



## **Endeavor Board Agenda: April 26, 2009**

### **Call to Order:**

**Christian Nechyba**

The regular meeting of the Endeavor Board of Directors was called to order at 7:05 pm on April 26, 2010 by Christian Nechyba in Endeavor's multi-purpose room.

### **Present:**

Larry Woolard, Christian Nechyba, Margaret Holder, Steve McAdams, Christi Whiteside, Andy Kristianson, Helen Harris, Lisa Springle

### **Absent:**

DJ Hill

### **Minutes from last meeting**

**Christian Nechyba**

Minutes from the March board meeting were unanimously approved.

### **PAWS Update**

**Karin Reed**

Karin Reed provided an update from PAWS. A full slate of PAWS officer candidates for the next school year had been nominated. In addition to the candidates announced at the last board meeting, Kris Stauffer had agreed to run for the position of president-elect. This position would add continuity to PAWS from year to year. Karin Reed stated that these were a great group of candidates, and that candidate bios would be printed in the next edition of the *Paw Print*. Current officer terms end on June 30. The PAWS finance committee will meet to go over the school wish list, which will take up 75% of surplus PAWS funds from this year's budget. Liz Wood will serve as a staff representative at this meeting. The hospitality committee recently hosted a staff luncheon. Christi Whiteside expressed the staff's appreciation for the luncheon. School workdays were scheduled for this Saturday and Sunday, and there were a long list of tasks to complete. The next PAWS board meeting was scheduled for tomorrow evening. Christian Nechyba asked if Christi Whiteside was still planning to write an "Update from the Board" column on volunteerism for the *Paw Print*. Christi Whiteside stated that she was. Larry Woolard stated that sixth grade teachers had had trouble covering lunch duty, and that sixth grade parents had sent out a great call to volunteerism encouraging parents to volunteer in another capacity if they were unable to volunteer at lunch duty. Christian Nechyba stated that the board would be convening a volunteer task force to further address the question of how to promote volunteerism throughout the school.

### **Third Quarter Enrichment Update**

**Tamara Santana**

Tamara Santana stated that she had reviewed the enrichment program's budget with Acadia. The enrichment program this year had generated \$12,457 in income as of the end of March. She reviewed a list of community outreach efforts on behalf of the enrichment program, including a listing on WRAL "Go Ask Moms" section. The program was still enrolling for the last quarter, and had enrolled 260 students for third quarter and third quarter trackout camps. The last quarter would offer 19 enrichment classes. Trackout camps would not be offered in summer, but several 2-3 day workshops in beginning band and art will be offered. The program also included a growing list of non-Endeavor students. Margaret Holder suggested a listing in "Triangle Mommies" for the enrichment program. Christian Nechyba thanked Tamara Santana for her update.

### **Foundation Update**

**Steve Santana**

Steve Santana stated that the Foundation had met the night before. They had created an updated version of foundation-specific policies to insure that the Foundation board would function in a similar manner as the ECS board. An RFP had been issued for an architect, and it would take couple of weeks to review responses. He stated that the design of the school 's permanent facility should drive what the site looks like. He stated that the architect should be selected so that the architect can give feedback on prospective land purchases. The Foundation would try to put earnest money down from capital funds raised during the capital campaign. Approximately \$15 - 20,000 would be needed to lock in a piece of land. Two different sites were being considered including the Shooting Club property and the Strickland piece of property . Steve Santana stated that Wake County was bidding on this second piece of land, but hadn't closed on it. If Wake County put no earnest money down at the end of a specified period, the Strickland property may open again. Steve Santana stated that Scott Mathers, would provide an update on the capital campaign, which was about to enter the quiet asking phase.

Scott Mathers stated that DJ Hill would be sending out a letter to all parents through Tuesday folders to introduce the capital campaign committee to the school community. The capital committee would meet on Thursdays. Helen Harris would serve as the ECS board's liaison to the capital committee. The capital committee would begin to contact and meet with possible donors next month. Initial meetings would be with individual prospective donors. He anticipated starting meetings in several weeks. Corrie Wiedman would be the campaign manager, responsible for managing day-to-day campaign operations. Steve Santana added that the campaign would start with meetings with several families who were already knowledgeable about the foundation and the campaign to solicit feedback on their approach. He also stated, that he believed, with Helen Harris's participation, the board would get more visibility into the marketing of the campaign. Steve Santana invited board members to attend campaign committee meetings, which would be held at 7 pm on Thursdays. Helen Harris added that the committee would release talking points and FAQ's for board members, stakeholders, and front office staff. Lisa Springle asked if staff should receive these talking points/FAQs. Christi Whiteside stated that she didn't want to see teachers put into a fundraising role. Steven Santana stated that any inquiries should be redirected to the campaign committee. Christi Whiteside added that teachers do need some general understanding of how the Foundation and other stakeholders work. Steve Santana stated that he would be happy to come to a faculty meeting in May for a brief update. Christian Nechyba asked if the letter, which introduces the capital committee to the Endeavor community, would clarify that the campaign committee did not expect contributions as an immediate result of the letter, and that more information would follow at a later time. Scott Mathers stated that the letter would be an introduction

from DJ Hill of the campaign committee and would indicate that there would be more information to come, but that it would be fairly general in nature. Margaret Holder asked if the campaign would accept pledges. Steve Santana stated that the campaign would accept pledges and a variety of donations. Helen Harris stated that there would be more tax advantages for donors if the campaign would accept stocks. Christian Nechyba asked if there was a plan to have Capital Development review campaign materials or attend initial meetings with key donors. Steve Santana stated that having Capital Development at donor meetings would be very expensive and may not be as useful as having them review campaign materials. Lisa Springle stated that she believed the review of fundraising materials by Capital Development was money well spent. Steve Santana stated that he agreed that their review of campaign materials was worthwhile, but that the campaign committee believed that having Capital Development present at donor meetings would not be as useful. Andy Kristianson asked if it would be helpful for the board to extend the terms of its loan to the Foundation. Steve Santana agreed that this would be helpful if earnest money were needed on short notice for a piece of land. Andy Kristianson agreed that it would be helpful to extend the loan for a full year. Andy Kristianson stated that he would provide a loan extension proposal for review at the next meeting. Margaret Holder added that the board would have to add reserve funds for the uncollected loan.

#### **Treasurer's Report & Budget Planning 2010-11**

**Larry Woolard**

Larry Woolard stated that the school's First Citizen's account held a balance of \$813,916.38. The school's Bank of America account held a balance of \$202,356.20. The First Citizen's account currently had a lot of money, and the school was on track to provide its future building outlay of \$119,000 for the current school year. Current projections were for the school to have a year-end surplus of about \$300,000 in addition to the building outlay. He stated that the school's financial position was in large part thanks to PAWS, to the administration, and to the school's volunteer spirit.

For the 2010-11 school year, the school would have additional revenue of about \$120,000 from the additional 8th grade class. However, this increase in budget would be entirely utilized to fund new staff positions. In addition, reductions in revenue of up to \$126,000 were expected for the coming year. He stated that the board and administration would need to look at the budget harder than ever and remain vigilant. Andy Kristianson asked if this budget projection counts on all the grants the school received this year. He asked if there was a one-time funding from the state for \$39,000 this year. Larry Woolard stated that there was - this had been a recalculation of funds given to all charter schools. He stated that the finance committee should firm budget by next board meeting. The administration would get back to the finance committee within two weeks regarding final budget recommendations. Christian Nechyba asked if another CD would be opened given the high balance in the First Citizen's account. Larry Woolard stated that there was a plan to move money into another CD by the end of May, and that all funds in the First Citizen's account were fully insured.

#### **Consent Votes**

**Christian Nechyba**

**Andy Kristianson**

Christian Nechyba reviewed a proposal discussed at the last board meeting to provide \$5000 in seed money to the Pride boosters. The proposal was written by DJ Hill and was offered for a consent vote. The language is as follows:

Whereas:

- The boosters launched the Endeavor sports program this year
- The boosters had originally thought that they would be able to accomplish with no external funding
- The boosters have executed a well-run program that has been positively received by the Endeavor and wider community
- The startup costs associated with launching a program are substantial,
- PAWS has committed \$5K as 'seed' money for the Boosters
- The Boosters have agreed to conduct aggressive fundraising next year to cover all their operational expenses
- The Boosters have agreed NOT to access either current or expanded CAFE days to fund their operations

Be it resolved that, the ECS Board of Directors will:

- Fund \$2500 at the start of next school year
- Fund an additional \$2500 on the first day of school in January 2011
  - o The second funding allocation is contingent on the Boosters either having completed or substantially made progress towards fundraising enough to achieve equilibrium in their operational budget.
- Both fundings are contingent on NOT diluting current PAWS fundraisers (which provides funding for our classrooms)
- The ECS Board of Directors expresses its support for the athletics program at Endeavor
- The ECS Board does not plan future funding for sports as this venture needs to operate at breakeven or in the black in future years.

The above proposal was unanimously approved.

### **Staff Compensation & Compensating Controls**

**Andy Kristianson**

Andy Kristianson stated that the corporate governance committee had resolved after the board retreat to take an increased look at administrative oversight. He stated that he was comfortable with the oversight mechanisms in place given familial relations within the administration. He proposed that any changes in compensation for familial relations of board members- require a 70% majority vote by external board members. Five board members voted in favor of this proposal (Andy Kristianson, Lisa Springle, Margaret Holder, Larry Woolard, Helen Harris). Steve McAdams and Christi Whiteside abstained from this vote. Christian Nechyba also abstained from the vote, stating that his wife was a paid contractor for the school, which presented a conflict of interest for him in this vote. The proposal was approved.

Andy Kristianson continued that the corporate governance committee was putting together a document delineating compensating controls. He stated that he believed that one of the reasons the

school works well is the relationship of administration members; he stated that he believed this had been vital for the success of school. However, he added that these relationships are also the first thing people notice in the school's corporate structure. A summary list of compensating controls would be posted on the school website when complete. There were a total of 12 compensating controls that were currently on record since the school open. (1) There were seven outside directors (directors external to the school staff) and 2 inside directors (directors internal to the school staff). Thus, the administration could not push through any vote without a majority of outside directors being in agreement with their position. (2) A conflict of interest policy was signed annually by all directors, in which all conflicts of interest were declared. (3) A code of conduct policy was signed annually by all directors. (4) Public access to all votes also served as a compensating control. This public access excluded votes on personnel issues in which potentially confidential issues could arise. (5) Abstentions provide another compensating control. Anyone could point out a potential conflict of interest, which should lead a director to abstain from a vote. (6) DPI provided the next compensating control. DPI had been very pleased with the school's performance to date. DPI had stated that although they would not recommend our board structure to a new school, they also would not recommend changes in Endeavor's board structure moving forward given the school's success. (7) Any board member can ask a conflicted inside director to leave a board discussion. (8) The grievance committee provides the next compensating control. A written grievance policy was in place and had been reviewed with all staff members. (9) Job descriptions for the school director and administration would set clear standards for the board's expectations. (10) Annual reviews of the school director would be conducted by the ECS board chair, the personnel chair and the corporate governance chair using standards set by this job description. (11) The compensation of the director and of parties related to board members could only be changed by a supermajority vote. (12) Any new positions which could result in advancement of an employee would be posted for two weeks on the school website. For hiring decisions involving related parties, outside directors would have final authority on hiring decisions. Andy Kristianson stated that, personally, he felt good that the school was very well protected, and he stated that he believed these compensating controls would minimize these concerns as a potential distraction going forward. If additional issues or concerns arise, he requested that he or DJ Hill be contacted within the next month. The compensating controls document would be finalized for the next board meeting. This document would not require a board vote, he stated, since it summarized controls, which were already in place.

### **Retreat Summary**

Christian Nechyba asked the chair of each ECS board committee to summarize goals and priorities discussed at last month's board retreat, and to discuss how these goals pertained to the school's short and long-term goals.

*Corporate Governance Committee*

*Andy Kristianson*

Andy Kristianson stated that in addition to compensating controls, he was reviewing several legal issues. Specifically he was reviewing liability coverage for family volunteers liability. Although he believed that liability coverage for volunteers was adequate, he stated that the committee would dig more deeply into this issue. He stated that it was important to make sure that concerns about liability were not a disincentive for volunteers. He would also look into the whether the school was legally

permitted to collect data on lottery applicants to assess how well Endeavor was capturing a cross section of the community in its applicants.

*Personnel Committee*

*Lisa Springle*

Lisa Springle stated that the personnel committee was working on a job description for the director. Steve McAdams had submitted suggestions for this job description, and the committee would review this to insure that they understood the document and that it addressed all duties of the position. The expectations set forth in this document would be the basis for an annual review. Christian Nechyba added that such a review would begin next school year.

Christian Nechyba stated that the personnel committee had created a summary document of feedback generated from the faculty surveys. He stated that the summary was still undergoing an internal personnel committee audit, but generally indicated a high level of teacher satisfaction with all aspects of the school and its associated stakeholders. He added that there were specific items of feedback given which could help focus the school's goals and direction for next year. He stated that the parent survey data was still being tabulated by a third party, and may not be ready for public presentation until the June board meeting. The faculty survey summary would be presented at the May board meeting.

*Communications Committee*

*Helen Harris*

Helen Harris stated that as someone who had sat in the audience at many board meetings, she was aware of the need to maximize awareness of the school community on board policies and compensating controls. She stated that it was an important goal for the committee to improve communication between the Board and the school community. She clarified that the communications committee was not the voice of the board, but wished to increase communication and awareness on what the board does. Externally, the committee hoped to improve outreach to the community, and would work with the Foundation. She hoped that the committee would work on bringing diversity into the school, and could work to improve communication with volunteers within the school.

*Finance Committee*

*Larry Woolard*

Larry Woolard stated that the finance committee would continue to make sure that the board worked with Acadia and the administration to meet the school's financial objectives, and would insure that the board obtained sufficient feedback from these entities.

*Audit Committee*

*Margaret Holder*

Margaret Holder stated that there was only one issue raised in last year's audit as it pertains to the Fidelity bond. One individual reviews the audit report from the local government, picks out the most "material" findings, and then sends out a "boiler plate" letter to insure these findings were addressed. Immediate corrective action had been taken, and a response had been issued to the letter. Thus, she stated, last year's audit was finally complete. She stated that she hoped to employ the same firm for the coming year, and that she did not see the need to put out an RFP again. Eileen

Underkoffler asked when the audit would be due. Margaret Holder stated that the audit report would need to be submitted by October 2010. Helen Harris asked what audit firm was involved. Margaret Holder stated that the firm was Thomas, Judy, & Tucker.

**Public comments for board consideration**

Eileen Underkoffler stated that the school would need to account for mentor bonuses and would need to cash out teachers who would accrue more than 20 leave days by the end of the school year. Christi Whiteside stated that the school would pay out days leave days accumulated over 20 days at a substitute pay rate. Andy Kristianson asked what a mentor bonus was. Christi Whiteside responded that new teachers (defined as teachers who had taught for less than 3 years in the state) were required to have mentors, and that this mentors receive a small bonus for their service in this capacity. Andy Kristianson asked how many mentor teachers the school had. Christi Whiteside responded that the school had 9 mentors. Tamara Santana expressed a concern that some experienced teachers wouldn't come to Endeavor from other public schools because they would lose accrued leave days. Christi Whiteside responded that this was a state policy.

**Close**

Christian Nechyba adjourned the meeting at 8:20 pm.