

The Classical Academy
975 Stout Road
Colorado Springs, CO 80921

Board of Directors Special Meeting
North Campus
Wednesday, July 2, 2008

- I. Call to Order. Chairman Matt Carpenter called the open session to order at 6:07p.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, Clark Miller, Steve Pope, Lisa Sutton, and Jim Kretchman–Director Elect. Vance Brown – Absent.
- III. Comments

A. From the Audience

A TCA Family presented their case and requested the Board consider moving their son, who has just completed 5th grade in the 2007-2008 school year, to the 7th grade for the 2008-2009 school year. Overall, the Board appreciated the family's appeal to the Board (requesting a copy of the letters each family member read). The Board needed to hear all sides before they can come to a decision and will reengage at the next Board Meeting (July 28th). Matt Carpenter will get the family their answer either that evening or on July 29th.

B. From Administration

Doug Hering presented a Financial Statement handout to the Board, illustrating two changes: a) one on the paper depreciation loss upon the sale of the modular buildings and b) bond interest expense – although TCA will not be spending any additional money, the Administration wanted to present the item to the Board for their vote (albeit with a potential that tonight's vote is not necessary) to be extra conservative for the audit. In the future, Doug will get clarification if this vote needs to occur or not.

Rick Mueller, from Building Corporation is aware of the change. Chris Bender was not sure the Board should be approving anything without Building Corp looking at it and approving it first. He requested Doug have it reviewed/approved by the Building Corporation BOD by the July 28th meeting. Building Corp has never approved the Budget in the past, but Kevin will call Rick to see how they want to handle it in the future.

Moved by Clark Miller, seconded by Steve Pope, to approve the revised Budget submitted by Doug Hering, with changes as written on the Bond Payment Interest Line, and the Modular Building Sale Line, subject to the Building Corp directors' approval. Roll Call. Approved by unanimous vote 6:58p.m.

Chris Bender asked Doug about the Great Starts program financials from past years and his involvement in the acquisition. Prior to TCA accepting the program, they were reviewed by Doug Hering and were all positives or break-evens. This year's financials look to break-even. Currently, payroll is the biggest expense. Although most agreed the acquisition for TCA was a good thing (the program itself, character values, good for parents, and extra money for teachers), there may be a way to make it profitable as well. The Board requested to see both the Great Starts and the Classical Institute's financials at the end of the season and to hear future plans for the programs.

The Board requested an impromptu Pikes Peak Campus Update from Doug and Kevin Collins. There is an issue on TCA's lease agreement with PPCC in the State's Attorney General's Office and which is still being resolved. TCA cannot proceed with the Bonds until there is a lease agreement on the land. The lending process usually takes 60-120 days and with the time crunch, TCA will need to do it in 45 days. Doug Hering does not like the potential for the Scarborough Plan –worse case for financials are the same but PPCC has more upsides. Steve Pope shared

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with the group that at the June 17th Town Hall, the President of PPCC, Dr Tony Kinkel said he takes a phone call once a week to partner with the college and do what TCA wants to do. It lends credence to Peter Hilt's interest survey, demonstrating to the Board that there is interest by parents in the Early College Curriculum.

Kevin emphasized TCA is not irrevocably committed to go either direction (build at Scarborough or PPCC), although they're working with Elder Construction and has a letter of intent with Paulson Architecture. The Board stressed it only gave its approval to build at Scarborough and explore the PPC option, not to build at PPCC. At the July 28th Special Meeting, the Board needs to see the status of the bond financing, see the actual dollar values, and see the full package the Administration is proposing (ie what's included in the \$12M, the projected hybrid high school enrollment). Matt will collect and consolidate questions from the Board for the Administration to answer at the meeting. A four-page (approximately) summary of the plan would be appreciated.

Kevin finished the Administration's comments by stating TCA applied for a Department of Local Affairs (DOLA) Grant for the sewer upgrade at Central and received a letter at 11am (July 2nd) that the grant was disapproved. \$57K was denied to replace the septic tanks and get on the city's water system. There's not a high degree of hope that the money will be given in a year, but would rather absorb the cost of finishing the project this year with TCA's money which is manageable over the course of a year. Without finishing the project now, the CDE "may" take back the \$86K they've already given because the money wasn't used. The Administration is working towards additional funds to try to support. The Board requested Kevin hold off on the project this summer and go back to the CDE a second time for the grant.

Kevin also mentioned the Memorandum of Agreement (MOA) between D-20 and TCA in the Board's folder documenting the total cost of \$34.2K for facility/classroom rental of the Discovery Canyon Campus and the Chinook Trails Campus.

IV. 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- Handouts (June 9, 2008)

Matt requested the Minutes read "Excused" – not "Absent" – for Steven Tomberlin's attendance.

Moved by Chris Bender, seconded by Clark, to approve the June 9th Board Meeting Minutes, with one change noted above. Roll Call. Approved by unanimous vote 8:05p.m.

V. 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. Discussion of TCA Coaches and .4FTE Status

Item: To determine if Coaches should receive .4FTE Status

Presenter: Public X and Kevin Collins

For: Second Read/Vote

This item was first presented at the June 9th Board Meeting. Benefits to at least .4 FTE employees include priority enrollment for their children at TCA. Coaches, however, are paid on a stipend, that is paid by the season. The

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Administration's perspective is that the policy needs to be applied fairly, consistently, and equitably across the "less than .4 FTE" category (including crossing guards, substitute teachers, and coaches). There are 158 people at TCA in that category, which, if the policy was altered, would directly impact the potential enrollment. Its problematic because the system doesn't have the capacity to absorb the children. Secondly, coaches are paid on a stipend – D-20 follows the same policy, so does the State of Colorado. Some coaches do put in extra hours – they're not expected to, but they do anyway. Simply put, TCA cannot financially support having coaches on the FTE scale and paying them by the hour. Furthermore, to change the system, TCA will run into problems with the Department of Labor and the law – an issue D-20 has ran into before.

The Board noted that the philosophy for which employees qualify for priority enrollment to TCA has changed over the years – possibly its time to consider coaches. They challenged Nate Sassaman (the Athletic Director) and the Administration to look into a policy that's equitable and credible for coaches to everyone. If Nate would like to present a case for his coaches, he may. He should go through the Administration, and if the Administration supports the ideas, then the case would come forward to the Board.

Moved by Matt Carpenter, seconded by Clark Miller, to adjourn to executive session per C.R.S. § 24-6-402(4)(f) at 8:37p.m, for the purpose of discussing personnel issues. Roll Call. Approved by unanimous vote.

The following agenda items were discussed by the Board during Executive Session:

B. President's Annual Review

Item: To commence the President's annual performance review

Presenter: Matt Carpenter

For: Second Read/Vote

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

C. Discussion of TCA Presidential Objectives for 2008-2009

Item: To determine the President's Compensation Plan and Objectives for 2008/09

Presenter: Matt Carpenter

For: Second Read/Vote

VI. Future Agenda Items

- A. Board meeting for July 28th for final approval or disapproval for East Campus
(Mark will provide Business/ Construction Plan one week prior to next board meeting)
- B. Annual Policy Review
- C. Discuss filling Steve Tomberlin's Position- August
- D. Succession Planning- First Read- August
- E. Grant of Authority- First Read- August
- F. Board Orientation for New Board Members- August
- G. Board Code of Conduct- August
- H. TCA Heritage Town Hall- Sept/Oct.
- I. Fundraising Philosophy- Sept/Oct.

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VII. Adjournment

Moved by Lisa Sutton, seconded by Steve Pope to adjourn meeting at 10:15p.m. Roll Call. Approved by unanimous vote.