 70 to 80%. She stated that everyone at the school was in tune to giving, but we needed to change expectations about how much to give. DJ Hill asked whether they would recommend setting a minimum gift amount. Ann Thomas responded that this would be really hard. It would be a start to show that the board and staff were 100% committed. Margaret Holder stated that, given her experience as comptroller for NC State there would be a lot involved in leading this effort. Karin Reed stated that the timing of PAWS fundraising might occur at the same time as the public capital campaign. Ann Thomas stated that it would be fine to ask families to renew their annual PAWS contribution, but perhaps "piggy back" a request for a 3-5 year capital campaign pledge donation.

DPI Response

Andy Kristianson

Andy Kristianson stated that in August, representatives of the board met with DPI to discuss first year results as well as the possibility of adding a high school in the future. In light of our plans to acquire land for construction of a school, these board members specifically requested some guidance about the likelihood of DPI granting advance approval of a charter amendment for a high school addition. DPI was enthusiastic about Endeavor's performance during this meeting, and suggested that we utilize the annual form for grade expansion for this issue. The board submitted this document as requested, specifically seeking approval for a high school to be initiated 3 years in the future, and adding grade levels over time. DPI's response to our submission was to refuse to approve or deny the request on the grounds that the form was not used for its proper purpose. The board then contacted DPI to see if perhaps the persons receiving the Endeavor form were unaware of DPI's earlier recommendation. We were informed that DPI was in agreement on its response, and that the form in question could be used only for the coming school year. As a result of these follow-up communications with DPI, it is clear that (1) there will not be an Endeavor high school for the 2010-2011 school year, and (2) DPI currently has no mechanism for long-range planning for adding grade levels.

High School Timeline Discussion

Christian Nechyba

Christian Nechyba stated that a request had been made at a prior board meeting to further consider the timeline for high school implementation after the board committed to the idea of pursuing a high school addition. He stated that given the conflicting messages from DPI he had less confidence that an amendment to our charter for a high school would definitely be approved. He suggested that there would be more financial risk of pursuing a large land purchase intended for a K-12 school at this time given this uncertainty, and that we may want to consider a solution that involved staged growth with a later, separate campus for a high school after a charter amendment was secured. Margaret Holder stated that in weighing this risk vs. the economies of scale of a single campus, she did not believe it was fiscally responsible to pursue such a two-campus solution. Christian Nechyba asked Steve Santana if plots of land which the foundation is looking at allow for the possibility of a later carve-out resale or lease of a portion of land to mitigate the risk of a large land purchase. Steve Santana stated that this is an option being considered. Tamara Santana stated that one of the K-12

charter schools which the high school committee visited expressed regret in their decision to split their school's campus. Margaret Holder asked if we could request from DPI the addition of a grade and then choose not to use this addition during the subsequent school year. Andy Kristianson stated that he did not know. Maija McAdams stated that a request to DPI for an added grade does have a year of implementation attached to it. Christi Whiteside stated that the indications are still that DPI likes the idea of an Endeavor K-12 school.

DJ Hill asked for the board's opinions on a rough timeframe on high school implementation - when we move to new building, before this time, or after this time. Margaret Holder asked if the board hadn't already supported the high school implementation timeline on the DPI form. Andy Kristianson stated that he had submitted a theoretical timeline as had been discussed with DPI previously for the purposes of obtaining general guidance from DPI. DJ Hill stated that the pro of implementing a high school early would be an earlier opportunity to build a program and to build a revenue base, but the cons of early implementation could be the need to place the school in suboptimal facilities, as well as a worry about the quality/reputation of a high school that was implemented too quickly. Christian Nechyba stated that the implementation of a high school would be a huge undertaking and would be very difficult to complete in the middle of a very ambitious capital fundraising campaign. He stated he would worry that the quality of such a high school would suffer significantly. Margaret Holder stated that the board controlled the quality and that she was not as worried about this. DJ Hill stated that the school launched a sports program completely with an energized group of parents. Larry Woolard stated that it would be critical to keep 5th, 6th, and 7th grade parents involved by pursuing a high school early, even though we will likely lose 8th grade donors. Christi Whiteside stated that, in order to offer an appropriate number of electives and courses at the high school level, about 125 students per class would be needed, which was significantly larger than the K-8 program. Steve Santana stated that the foundation had its marching orders and would continue to pursue an initial K-8 school with enough real estate to accommodate an eventual K-12 school vision. If the board wanted to change this, it would affect the timelines and goals that have been set. A number of audience members expressed their preference for early implementation of a K-12 school.

DJ Hill asked when a request for an expansion for the coming year would be due. Andy Kristianson stated that any request for growth of >10% would need to be submitted in October of the year prior to the planned expansion. DJ Hill stated that we would need to look more to grades K-4 for large donors who were invested in the idea of high school. Maija McAdams stated that the revenue from an added ninth grade would be entirely needed just to pay high school salaries, which would make budgeting for a high school added one grade at a time a challenge. Margaret Holder stated that she would be willing to run some budgetary numbers from other charter high schools to look at this. Karin Reed stated that she believed that the facilities don't make the school. Joey House stated his belief that if we're going to implement a high school, we need to jump into it. DJ Hill stated that the better plan we have, the better the school we will have. Robin Thoman stated that the 6th graders were "fired up" because they wanted high school for their grade. DJ Hill asked Margaret Holder and Larry Woolard to start modeling out what additional revenue would be realized by a high school addition, and how this would affect the school's budget. He stated that he would like to discuss these models early next year.

Church Lease Proposal Legal Analysis

Andy Kristianson

Andy Kristianson provided an analysis on the feasibility of the school leasing land from a church, pursuant to a question posed by the foundation at a prior board meeting. He stated

that the school should be able to lease land from a church, but cautioned that the law states that charter schools cannot affiliate with a church or religious organization. Shared facilities such as a gym, theater, or parking lot were permissible so long as these facilities were made publicly available for the same or similar purpose. Also, shorter-term leases of Endeavor facilities are preferable to longer-term leases, as the latter could more easily be construed as an "affiliation." He believed that the foundation should continue to pursue this as an option.

Initial Proposals for K - 8 School Size

Steve McAdams
Christi Whiteside

Steve McAdams and Christi Whiteside proposed that once Endeavor moves to a permanent facility, an eventual goal of four classes per grade for grades K-5, and six classes per grade for grades 6-8 would be ideal. Classes would contain about 16 students each. Christi Whiteside stated that second grade had been a hard year for students to transition into the school, and that this plan would provide an additional entry point at middle school and would allow for more diversity of curriculum at the middle school level. If the high school committee's plan of 125 students per grade at high school were pursued, this would bring new faces into Endeavor at both the middle school and high school level. Middle school grades would be brought up to about 96 students per grade. DJ Hill asked about the educational impact of having 18 students per class. As John Collar has modeled the revenue from different class sizes, two additional students per class could have a significantly positive financial impact. Steve McAdams stated that he believed that 18 students per class would still be a wonderful number. DJ Hill emphasized that he did not want to push class size to a point at which individual instructional ability would be lost.

Personnel Committee Update

Heather Reifschneider

Heather Reifschneider provided a personnel committee update. She stated that a decision had been made to add an employee suggestion box, and that two to three board members would attend one staff meeting about every 6 months. The grievance policy for faculty and staff was also being updated, and a formalized review of this revised policy and other personnel policies would be conducted with the faculty. The board would also look into HR training for administration and board. DJ Hill stated that the board continued to be interested in new ways of seeking feedback from faculty and staff. Margaret Holder added that a board retreat was also being planned to further refine the board's identity and role. DJ Hill added that the board needed to further contemplate long-range goals (i.e., where do we want to be in five years), and that a retreat would allow the board to step back and consider these questions in an unpressurized environment. No board votes would be taken at such a retreat.

Board Opening

Heather Reifschneider
Andy Kristianson

Heather Reifschneider stated that, effective 1/31/2010, she would resign her board position. She stated that she had come to realize that she had different priorities from other board members. DJ Hill stated that as one of the school's founding board members, she had been a tremendous asset and, on behalf of the board, expressed his gratitude. He stated that her contributions to the school were immeasurable, especially as the school was first set up. He stated that the school as a whole owes her a great deal of debt for her many contributions. Andy Kristianson added that these would be large shoes to fill. He stated that anyone who wishes can apply for the open board position, but that the board would target specific skill sets. The board will put an advertisement in the PAWS newsletter. After applications were

taken, initial screening phone interviews would be done. He hoped that a new board member would be able to step in on 2/1/2010. A new board member would be elected at a board meeting. The corporate governance committee would do pre-screening and interviews, and conduct a vetting process. The board would specifically be looking for an HR background, a background in employment law, or a high school teaching or administrative background. DJ Hill stated that candidates who were not elected would hopefully find many other ways to contribute, especially through the Endeavor Foundation.

Officer Elections

Andy Kristianson

Andy Kristianson stated that elections for board officers would be conducted at the end of each calendar year. The existing officers had all expressed a willingness to remain in their current position. These included DJ Hill as chairman, Larry Woolard as treasurer, and Christian Nechyba as secretary. All three officers were unanimously re-elected. Each officer abstained in the vote for his own office.

Consent Votes

Christian Nechyba

Christian Nechyba asked for a consent vote to approve the purchase of an automated external defibrillator (AED) for Endeavor, and the approval of a loan to the athletics program for the purchase of a second defibrillator to be used at Pride athletic events. Both defibrillators would be allowed to travel with athletic teams, and the availability of two units would allow the school to have an AED available at all high-risk sporting events sponsored by the Pride, including cross-country, basketball, and soccer. The school AED would remain at Endeavor during the school day. The school AED would cost about \$1773 with pediatric pads and a training module, and the second unit, to be financed by a loan to the Pride athletics program, would cost about \$1275. This request was unanimously approved.

Other Comments

Open Houses for new applicants to Endeavor would be held on 1/30/2010 and 2/6/2010. Tamara Santana provided a reminder about registration for trackout camps.

Closing

DJ Hill closed the board meeting at about 9:20 pm.