

The Classical Academy
975 Stout Road
Colorado Springs, CO 80921

Board of Directors Meeting
North Campus
Thursday, January 20, 2010

I. Call to Order

Chairman Steve Pope called the meeting to order at 6:05pm.

II. Pledge of Allegiance / Roll Call

Board members present were Kirk Cameron, Matt Carpenter, Jim Kretchman, Steve Pope, Lisa Sutton, and Jim Woody. Ron Mast was excused absent.

III. Comments

a. Comments from the Audience Est. Time: 5 mins

IV. Consent Agenda Items Est. Time: 5 mins

- a. Admin/Ops Summary Report
- b. November Financials
- c. Minutes: December 6, 2010

Jim Kretchman asked for clarity from Kevin Collins on the registrars report, and the total number of seats that are opened versus the number of individuals who are waiting for a seat.

Kirk Cameron had a question on the November Financials and the PPR.

Mark VanGamble explained the difference and that it was a timing issue with D20, and that in December the numbers will be more balanced out.

Moved by Jim Woody, seconded by Kirk Cameron to approve the consent agenda, at 6:15p.m. Roll Call. Approved by unanimous vote.

V. Discussion Agenda Items

- a. Core Values Update
 - i. Drill Down on part of our Core Values: Instructional Philosophy
 - ii. Presenter: Dorothy Simpson For: Discussion Est. Time: 20 mins

Dorothy Simpson shared that due to the time restraints the whole Core Values topic on Instructional Philosophy could not be covered. She would however like to talk about the whole idea on the pursuit of Truth, Goodness and Beauty. This topic in particular would pertain to Library books. From a Core Values point the discussion covered the lifelong pursuit of truth, community, and goodness, that TCA values classical literature, and Charlotte Masons living books.

- b. TCA Building Corp Update
 - i. Update on TCA Building Corp and discuss Building Corp board members for 2011
 - ii. Presenter: Steve Pope / Rick Mueller For: Discussion/Vote Est. Time: 15 mins

Steve Pope quickly shared with the board that Rick Mueller was unable to attend the board meeting and that he would be at the February 7th board meeting.

c. Budget & Finances: 2011-12 and beyond

i. Update Board on latest information regarding on State funding

ii. Presenter: Mark V./David B.

For: Discussion

Est. Time: 10 mins

Mark VanGamble shared that there was not a lot of new news on the funding from the state. There was the reconciling that was completed with District 20. The dollar amount from the state regarding the per pupil funding was also within a few dollars of what they had budgeted. He also shared that they are planning to increase the planned budget for employee benefits. Mark said that the state is also trying to decide how to make up the shortage of funds from property taxes.

Kirk Cameron asked Kevin Collins about the amount of savings that have been made this year due to the weather this fall and the actions from the operations staff.

Kevin Collins shared that much of the savings were due to the staff coming in early and late to turn off items to help save money. They will know better this Spring as to the overall savings this year due to the Energy Sustainability Program.

d. Budget Deficit and Future Funding Solutions

i. Update on Communication Plans regarding impacts of financial changes ahead, possible Student Fee Proposal, and an update from Jan 6 Advisory Board Meeting

ii. Presenter: David Bohn

For: Discussion

Est. Time: 60 mins

Dr. David Bohn shared that after the second Advisory board meeting that they needed to rethink the whole budget deficit situation. He said that instead of thinking about fees, to look at an annual contribution approach instead of mandatory fees. He shared that part of the reason for this change is the thought of who we are as a community and our Core Values. It was also shared that the change in direction came from the legal issues surrounding mandatory fees, and also how to enforce them. On the other hand he shared that he began focusing on what fostering a community of giving and caring fits with TCA's core values and how this can bring a community more together.

Jan Stump said that she had attended the first advisory board meeting incognito and that the fees being proposed would create a road block with the community instead of a gateway for support. When potential barriers were thought about, one of the main things was the confusion of messaging, in the work of getting a clear and strong compelling case for why TCA and why now. To have a clear message to send out year after year and provide the same messaging is difficult in and of itself. Jan shared that building relationships is a vital part of creating a culture of giving. She said that it is about the mission, relationships, and it is about providing opportunity for people to give and get involved. This is not something that can happen overnight but over a period of time. She shared the process of how to create this culture of giving within the community and the importance of starting with the foundation we have within the community and building upon what we have.

Dr. David Bohn shared that when he had this change in his thinking, it was surprising to him. But he said that when you lead you have to lead from your heart. And this way of thinking and direction is the way he feels TCA should go. He shared that he has become more positive about this direction, but the final decision is up to the board. This is his recommendation to the board for the future funding solution.

Jim Kretchman shared that he had some questions, but he was very delighted that Dr. Bohn had thought about the culture of TCA and was leading with his heart. He said that if this is done well he is pretty sure that it will succeed. If this is not done well, then he is fairly certain it will fail. His question would be is there enough time to have this be done well and successful enough to succeed? An additional question would be if this did not succeed what

would the backup plan be, or should we plan for something else for the next year to give appropriate time to make this plan successful.

Jan Stump shared that she appreciated the question and that it helped to clarify. She shared that this is a process that would get started and continue forever. The immediate concern is can we get the commitments to meet the budget needs for next year. She shared that it typically takes six months to plan and then begin the process. This is a long time commitment that grows from year to year. If the relationships are grown and cultivated then these relationships and giving continues to grow each year.

Dr. David Bohn said that there should be some markers in place, for the end of February so if these markers are not being met then a different plan for the next years financial situation can begin.

Jim Kretchman asked what is the dollar amount that needs to be made up, due to the deficit in PPF.

Mark VanGamble said that in his current projections, there is a deficit of about \$490k, which includes unthawing wages and giving about a 2% increase to the wages.

Jim Kretchman shared that if there was a backup plan in place, so if the current plan did not work there was a plan to fall back on.

Matt Carpenter said that he agreed with Jim Kretchman's concern, he also shared that he did not want to put all the "eggs" in one basket. Because of what he does in his job, these numbers do not concern him; however he would like to have an additional plan.

Steve Pope shared that he did not want to lose the momentum that had been made from the Advisory boards that took place at East Campus.

Matt Carpenter said he would like to challenge Dr. Bohn and Jan Stump to come up with a plan not of how to raise \$450k in four months, but how to raise \$450k in ten months.

Jim Kretchman said that he liked the idea, but he did not like the dates that had been placed on the handout. He feels that these dates are a setup for failure. He said that he would like to come up with another idea to get us through the short term crisis and use this plan long term.

Matt Carpenter shared that he would like Dr. Bohn and Jan Stump to come back with more realistic markers and timelines for this plan.

Kirk Cameron said that he applauds the culture of giving and contribution. He shared that he feels that this is a fabulous idea and has been wanting for years for TCA to hire someone like Jan that could lead in a very organized and be the point person for advancing the development. He said that at this time he could not vote to strictly go with this option, he would not say that it is either the fund raising choice or the fees. He felt that it was both options. He felt that TCA should move forward with the building the culture of giving concept within TCA but that we also address the fundamental issue, which is the sense of entitlement within the culture here at TCA. And there are a large amount of TCA families that attend TCA that feel they are entitled to attend and not contribute to the school. He also said that people said that they do not want to give if other people in the community are not giving. He reviewed numbers with the board of the percentage of families that have given to TCA over the past three years.

Matt Carpenter shared that his concern with the fees is the philosophical piece of the school. Having a mandatory fee, allows people to get off the hook to easily. By using the relationship approach with our philosophy and core values this has the potential to help TCA to receive more funding.

Kirk Cameron said that he would like to see any optional activity at TCA be revenue neutral. The fees are charged high enough to cover all the equipment, transportation, instructional cost. This would be for sports or any other extracurricular activity.

Jim Woody shared that he had a conversation with another school board member were they had enforced mandatory fees. He said that this person shared that only 50% of the parents paid these fees and then were unable to find a way to enforce these fees. Out of frustration due to people not paying them, the school dropped the whole thing. He also spoke to another CFO and they had strong reservations due to the legalities. He feels that there is a sense of entitlement on some, but does not feel this can be solved with fees. People feel that because they have paid their property taxes they have paid their "tuition". He liked the idea and plan of the culture of giving. In the past the extra giving was to get extra things for TCA not to necessarily maintain were TCA needs to be. He shared that it was important to get the message to parents that this is different than the book and building fund, this is different than the titan trust. This is essential to maintaining the school. The message needs to tell the parents that if you want this school to stay here that we need 100% participation. This idea is more consistent with our culture and values, to pursue a culture of contribution instead of trying to do both fees and contributions. We are both a school and a non-profit organization, which allows donations to be tax deductible, however fees are not.

Lisa Sutton said if everyone agrees, she would like the administration to come back with a proposal to help stop-gap the amount of money that is being lost in extracurricular activities.

Mark VanGamble shared that band and choir are not extra activities. These are considered part of the core curriculum. He said that this is a new environment and idea for TCA, but this is not a new thing for Jan. Having a backup plan is a very good idea, and that there are areas where money could be tapped in case of an emergency. Not placing a number on what parents have to give, but instead sharing with the parents the need and ask them to give what they can. Then the results will be different.

The board and lead team shared that the tables they moderated at the Advisory board meetings were excited and ready to go to help carry out this vision to raise funds for TCA.

Jim Woody shared that the opinion from the his North First grade panel was that the information that parents pay attention to and read is from their child's teacher. This is a key channel for communication with parents.

Matt Carpenter shared a list of suggested ideas for an additional plan for funding. The list consisted of: talking with Rick Mueller regarding the Building Corp/Cash reserves for additional funding, sale of Scarborough property, extracurricular programs at secondary level and how these can become revenue neutral, and having Jan continue to work on the plan and flush it out. Also have markers in place for April/May timeframe so that the board would be aware of where they are in the process. Another option that was discussed is a line of credit option. The area that the board is not 100% in agreement is in the area of fees. He said that in his mind, these are the list of taskings that should be given to Dr. David Bohn so see if these are feasible or not.

Jim Kretchman would like to see the administration come up with a game plan if the giving were to be the same next year as it is this year. What would be the plan to help make up the difference. This would allow the burden to be removed from Jan and allow this new process to be done successfully. He said that it is important for people to know the story of TCA and be able to tell that story to the community to build their support. He shared that he would like to go ahead with the plan, work to obtain the same amount of funding as TCA received last year, and bring back a plan to the board of how the gap in funding will be filled.

Chairman Steve Pope called for a ten minute break.

- e. Board Feedback and Direction regarding Future Funding Solutions
 - i. Board to discuss recommendations and next decisions to address budget gap
 - ii. Presenter: Steve Pope For: Discussion Est. Time: 30 mins

Matt Carpenter shared that the feedback to Dr. David Bohn and the administration is to have the same fundraising goal as in the past, and then present a plan to the board on how they will raise the shortfall in funding through the next fiscal year.

The majority of the board agreed with Dr. Bohn and administration that an additional fee that would be considered mandatory for consumables would not be considered as an option to address the shortfall in funding.

Steve Pope asked when this plan would be presented and also when the markers and milestones would be put into place. He asked if this could be done by the February 7th board meeting, or would this be at the March meeting.

Matt Carpenter shared that it would be helpful to have an update at each board meeting until the plan is completed.

- f. BREAK (approximately 8:30p.m.) Est. Time: 10 mins

- g. Board Election process & Plans for Spring 2011 Election
 - i. Approve Board Election Policy modification (1st read was in November board meeting)
 - ii. Announce timeline & communications for 2011 board election cycle
 - iii. Presenter: Steve Pope / Matt C. For: Discussion / Vote Est. Time: 10 mins

Steve Pope reviewed the changes that had been made to the Board Election policy. He shared that wording in the one of the proposed new paragraph should be changed to be more due to changes in board meeting dates.

Moved by Matt Carpenter, seconded by Jim Kretchman, to approve the board election policy with the proposed changes, at 9:25p.m. Roll Call. Approved by unanimous vote.

- h. Fast/Audit Report
 - i. Brief update on FAST and Final Audit Report
 - ii. Presenter: Jim Woody For: Discussion Est. Time: 10 mins

Jim Woody reported that the FAST report (including the Audit Report summary) handed out to the Board was self explanatory unless there were further questions. He noted that the June 30, 2010 Annual Audit Report concluded that TCA's financial statements present fairly, in all material respects the financial position of TCA and conform with accounting principles generally accepted in the United States. He stated that Building Corp's financials are consolidated in TCA's Audit Report. He proposed the FAST report as a first read if the Board desired more time to review the Audit. If not, the Audit and FAST reports could be closed.

Jim Kretchman asked if there is a process to settle the banking decision. Jim Woody replied that the banking decision has been delegated by the Board to the staff. Once the final quarter 2010 Call Report for Integrity Bank has been released, then the administration will review it and make a decision. The banking question raised by our auditors in the last two reports concerned whether TCA deposits at Integrity Bank were properly collateralized.

Another question raised during the discussion was how much of a line of credit Integrity Bank could provide for TCA compared to what a larger bank could provide. A line of credit is one option to help bridge our forecast budget gap.

Mark VanGamble shared that he does not have a concern with Integrity Bank due to its size. He said that once he analyzes the bank's Call Report, and better understands the bank's current financial condition, he can then make a banking services decision.

The Board agreed that Audit and FAST reports were a closed topic and did not need to be presented again at a future board meeting.

- i. Recommendations for Staff Evaluation Program – This topic was moved to the February 7th board meeting
 - i. Review recommendations for Parent and Student involvement in staff evaluations
 - ii. Presenter: Ron M./Lisa S./Kirk C. For: Discussion Est. Time: 15 mins

- j. Board Advisory Council
 - i. Discuss needs and review possible candidates
 - ii. Presenter: Ron Mast For: Discussion/Vote Est. Time: 10 mins.

Jim Woody shared that he had a name for the Board Advisory Council. This gentleman was on his board advisory panel. His name is Scott Patlin, and is an attorney. He has two children at TCA, and has been an attorney since 1995.

Kirk Cameron shared that maybe if individuals came to a few meetings so the board could get to know them then they could serve for the next six month period.

Steve Pope asked Jim Woody to ask Scott to attend the next few meetings to get to know the board.

Jim Kretchman shared that the two names that come to mind to serve on the committee would be Rick Mueller and Brad Miller.

- k. Board Committee Updates
 - i. Brief updates from each committee: Board Structure, Board Training/Orientation, Strategic Plan, Appreciation, Core Values
 - ii. Presenter: Board Reps For: Info/Discussion Est. Time: 5 mins

Jim Kretchman shared that the appreciation committee presented 13 nominations for the Titan of the Year award. He said that these nominations and this award are a thank you to the staff from the parents. He said that Chrissy Hintze and Sayeh Sparr did an amazing job on the presentation to each of the individuals.

- l. Communication from Board to Community
 - i. Presenter: Steve Pope For: Discussion Est. Time: 5 mins

The board discussed the importance of communicating the final decision to the community on a funding solution for the next fiscal year.

Jim Woody shared that the all the board should recognize and thank all the people who came to the advisory board meetings. The final funding solutions should be based upon the advisory committee inputs and staff.

Steve Pope shared that within the communication there should be communication that after analyzing and hearing the board provided feedback.

Also share with the community that there will be no mandatory fees.

Jim Kretchman shared that it would be a good idea for someone to thank Chrissy Hintze and Sayeh Sparr for their work in Titan of the Year.

Dr. David Bohn briefed the board on the current progress that has been made on the strategic plan.

m. Board Debrief / Future Meeting Schedules and Agenda Items

i. Item: Confirm next meeting dates and discuss any known agenda items

ii. Presenter: Board Chair

For: Discussion

Est. Time: 5 mins

VI. Executive Session

Est. Time: 20 mins

a. Provide performance feedback to TCA President, pursuant to Colo. Rev. Stat. sec. 24-6-402(4)(f).

Moved by Lisa Sutton, seconded by Matt Carpenter, to adjourn to executive session pursuant to Colo. Rev. Stat. sec. 24-6-402(4)(f), at 10:11pm. Roll Call. Approved by unanimous vote.

Executive session began at 10:12pm.

Moved by Matt Carpenter, seconded by Kirk Cameron, to adjourn to public session, at 10:54pm. Roll Call. Approved by unanimous vote.

VII. Future Agenda Items

a. Future Agenda Items

i. Process for SACs to communicate to TCA President – Feb

ii. FAST Committee Proposal – Jim W. – Feb

iii. Core Values Implementation Plan: Update next steps since CV has been finalized – Feb

iv. Student Disenrollment from the High School - Feb

v. Student Support Services – Feb

vi. Safety, Safe2Tell, and Security Update – March or April

b. Regular Board Meeting Dates for 2011

i. February 7th (new date), March 14th, April 11th, May 9th, and June 13th

VIII. Adjournment

Meeting was adjourned at 10:55pm.