

The Classical Academy
975 Stout Road
Colorado Springs, CO 80921

Board of Directors Regular Meeting
November 13, 2006

- I. Chairman Chris Leland called the open session to order at 6:05 p.m.
- II. Pledge of Allegiance/Roll Call.
 - A. Chris Leland led those present in the Pledge of Allegiance.
 - B. Roll Call. The following Directors were present: Chris Leland, Matt Carpenter, Chris Bender, Lisa Ruth, Lisa Sutton, and Steve Tomberlin. Director absent: Clark Miller. Also present: Mark Hyatt, President.
- III. Spotlight Recognition. Peter Hilts introduced Philip Scudder and John Parker, who led a rhythmically challenged audience in their presentation of the Mesopotamian Rap. Coach Alan Versaw and members of his track team were recognized for winning consecutive state championships. Don Stump introduced elementary students Caleb and Hannah Ingram and Adriana Sullivan, who initiated a monthly, after-school Anti-bullying Club at Central.
- IV. Board Development—a continuing series of presentations highlighting the formation of TCA’s mission, values, and philosophy. Don Stump made a presentation on how TCA assists parents during the elementary school years. Mr. Stump affirmed that we consider ourselves an extension of the home, so we help parents understand TCA’s mission, values, and philosophy, and that way we achieve a wonderful collaboration. Specifically we assist parents in a variety of ways: By communicating through e-mails; by working together on curriculum through homeschool outreach; through Spalding training for parents; by establishing Individual Learning Plans (ILPs) when necessary; by sponsoring workshops on literacy and ways parents can strengthen literacy in the homes; and through Student Intervention Teams (SITs) to help students who are struggling in various areas—academically, behaviorally, etc. Following the presentation, Matt Carpenter asked the hypothetical question: If resources weren’t a concern, would we do anything differently to assist parents? The consensus from the staff was we’d like one tutor per teacher in all the primary grades and the specials classes, as well as more reading specialists. Chris Bender and Steve Tomberlin asked if parents understand the relationship TCA wants to have with them, and if we are getting what we need from parents in the classroom; the response was a resounding yes. Mark Hyatt described new initiatives designed to engage more parents, and Jim Woody expressed praise and gratitude for the parent volunteers that have been assisting the Finance team during this period of explosive growth. Chris Leland requested a similar presentation on assisting parents be provided at the next meeting by the secondary principals and TCA staff. Chris Bender asked that the presentation include the systems and processes (other than surveys) we use to obtain and provide feedback from parents, and that we also provide insights on how parents are dealing with our secondary administrative team.
- V. Comments. Chris Leland asked that the audience please hold comments on 3A issues until the scheduled agenda item (item VII. B.).

- A. Audience. An audience member praised the recent Principal's Coffee, expressing appreciation for the opportunity to have direct contact with the principal.
- B. President, Operations, and Administration:
1. President's Update. Mark Hyatt announced that our girl's volleyball team took 3rd place in the state this past weekend! He invited the Board to participate in our Building the Passion Conference next Monday and Tuesday. On February 16, 2007, TCA is hosting a state-wide character, education, and campus culture symposium. It will feature nationally renowned speakers, and will be a staff-development day for all TCA employees— Board members, parents, and community members are invited to attend. President Hyatt then thanked Kevin Collins and his Operations team, for their great work controlling the mice. Finally, he reported that, after 72 truckloads of dirt, the athletic field at East now provides a safer, more level, playing area for our children.
 2. Operations. Kevin Collins provided a handout on the current status of Operations programs (see Attachment 1). He then expressed sincere thanks to Kara McIntyre for everything that she does in the Registrar, which was seconded by Chris Bender, who praised Kara's wonderful abilities when working with parents, and being their first "voice of TCA." Mr. Collins described the major repairs to be completed over Fall Break, and the long list of good initiatives we're reviewing from Town Hall meetings, Titan Communication Councils, etc., to continually enhance our safety and security. He closed by announcing the completion of the IT annual plan update and the success of the Vision and Hearing Testing.
 3. Administration.
 - a. High School. Peter Hilts described how our students are excelling in body, mind, and spirit. Body – Our formal sports programs are showing phenomenal results, and the great support from the fans really makes the difference. Mind – Two students won awards at a state-level chess competition. Spirit – At our recent Veterans' Day assembly several of our seniors had the opportunity to meet and personally interview veterans who sacrificed in WWII—our students will never forget that experience.
 - b. Junior High. As a testament to our parent participation and support, Russ Sojourner cited the great turnout for our recent hayride, where over 100 students participated. He highlighted a great junior high Band Concert, giving kudos to teacher/director Christina Schwartz-Soper. He closed by reporting on various character programs, including anti-bullying assemblies, the 12th-grade character seminar, and junior high social skills lessons.
 - c. Diana Burditt announced that Native American Day, Colonial Day, and Medieval Day are all coming up for various elementary grades. She offered special thanks to the tireless and intensely dedicated Instructional Philosophy Team, and to Kelly Yoder and Lisa Sutton, who honored her staff with a fabulous breakfast.
 - d. Veronica Varland described a great PTO meeting last week, including purchasing new radios to enhance safety and communication, and election of a new PTO President and Vice President. She reported that teacher Tammy Hemphill will be teaching students in Iraq next

semester, and we're hiring a replacement teacher until her return. She closed with an announcement about the upcoming Fall Chorale Concerts, and lots of Thanksgiving feasts!

- e. Don Stump praised the recent Veterans' Day assembly, describing how involved and impressed our 4th-6th-graders were. He expressed sincere appreciation to our wonderful teachers, and described the progress he's witnessing as a result of the anti-bullying campaign.

C. Board:

1. Steve Tomberlin praised the success of the recent Wait List meeting, citing the good turnout and the running theme about the level of parental commitment that's required to make TCA a success.
2. Lisa Sutton described how impressed she was by the TCA staff at the recent 6th grade aquarium field trip. She then thanked Volleyball coaches Lori Alejo and Annette Sudbrack for being such great role models for our girls.
3. Lisa Ruth lauded the Veterans' Day assembly as tremendous, especially citing how the elementary students were engaged and enjoyed the entire assembly. She specifically thanked Leesa Waliszewski for her vision and leadership.
4. Chris Bender also commended the Veterans' Day assembly, describing how the variety of student involvement made such an impact on the veterans, as well as the other students. He then complimented the Wait List meeting, and how it helped advance our objective of communicating to parents about the expectations at TCA.
5. Chris Leland thanked those who attended the Colorado League of Charter Schools (CLCS) October Conference, describing the importance of engaging TCA in state-wide issues.

VI. Reports

- A. Financial Report. Jim Woody presented three items: The Quarterly Report, the General Fund for October, and an update on the Endowment (see Attachments 2, 3, and 4). In the Quarterly Report (all funds) our total revenues came in slightly higher than forecast—an updated Balance Sheet will be provided for the record. Dr. Woody then explained that the variances in the October General Fund are due predominantly to the fact that we only have enough financial resources to budget Operations for routine expenditures; therefore, when we have extraordinary occurrences (lightning strikes, storm erosion, etc.), we go over budget. This is a concern, and it limits choices we have in the future. Chris Bender asked if we are ensuring that our teachers can succeed in the classroom. Peter Hilts responded that teachers are low on resources, and they're compensating with extra creativity and extra time. Steve Tomberlin inquired about our curriculum reviews, and whether we look at how to operate with less. Mark Hyatt confirmed that curriculum reviews do recognize and consider that resources are a constraint. Chris Bender noted that we never overspend our instructional expenditures, and wondered if this indicated that our priorities were in the right place. Jim Woody responded by describing the triangle of tension that exists between enrollment, curriculum, and payroll. Steve Tomberlin and Matt Carpenter asked that we be sure we're communicating what we need to the Board and to the parent community, and describing the necessity of supporting the Titan Trust to supplement our budget. Mark Hyatt promised the Board

a list of things we can do in the curriculum to improve student achievement, and reminded them that TCA does not fund recurring expenses (such as curriculum) with non-recurring revenue (such as donations).

- B. Approval of Minutes. The minutes from the meeting on October 2, 2006 were approved as presented, with amendment to the financial attachment. Chris Leland thanked Chris Bender for how he handled the MVP/Board Development briefing in October.

VII. Agenda Items

- A. Audit Review. Our auditor, Wendy Swanhorst, highlighted areas of the audit (see Attachment 5) for Board attention. Overall, the news is positive, since TCA's financial situation has been stable for several years. The auditor's only comment was about the use of mutual fund investments that may not be allowed by state statutes. These mutual funds invest primarily in securities which are permitted by state statute. However, TCA doesn't control the maturities of these investments as required by state statutes. In response to a question from Chris Leland, Jim Woody assured the Board that we have transferred our invested funds to state-approved investment vehicles, and have complied with the intent of the law if not the letter of the law that also requires we directly control the investment maturities. Jim Woody requested permission to obtain a formal legal opinion as to whether placing our investments into a separate type III 501(c)(3) would exempt us from state statute investment limitations and enable us to earn higher returns on our investments. This in turn would mean little to no Board control over the separate type III 501(c)(3) Investment Management Non Profit organization. Chris Bender asked about whether continuing to get an Audit Management Letter comment and audit footnote about a possible violation of state statute investment requirements would be a problem. Dr. Woody described the fine line between whether or not a statute is being violated, which underscores his recommendation for a formal legal opinion as to whether placing our invested funds in a separate type III 501(c)(3) organization would remove legal concerns about our investments. Ms. Swanhorst concurred. Steve Tomberlin inquired whether BuildingCorp's bylaws could be changed to a type III 501(c)(3) and have Building Corp manage TCA's investments. Jim Woody responded that no, they would have to reapply as a type III and then TCA's Board would no longer have control over appointing Building Corp's Board. The Board gave its permission to obtain a formal legal opinion as requested by Dr. Woody. Dr. Woody closed by giving special recognition to Nancy Barbour and Doug Herring for their superior work in preparation for the audit.

Moved by Chris Bender, seconded by Lisa Sutton, to permit Dr. Woody to obtain a formal legal opinion on our 501(c)(3) investments. Roll call. Approved by unanimous vote.

Chris Leland called for a break at 7:41 p.m. The meeting reconvened at 7:53 p.m.

Enrollment / High School Size / Attrition Issues. Chris Leland began with a historical overview of the Board discussions on these issues. Mark Hyatt continued the overview by informing the audience that we are working toward the Board-approved plan, and are constantly adjusting to the optimal school population number of 600. He requested that everyone help spread the facts, and dispel rumors and conjecture. The issue of population size is important because size is tied to finances, and if we get too small we have to cut programs. Then TCA Activities Director Nate Sassaman explained how CHSAA (Colorado High School Activities Association) directs schools to calculate their population numbers for the various classes (3A, 4A, etc.). Schools calculate their populations based a 3-year, rolling

average. Because of our small size in past years, and the rolling average, TCA is forecast to remain in the 3A class. President Hyatt summed up by saying that we have the capability to adjust while still bringing in the maximum amount of revenue. We're planning for a 7% attrition rate in our financial models, so we're in very good shape to stay where we want to be to achieve our goals. Peter Hilts then presented research used to determine our optimal high school size of 600 (small- to mid-size school). There's an inverse relationship between school size and character—as schools grow beyond 600 a culture of anonymity begins, which translates into a loss of accountability and relationships, and diminishes a member's sense of belonging. There's also a sharp decline in parental involvement over 600 due to the loss of community. With a population under 600 there are also advantages to safety. Several audience members then advocated for remaining at a population of 600, and simultaneously staying in the 3A class. They shared that we'd be outsized in the 4A class, and potentially unable to remain competitive, which would become an added challenge to maintaining our level of character. Other audience members requested more information on the plan/model for attrition. When queried about our home-school-option students, Mark Hyatt answered that in coming years it will become very difficult for home-school-option students to enter high school full time. This led to a discussion about accommodating our planned student population growth. An audience member expressed appreciation to the Board for their balanced approach to this issue, and Chris Leland assured everyone that the Board would continue to examine these issues at the upcoming working session. Steve Tomberlin asked that the Board to revisit our current target, and consider dropping the target to 585 students. He cautioned, however, that the community has be aware of and address the loss of funds by reducing just by 15—a potential loss of \$175,000 per year. Lisa Sutton asked the Board to consider the possibility that our attrition numbers might decrease as our activities programs become stronger. Chris Leland closed by thanking the audience for their inputs, and assuring them that the Board and Administration care deeply about these issues, and trying to address them responsibly and openly. Chris Leland and Mark Hyatt agreed to discuss how best to share information about population size, attrition, and budgeting with the TCA community.

- B. October Count/Registrar Report. Registrar Kara McIntyre delivered a comprehensive presentation on total TCA student enrollment, examining the data from various perspectives. She explained that the two highest factors contributing to the attrition total was first due to moving out of state, and then out of district. Chris Bender, Chris Leland, and Steve Tomberlin expressed interest in the exit survey, and the data gleaned from it. Mark Hyatt offered to provide breakouts at the next meeting of why students are moving to D20. Kara McIntyre then proposed overfilling our Cottage School classes by 20% from July - Sep. Chris Bender indicated that we want to simultaneously honor the 20 class-size limit, while making the Cottage School Program as large as possible. The Board agreed to leave this proposal to the Administration as a management issue. They concluded by praising the Registrar's presentation as a great decision-making tool.
- C. CSAP Follow up. Peter Hilts briefly reviewed how the administration uses CSAP data to assess trends. Any issues are addressed with Instructional Philosophy Directors and/or the Lead Team. He recommended that this does not need to be a standing agenda item in November. The Board approved combining this report with the CSAP report in September as one annual item.

Chris Leland called for a break at 9:29 p.m. The members of the Leadership Team were dismissed, excepting Mark Hyatt, Peter Hilts, Hal Meyer, Kevin Collins, and Jim Woody, and the meeting reconvened at 9:42 p.m.

- D. High School Honors Classes Proposals. Peter Hilts proposed the end state for Honors Classes (see Attachment 6), stating that the timing is right, and it would enable us to recognize a diverse

population of students. Chris Bender asked if this proposal would change our mix of teaching staff, and Mr. Hilts replied that, while it would be FTE neutral, it would require more teacher preparation. Lisa Ruth expressed concerns about the potential for lowering standards in non-honors classes, which Mr. Hilts addressed by citing our proven ability to run standards-based AP classes, while maintaining high standards in all classes. Lisa Ruth asked whether these classes would be weighted, and how that would be communicated to colleges. Peter Hilts and Kara McIntyre explained that TCA sends a cover letter with each transcript, describing the rigor of our courses. Chris Leland concluded with a reminder of the vote next meeting.

E. Reports from Ad hoc Subcommittees.

1. President's Objectives. Chris Bender presented a final draft of the objectives, which included additional measures, as well as completion dates (see Attachment 7). Chris Leland and Chris Bender emphasized that fundraising is an incredibly important priority, and that in addition to increasing participation we must also increase the total dollars. The Board agreed to "pro-rate" the goal for objective #4.2. to \$312.5K (from \$325K). Mark Hyatt expressed his appreciation to the Board for addressing this goal in a unified manner.

Moved by Lisa Ruth, seconded by Chris Bender, to approve the proposed Presidential Objectives as modified / pro-rated. Roll call. Approved by unanimous vote.

- F. Cultural "Dream Team" Update. Chris Leland distributed a sign-up sheet, listing the dates and times for meetings throughout the remainder of the school year (see Attachment 8). He proposed focusing some of the teams into a variety of constituent groups, specifically one for teachers, one for secondary parents that is separate from one for elementary parents, one that interviews founders individually, and one for secondary students. Other ideas for focused teams included new teachers, veteran teachers, staff members, activities parents, and perhaps one that would dream about academics. Chris Leland asked that this be a cooperative effort between the Board and the Lead Team. He described the ideal meeting as lasting approximately one hour, with the first 5-10 minutes outlining where we are now, and the majority of time spent visioning where we want to be. He also approved use of existing meetings, such as PTOs, Principal's Coffees, Town Halls, etc. He closed by promising further refinements at December's Board meeting.

- G. Parent Survey – Focused version. Kevin Collins presented a proposed survey outline as a first-read (see Attachment 9). After reviewing the last three years' surveys, he chose those issues that engendered the most concerns and/or comments, and then added safety and security. The plan is to keep it to fewer than two pages, and track some demographic data, using the same general timeline as last year—publish in January, survey in February. Chris Bender proposed a cover letter from the Board Chairperson, to connect the Board with the TCA community.

H. Other Business.

1. Meeting agenda and minutes. The Board agreed that a call for agenda items, along with a draft agenda, will be sent out two weeks prior to each Board meeting. If a Board member wishes to add an item, they will courtesy copy all the other members with their request. Chris Bender asked if we should continue the previous goal of posting draft minutes for the public as soon as possible after the meeting; the Board concurred that two weeks should be used as a goal.

I. Future Agenda Items.

1. MVP – Secondary & Admin: Assisting Parents
2. Security/Safety List
3. Proposed Courses List (Secondary)
4. Parent Survey - Decision

VIII. Executive Session. None

IX. Adjournment.

Moved by Matt Carpenter, seconded by Steve Tomberlin, to adjourn at 10:56 p.m. Roll Call. Approved by unanimous vote.

Chris Leland
Chairman

Matt Carpenter
Secretary