

The Classical Academy
975 Stout Road
Colorado Springs, CO 80921

Board of Directors Regular Meeting
North Campus
Monday, January 14, 2008

- I. Call to Order. Chairman Matt Carpenter called the open session to order at 6:03 p.m.
- II. Pledge of Allegiance/Roll Call.
 - A. Matt Carpenter led those present in the Pledge of Allegiance.
 - B. Roll Call. The following Directors were present: Matt Carpenter, Chris Bender (via telephone), Clark Miller, Steve Pope, Chris Leland, Lisa Sutton, and Steve Tomberlin. Also present: Mark Hyatt, President.
- III. Spotlight Recognition - Winners of the Regional Scholastic Art Show. Teachers Daniel Vance, Andrew Walls, and Suzanne Lung presented the following students, noting that the winners of the Gold Key award (1st place) will be competing at the national level in Washington D.C.: 1st place - Lacey Garrelts and Sarah Wood; 2nd Place - Grace Beattie, Sarah Cory, and Greg Phares; Honorable Mention - Mariah Eaton, Emi Takada, Brittany Ryals, Travis Thelen, Olivia Wheeloc, Hannah St Louis, and Dan Burditt.
- IV. Executive Session, per C.R.S. § 24-6-402(4)(e), for the purpose of discussing legal and contract issues

Moved by Chris Leland, seconded by Steve Tomberlin, to adjourn to executive session per C.R.S. § 24-6-402(4)(e) at 6:13 p.m., for the purpose of discussing legal and contract issues. Roll Call. Approved by unanimous vote. The Directors of BuildingCorp and the members of the Leadership Team were invited to attend.

Moved by Chris Leland, seconded by Lisa Sutton, to adjourn to public session at 6:36 p.m.. Roll Call. Approved by unanimous vote.

- V. Comments
 - A. From the Audience
 1. Tammy Totsky informed the Board of problems with the bus service, specifically buses late and children left unattended at the bus stop at East Campus.
 - B. From the President. Mark Hyatt highlighted the generosity of TCA families, announcing that we've received over \$125,000 just in the last month, and we have not even begun a capital campaign.
 - C. Operations Update. Kevin Collins provided updates on the work completed over the holidays on the North gymnasium. (see Attachment 1)
 - D. Administration.
 1. Finance. Doug Hering announced that we have completed the transfer of funds to Integrity Bank. The Form 1099s are in progress.

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2. High School. Peter Hilts praised several teachers and homebound tutors for providing wonderful “remote” support, beyond the traditional workday, in order to assist approximately 12 students who have had extended medical absences.

3. Instructional Philosophy. Leesa Waliszewski highlighted the efforts of the Librarian team, as they work to get books in the hands of our East students at the various satellite locations. She announced that preparations for CSAPs are ramping up, and that the tests will be administered during the first two weeks in March at all campuses. She closed by previewing an agenda item for February--Reconfiguring Elementary Programs--which will present the results of our Lab School, as well as the implications this will have for all of our elementary programs.

4. Junior High. Russ Sojourner recounted the wonderful experience at a recent student assembly, where individual and team successes were celebrated.

5. Elementary. Diana Burditt thanked the staff and parents at East Campus for their flexibility and patience during the past few weeks. She announced that while we are still ironing out some wrinkles, the students are happy and enjoying learning. She closed by describing the staffs at all our satellite locations as continually gracious and helpful.

E. From the Board

1. Steve Pope repeated praise for the art students and teachers in the spotlight recognition. He also highlighted repeated comments from our grads about the great preparation TCA provides for college.

2. Lisa Sutton described how impressed she was with the student presentations for the Rhetoric panel, specifically the weighty issues they tackled. Clark Miller concurred.

3. Matt Carpenter described how our students and parents upheld TCA’s values during interactions at a recent basketball game. He was specifically impressed by the attitude of our students despite losses, and the good manners both on and off the court.

VI. Discussion Agenda Items

These are specific items that the Board and/or staff would like to discuss and expand upon in greater detail than the materials that have been provided.

A. Presentation by Development Consultants. Mark Hyatt introduced consultants Matthew Monberg and Tim McDonald. Matthew Monberg reported on the results of the recent survey, stating that there is clear momentum. Mark Hyatt proposed we engage Matthew Monberg as our consultant, and begin TCA’s internal one-million-dollar capital campaign, from February 2008 through May 2010.

B. East Campus Facilities. Mark Hyatt and Kevin Collins addressed questions on the progress and plans for the East Campus facilities. Although the timeline aims for groundbreaking in March, it would be highly unlikely for classes to begin by mid-August. Board members emphasized that they did not want the cost estimates to balloon beyond the original \$4M estimate for the project. Doug Hering developed a financial model that used a maximum \$4M budget, but Kevin Collins reminded the Board that we’ll have a much

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more accurate prediction of finances after the RFP (Request for Proposal) bids arrive in late February. The Board expressed concern about the increased risk associated with more debt, and Doug Hering responded that we should not plan to exceed \$3M in debt for a \$4M project. The Board expressed frustration that more details were not available for review, but recognized that this preliminary portion of the process takes time. Mark Hyatt requested permission to proceed with the RFP and Capital Campaign processes. Steve Pope cautioned that the project would likely exceed \$4M, based on the initial estimates. The Board then discussed whether to approve the funding necessary for the preliminary actions, and securing a loan for up to \$4M, with a planned move-in date in 2009/10. They examined the potential impact on our teacher compensation, and will provide planning assumptions so that a variety of financial models can be developed, examining several scenarios.

Moved by Clark Miller, seconded by Steve Pope, to authorize the Administration to:

- *End all plans to remediate or return students to the existing East campus modulars*
- *Dispose of modulars and prepare East campus land for build or sale*
- *Formally approve the plans to find a new permanent facility for the East campus*
- *Authorize the initiation of a capital campaign, including hiring consultants. Campaign should launch immediately*
- *Initiate the design and bid process for a new facility. Formal design plans and building costs needed as soon as possible. Do NOT sign or commit to any construction at this time; design only.*
- *Authorize CFO to obtain financing terms up to \$4million*
- *Authorize CEO/CFO to seek and access all other potential funding streams, esp. "emergency" financing options that may only be available now*
- *Ask CFO to prepare new long-term financial forecasts based on the new costs and financing – particularly noting potential impacts on Titan Trust giving*
- *Plan on and communicate that we intend to move into a new facility for the 2009-10 school year.*
- *Find alternate classroom locations for all East campus students for the entire 2008-09 school year.*
- *Communicate the alternate classroom locations in time for the February campus choice process.*

Roll Call: Matt Carpenter - yea, Chris Bender - yea, Clark Miller - yea, Lisa Sutton - yea, Chris Leland - yea, Steve Pope - yea, Steve Tomberlin - no. The motion was approved by majority vote.

Chris Leland then read his letter of resignation, effective immediately. He eloquently emphasized that he was not resigning due to any issues related to the East campus, nor due to any conflicts with any member of the Board or Administration. Matt Carpenter regretfully accepted the resignation, thanked Dr. Leland for his years of service, and bade him farewell amidst a standing ovation.

Matt Carpenter called for a break at 8:21 p.m. The meeting reconvened at 8:42 p.m.

Matt Carpenter announced the need to discuss, later in the meeting, the process of replacing Chris Leland. The Board then agreed to postpone the Board Development agenda item to the February meeting.

VII. Consent Agenda Items

These are items that are for information or for vote but do not require further discussion by the Board or staff at this time. In the event that new information is available since the publication of this agenda, prior to approval of the consent agenda as presented, the board or staff may remove any consent agenda item(s) and move the item(s) to the Discussion Agenda.

- A. Approval of Minutes (Nov 12, Dec 2, Dec 7) - see Attachments 2, 3, and 4

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- B. Monthly Financials (Dec) - see Attachments 5 and 6
- C. Operations Update - see Attachment 7

Moved by Steve Tomberlin, seconded by Steve Pope, to approve the Consent Agenda as presented. Roll Call. Approved by unanimous vote.

VIII. Discussion Agenda Items - Continued

- A. Curriculum Review. Leesa Waliszewski described that the Foreign Language review involves elementary Spanish and Latin (elementary and secondary). In February the committee will ask for expert parents to assist in reviewing texts, and we'll present their recommendations as a first-read at the April meeting. The texts will be available for review until the May meeting.
- B. New Course Approvals --Supplemental Discussion. Peter Hilts presented a clarification to our AP English offerings, and our literature requirements for all students. He also clarified the graduation requirements for Art-Music Appreciation (Attachment 8). Mr. Hilts then requested approval for a new Reading Enhancement Course, designed to enhance the ability of higher-performing students to read higher-end materials (Attachment 9). The new course would include a one-time hardware cost of \$2,000-\$2,500, plus annual software costs of ~\$1,000/per year, which we'd probably pass on to the students. He then closed by outlining several reading programs we've implemented to assist our lower-performing students.

Moved by Steve Tomberlin, seconded by Lisa Sutton, to approve the Reading Skills Enhancement Course as presented. Roll Call. Approved by unanimous vote.

- C. General Fund Revenue Projection, FY08-09. Doug Hering presented the proposed baseline for the FY 08-09 budget process (Attachments 10-11), and requested approval to proceed with the budget preparation, using the listed total PPR as a guideline. Steve Tomberlin made some inquiries about inflation rates, and Steve Pope asked for clarification on numbers for the Cottage School Program, and CHSAA classifications.

Moved by Chris Bender, seconded by Clark Miller, to approve the General Fund Revenue Projection for FY 08-09 as presented. Roll Call. Approved by unanimous vote.

- D. School Calendar Review (08/09 and 09/10). Kevin Collins presented the draft 2008/09 and 2009/10 school calendars for a first read (Attachments 12-19). At the next meeting the Board will vote to proceed with the calendars for the 09/10 school year.
- E. TCA BuildingCorp - Appoint Directors. Matt Carpenter began by recommending the Board appoint Tim Pfeiffer, Rick Mueller, and Vicki Tomberlin as BuildingCorp directors for the upcoming year. He then began a dialogue on whether to add more directors, and whether to stagger the terms for the directors. The Board made a non-vote agreement to add two more directors—capping the total at five members—and also to implement offsetting 2-year terms. At the February meeting the Board will appoint the two additional BuildingCorp directors.

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Moved by Clark Miller, seconded by Lisa Sutton, to appoint Tim Pfeiffer, Rick Mueller, and Vicki Tomberlin as BuildingCorp directors for the next year. Roll Call. Approved by unanimous vote.

- F. Parent Survey Plan. Kevin Collins reviewed the survey and the implementation plan (Attachments 20-21). He indicated that the format will be the same as during the 05/06 survey, although this survey will be administered electronically, with a unique key code for each family.
- G. Review of Board Policies for the Election Process, Succession Plan, and Induction Process. Matt Carpenter offered an updated timeline/process for Board elections, successions, and inductions (Attachment 22). The major difference was to shorten the campaign period by one month, with elections held at the April meeting.

Moved by Matt Carpenter, seconded by Steve Pope, accept the proposal as presented. Roll Call. Approved by unanimous vote.

- H. Vision Subcommittee. Steve Tomberlin asked the Board to discuss the charter for this committee, to ensure everyone understands its purpose. Matt Carpenter asked this be addressed at the working session offsite.

IX. Other Business

- A. Steve Pope asked about Item C under the Future Agenda Items, requesting that the Board move ahead on the subcommittee discussion. He also inquired into topics discussed during the high school's "Charting the Course" meetings. The Board agreed that both of these issues would be appropriate at the working session offsite.
- B. Mark Hyatt emphasized Item B under the Future Agenda Items, foreshadowing a huge, exciting discussion that would garner much community interest.
- C. The Board decided that the date for Board Offsite Working Session would be on Feb 4th, from 5:00-10:00 pm. The location is still to be determined. Steve Pope confirmed potential agenda items.
- D. Matt Carpenter requested an Executive Session, to give feedback to the President.
- E. Matt Carpenter opened the discussion on the need to fill the vacancy left by the resignation of Dr. Leland. He reviewed the by laws, and the Board discussed the pros and cons of appointing a new director, or including an additional vacancy in the upcoming election, to fill the remainder of the term (two years). The Board agreed to appoint a new director, following a nomination and interview process. Current directors will submit nominations to the Chairman, and interviews will occur at the Special Meeting on Jan 28th.
- F. Steve Pope asked the Board to clearly articulate the expectations for the East Campus update during the meeting on Feb 11th. The Board expects a new 7-year projection based on the current information, to include a payroll line that depicts us absorbing the PERA costs. Further, they would like to see a budget model that includes the assumption that all PERA changes since April are absorbed somewhere else in the budget. They also want a recommended loan package, with details on the impact and potential

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tradeoffs. The Administration will be requesting a firm commitment on the maximum line of credit or construction loan, with the terms.

X. Future Agenda Items

- A. School Calendar Review (08/09 and 09/10) – Vote
- B. Reconfiguring Elementary Programs - First Read
- C. Board Administrative Processes - By-law Review and Revision and Standing Subcommittees of the Board - First Read
- D. Current Year Budget Revision – First Read
- E. Fund-raising Report – Information
- F. Quarterly Review – Information
- G. Announce Board of Director Vacancies – Information
- H. Lab School Update - Information
- I. Encourage Use of Fall Break to Enhance TCA Philosophy - First Read

XI. Executive Session

Moved by Matt Carpenter, seconded by Steve Tomberlin, to adjourn to executive session per C.R.S. 24-6-402(4)(e) and (f), at 10:33 p.m., for the purpose of discussing contract/legal and personnel issues. Roll Call. Approved by unanimous vote.

Moved by Steve Tomberlin, seconded by Steve Pope, to adjourn to public session. Roll Call. Approved by unanimous vote.

XII. Adjournment

Moved by Matt Carpenter, seconded by Chris Bender, to adjourn at 11:35 p.m. Roll Call. Approved by unanimous vote.

Matt Carpenter
Chairman

Chris Bender
Secretary