

Corporation for Effective Schools, Inc.
Board of Directors Meeting • Kestrel Heights School
August 9, 2011

Board Members Present: Kim Anglin (KA), Mac Bare (MB), Joseph Featherstone (JF), Tonya Hunt (TH), Grace Marsh (GM), Rob Matheson (RM), Scott Owen (SO), Kathleen Sanders (KS)

Others Present: Tim Dugan (TD—Director, KHS), Richie Mitchell (RiM—Assistant Director), Drake LaDue (guest), Michelle Cutharall (parent)

Meeting called to order at 6:45 by GM.

Table approval of June 2011 minutes.

Motion to approve capital expenses Atcom (telephone), Panaboards (“SMARTboards), and other capital expenses to help initiate the fiscal 2011-12 year underway, including upfit of the new middle school on the leased Prospectus Drive property. TH, JF. Approved 7-0.

Motion to approve the 2011-12 school calendar. TH, SO. Approved 7-0.

Presentation to propose Tae Kwan Do class at KHS (Trake LaDue)

- Lifetime with the martial arts
- Confidence, physical preparedness, respect, etc.
- Tool to help people gain confidence, discipline and focus
- Experience with his own children and himself benefitting
- Worked to develop martial arts schools
- Handout distributed; 9-, 18-, and 36-week program described. Start with 6th grade class
- KS—some positive experience with family members
- TD—how do we offer; incorporate into physical education program, start with two days a week, etc.? Just need to work on the logistics. Also cost factor to be figured and justified. Will be optional with alternatives offered, educational letters home to parents.
- GM—how soon to start program? TD—additional planning/conversation with RiM

Motion to approve up to \$7,000 to develop a part-time (2-3 days a week portion of PE) Tae Kwan Do effort if the logistics, scheduling, etc. are worked out to the satisfaction of TD and RiM. SO, KS. Approved 7-0.

Financial Report

- Surplus/reserves
- KA and TD—Budget Report and Balance Sheet. Cash account information (ending balance at the end of June 2011). \$765K in cash on hand.
- Budget based on 623 students—we will end up with an enrollment of 635 that will generate additional funding

- HighMark interested in selling the high school building to KHS
- “Gymnasium” proposed—multipurpose addition to the middle school

Facilities Report

- Tour of middle school facility/Certificate of Occupancy
- Open House/Ribbon-Cutting Ceremony—Middle School Open House on the 18th? SO—wait to get in a “flow” (punch list completed, media exposure, etc.). Board consensus to move the date to the end of the month. RM to send Ribbon-Cutting guidelines to TD.

Education Report

- Enrollment. See handout. Middle school full at 310. High school at 310—add 10 maybe. Looking good. Corresponds to budget construction at 635 students.
- SACS accreditation. TD—making copies of certificates. KHS can now publicize SACS accreditation. MB—send a letter out to parents.
- Exceptional Children Department—stakeholders meeting last month. KHS staff will present at the October Board mtg.
- Electives (Martial Arts—see Presentation above)
- School opening on time
- Amy Burke, Paideia training for KHS and STEM ECHS teachers on July 20th. Beginning of a relationship between the two schools. Proposes doing a Board seminar on Leadership in October.
- See AYP handout. Good barometer of relative comparison. KHS did a great job
- EOG/EOC scores handout. EOG = 83% proficient. EOC = 66% proficient. High school continues to grow
- Graphs handout
- MB—suggested that we put all academic reports on the website
- KHS to start an SAT Prep Program for KHS and other students. Cost associated. Contract for outside provider.

Personnel

- Status of staff new hires—handout with resumes
- Evaluation of Director
- Bonuses or raises? Discussion. Combination of both. GM—TD to bring proposal to Board for next mtg. Bring Christmas Party back.

PTSO Report

- By Michelle Cuthrell, PTSO Chair. New fundraiser model. Parent letter about contributions. Last year--\$3.5K with a lot of work involved. Discussion for this year—get away from parents involved with sales. “Giving-based” fundraising instead of sales-based fundraising. Start with option for \$5 contribution and work up to \$100 maximum. Goal: \$6K by mid-October.
- TH—“Pay Pal Account” set up on our website as a fundraiser? MC—we would like to help with this. Will discuss with TD.
- Explore filing as non-profit organization

Booster Club Report

- GM—need to start monthly reports to the Board meetings
- Explore filing as non-profit organization

Other items

- MB—consider expenditure over the next 5-6 months to produce and air radio advertising spots based on student stories of success from their experiences at KHS. Improved student body, strengthen the school, etc. Help with expansion to K-12.

Meeting adjourned at 8:54 by GM.

Respectfully submitted,

Rob Matheson

Secretary

Corporation for Effective Schools, Inc.
Board of Directors Meeting • Kestrel Heights School
September 13, 2011

Board Members Present: Kim Anglin (KA), Mac Bare (MB), Tonya Hunt (TH), Grace Marsh (GM), Rob Matheson (RM), Scott Owen (SO), Kathleen Sanders (KS)

Others Present: Tim Dugan (TD—Director, KHS), Richie Mitchell (Assistant Director—RiM), Michelle Cutherall, parent/PTSO (MC), Alicia Adrian, parent (AA), Andrew Joseph, faculty (AJ), Tikithal Collins, parent/Booster Club (TC)

Meeting called to order at 6:44 by GM.

Approval of May, June, and August of minutes. SO, KA. Approved, 5-0

Financial Report (Board)

- Offset funding loss within the current budget. Update at the next couple of Board meetings. Go to 130 students in 9th grade next year—strategy to keep in 10th.
- KA—budget report. Salaries in line (90+% of budget remaining in this line item). Good indicator of budget health. Building costs also in line when the middle school upfit is figured in. By November should be back to positive in MTD due to funding lag from local monies coming to the school. Use current KHS cash reserves to help fund—versus borrowing and paying interest.
- Adjustments to budget. KS—cost of librarian salary? Same for library books? Need to add to budget. TD to adjust budget to find monies for each library item named above. Adjust for Scholarship Services (approved by Board) also. Other areas to adjust: Documentation. General Administration. Scholastic accident.

Highlights of Director’s Reports

Enrollment

- Enrollment Report. Down 15 students for the high school. Middle school full! Some moved to other schools because they have not been successful at KHS; others due to logistical reasons. 608 total students on 9/7/11. Class size 19-20 now. It is amazing the reduced crowding—great climate! Continue to enroll students through at least the 20th day.

Annual Report—see handout

- 2nd to DSA (85.2% vs. 76.6%). Well done
- Quick, easy-to-read graphs and metrics to tell the “Kestrel story”
- Complete and circulate before ribbon-cutting ceremony

Start of School

- Smoothest start ever! Still on the “honeymoon” with the students—function of having room in the buildings and rooms
- Organizations underway—Student Council, Drama Club, National Honor Society, Book Fair, PSAT/SAT Prep, Fencing Team, HS/MS Volleyball, Football, etc.

First Citizens documents—need to be signed by the Board

- Review by KA and GM

Middle School Report (RiM)

- Punch list being worked on
- Waiting on figures for middle school gym (gymnasium as a multi-purpose structure) from Mr. Harrod
- Bell adjustments
- 3 new teachers—observed already
- System for transferring band students from middle to high school building
- No Open House—already covered with other events and doing Book Fair
- Security system (cameras and burglar alarm). No need to do fire alarming—in the lease
- Flagpole?

Athletic Playing Field

- Scott Stankavage (former UNC/professional football player), supporter of KHS. Wants to help us obtain an athletic field. Partnership with KHS and Durham Eagles. Also check with Durham Futbol Club
- Astro turf? Costly but efficient. “Sew” medallions into astro turf for sponsors.
- Early planning stages now

Director’s Evaluation Plan

- Table to next meeting

Discipline Policy

- Board to review Wake County Schools Discipline Policy as an example—discuss at next meeting

Board Agenda

EC Report

- Last year agreed to hire consultant—working with KHS staff now. Complete work in October. Report in November.

Personnel Report

- Status of teacher health-care plan (NC plan)—contact local legislator to let KHS rejoin state health plan. Put legislation in for KHS.
- TH—orientation this year? TD—yes, comprehensive program done with Amy Burke (teacher) for new teachers. Strong editing efforts on the Student Assessment Report noted.

Facilities Report

- Update on Middle School (punch list)
- Jubilee Church update—next door to KHS building. By Jan. putting up walls. GM—concern for potential of KHS students interacting with construction workers. TD—put staff member in/near cul-de-sac. MB—organize seniors to do this? TD—good idea, will look into it
- Security plan between two school buildings
- Camera updates on both schools (high school behind school). TD—coming this week or next when we get cameras installed at the middle school
- MB—need for canopy? RiM expressed need for Tri-Properties to be involved from the beginning of the planning for lettering, canopy, etc. TD to help RiM with this in terms of expectations for building enhancements.

SAC Report

- Letter to parents. SO—include link to AdvancEd site.
- To do list: Long range technology plan. Professional development calendar. Process to communicate and review school improvement plan and vision
- KHS one of nine charter schools (out of 101) in NC
- TD—working on recommendations: professional development suggestions from faculty, calendar by Christmas; functioning library in progress; write a new technology plan
- Same statement in the Commendations (pg. 5) and Required Actions (pg. 7) sections? TD to check on it.

PTSO Report (Michelle C.)

- Fund-raising letter. Approved by PTSO Board and Director/Asst. Director
- Three donations of \$250 in one day
- Seeking 501(C) 3 status—non-profit status. Working on by-laws and articles of incorporation.
- Book Fair, Sept 21-23 to help the middle school library. Donate profits to library.
- Parent interest in starting Spelling Bee at KHS

Booster Club Report (Tikithal C.)

- Working on concession stand set-up
- Sponsoring basketball tournament in KHS gym
- Next meeting first Monday of October
- Look into also obtaining 501 (C) 3 status

Ribbon Cutting Ceremony—see [handout](#)

- Local businesses (caterer and ribbon/florist) offered to help. Provide them with a budget.
- AJ—invite Dr. Harrison to ceremony
- GM—checklist being worked on. RiM on-site person in charge.

Other

- MB—Generate a quarterly Board report?
- AJ—thank you letters sent to donors? AJ to get information to GM
- MB—dress code this year? TD—much better this year. High school separated from middle school students might be making a difference. Teachers helping out more. Lack of crowding may be a factor.

Meeting adjourned at 9:18 by MB.

Respectfully submitted,

Rob Matheson
Secretary

Corporation for Effective Schools, Inc.
Board of Directors Meeting • Kestrel Heights School
October 11, 2011

Board Members Present: Kim Anglin (KA), Mac Bare (MB), Joseph Featherstone (JP), Tonya Hunt (TH), Grace Marsh (GM), Rob Matheson (RM), Scott Owen (SO), Kathleen Sanders (KS)

Others Present: Tim Dugan (TD—Director, KHS), Richie Mitchell (Assistant Director—RiM), Julie Durrett, English/theater/speech teacher, Guest—Mike Wood, WRJD—1410 AM (MW)

Meeting called to order at 6:40 by GM.

Introduce Mike Wood by GM. Met through her business interests. Presentation by MW. Doing sports at KHS. Interest in broadcasting basketball, baseball, etc. Games determined by KHS. Cost: \$70/game to announce the game. Create sports network and involve the students. Projecting positive message about several other aspects of KHS (e.g. academics). Summer camp program possibility?

Motion to allow Mr. Woods to broadcast the Homecoming game and other KHS athletic events on an as needed. SO, TH. 8-0. Approved

Approval of September minutes. TH, KA. Approved, 8-0.

Financial Report (KA)

- See handout
- Need to update library budget items. TD to work with Tom Williams at NorthStar. KA will also assist
- Page 4, #9. Student Accident Policy. Have a separate catastrophic policy through the NC High School Athletic Association
- Bottom of page 5—almost broke even at this time of year is commendable to TD and RiM (since we do not historically local monies yet for students)
- Do not have utility costs yet on new leased space. TD to investigate. Have Duke Power come out and give conservation tips.
- KA explains YTD, MTD, and YTD activity line items

Attendance Report (TD)

- 607 students for the 20-day Average Daily Membership (ADM)

Highlights of Director's Report (TD)

- Athletics (won first football game!), Drama Club, National Honor Society (first ceremony this Thursday at 7 p.m.—Dr. David Green from NC Central Univ. to preside), Seminar Night last Thursday—40 participants, Homecoming game on Oct. 28; Oct. 29 cookout, dance and haunted house beginning at 5:00.
- Annual report—see handout. TD did the text, GM did the formatting. Will make copies for distribution. Make this an annual report. Put on the web.

- Impact fee from City of Durham—in July, City of Durham issued a “surprise” \$257K impact fee, which Keith Harrod intended to pay. Reduced to \$182K. Where do we go from here? Ask Philip Adkins for his advice on how to proceed. Work to resolution.
- Debt to Keith Harrod (landlord of leased space)—pay off? Owe \$500K now for the upfit. Paid over 10 years--\$160+K in interest. Move up payment schedule?—evaluate in the new year.
- Elementary school update (MB had to leave early; supports pursuit of the elementary school). Application due Oct. 28th—TD has most of it done. Tom Williams to work on the budget. TD will send to Board members. Enrollment increase from 720 to 1,050 and add K-5 grades. List of pros and cons.

Pros: pipeline, need in Durham, help 400 kids, parental choice, one-stop shopping, people want it, time good/political environment, scores will increase, no elementary school in S. Durham, helps budget/economies of scale, allows for extra building (cafeteria), keeps families together, spirit

Cons: afford to staff?, will landlord (Mr. Harrod) allow playground to be built, issue of students attending a K-12 (too much time at one school), risk more high school loss, time, only 3-year charter now, competition from other charter schools coming

Motion to submit the K-5 application to the Office of Charter Schools and NC State Board of Education. KS, JF. 7-1. Approved.

- Discipline policy—TD to use the Wake County Public School System policy as a guide to finalize/publish a revised KHS discipline policy
- “Gymnatorium” at the middle school. TD introduce Julie to provide insight into theater club/program. Good foundation when she arrived—wants to grow program due to interest. Have gone from 19 students to 62 this year! Full student staffing of positions. Older students teach younger students so program functional year to year. Real need for the gymnatorium. Spring musical planned. Special needs students also invited to participate. Teach students here and develop relationships with local and national interests. Costume pieces purchased last year—very good inventory being stored in her classroom (need for storage). Equipment storage need also. SO—please do an inventory so we can get value insured. Julie getting outside help (NC State, museum) to place value on the items. Marketing, fundraising being planned. Nov. 11, 12, 13, 18 and 19 are “Alice in Wonderland” shows. Budget numbers coming from Mr. Harrod within the next two weeks.
- Director evaluation—TD working on it with GM
- Football field—table to next meeting
- First Citizen Bank contract—TD to check on this. Officers to sign?

Highlights of Asst. Director’s Report (RiM)

- New teacher success
- Sports events
- Building issues (flag, electrical covers, signage, etc.)

Exceptional Children Report (TD)

- Nancy Spencer (consultant) very informative and cooperative—sincerely wants KHS to have an outstanding EC program. Need for training of KHS EC staff. Next month have a guest speaker (Mark Trustin) at the Board mtg. to review our responsibilities—cost-free. Nancy will join us at a later mtg. (Dec.?)

Facility Report (TD, RiM)

- Update of Middle School (punch list)
- Jubilee Church update
- Status of security between school buildings—Jack Allen (faculty) walks between buildings. Significant increase in other faculty supervising the student traffic between the buildings.
- Security equipment—company has deposit and will begin installation
- Air conditioning repair bill to HighMark
- HighMark wants to sell the building to KHS

SACS Report (TD working on these items)

- Long range technology plan
- Professional development calendar
- Process to communicate and review school improvement plan
- Community/parent input increase

Personnel Report (TD, AJ)

- Teacher health care plan—bringing KHS back into the state health plan (Orbit). AJ met with Dr. Harrison to discuss last week.

PTSO Report

- Table at ribbon-cutting, assisting with ceremony. Helping with National Honor Society. Starting 501C3 process

Booster Club Report

- Board minutes—question about applying for a 501C3. Boosters only volunteering—not really doing a fundraising function.

Ribbon Cutting Ceremony, October 13th

- Review program, duties, and responsibilities

Meeting adjourned at 9:23 by SO, JF. Approved 8-0.

Respectfully submitted,

Rob Matheson
Secretary

Corporation for Effective Schools, Inc.
Board of Directors Meeting • Kestrel Heights School
November 8, 2011

Board Members Present: Mac Bare (MB), Joseph Featherstone (JF), Tonya Hunt (TH), Grace Marsh (GM), Rob Matheson (RM), Scott Owen (SO), Kathleen Sanders (KS)

Others Present: Tim Dugan (Director, KHS—TD), Richie Mitchell (Assistant Director—RiM), Andrew Joseph (faculty rep—AJ)

Meeting called to order at 6:33 by GM.

Approval of October minutes. MB. KS. Approved, 7-0.

Financial Report

- With Kim Anglin not present, defer decisions about the financial needs now.
- Potential impact fee cost on renovated, leased building for the middle school levied by the City of Durham passed to KHS—already paid by Mr. Herrod
- GM—several financial needs (gymnasium, athletic field) right now. Need to prioritize—perhaps time to develop another strategic plan and develop strategies to work with local companies.
- SO—have Philip Adkins (lawyer) clarify current KHS financial standing with HighMark (lessor) with regard to repair work that was done.
- GM—have law intern at NCCU to work on foundation development. Cost: filing fees.
- TD—have \$720K in the bank now. Do not project deficit with the 2011-12 budget
- GM—recommends increasing legal fee line item.

Increase allocation for legal services by \$10,000 by MB. SO. Approved 7-0.

Highlights of Director's Report (TD)

- See handout
- Discussion of bonuses at \$250 and \$500 levels—to be determined by TD and RiM

Motion by SO to distribute \$20K for faculty holiday bonuses (\$250 and \$500) based on tenure and performance to be determined by TD and RiM. MB. Approved 7-0.

- Christmas Party proposed by TD. Celebration for faculty and Board, plus spouses or significant others. TD to put budget together because we will attend a restaurant with enough dining facility to accommodate 65-75 people.

Highlights of Asst. Director's Report (RiM)

- See handout

PTSO Report

- N/A—no presentation

Booster Club Report

- N/A—no presentation

Exceptional Programs

Motion by SO to approve and begin to implement audit report recommendations. Second by TH. Approve 7-0.

- Need to instruct AcadiaNorthstar to produce an exceptional programs budget “breakout” that allows KHS administrators and Board to see the details of revenues/expenses related to exceptional programs.

Meeting adjourned at 9:35 by GM . Approved 7-0.

Respectfully submitted,

Rob Matheson
Secretary

Corporation for Effective Schools, Inc.
Board of Directors Meeting • Kestrel Heights School
December 13, 2011

Board Members Present: Mac Bare (MB), Joseph Featherstone (JF), Tonya Hunt (TH), Grace Marsh (GM), Rob Matheson (RM), Scott Owen (SO), Kathleen Sanders (KS)

Others Present: Tim Dugan (Director, TD), Richie Mitchell (Assistant Director, RiM), Andrew Joseph (faculty rep—AJ), Philip Adkins (KHS lawyer—PA), Dr. Jenny Hiemenz (KHS Exceptional Programs—JH)

Meeting called to order 6:37 by GM.

Approval of November minutes. TH. KS. Approved, 7-0.

Financial Report

- KS—budget amount for librarian. TD and Tom Williams (TW) from Acadia NorthStar (accountant) to meet and adjust budget. Take \$100K from fund balance (net cash on hand). Motion in January to finalize balancing budget. GM to join the meeting.
- GM—want to see total athletic expenditures by sport. Ask TW for this. TD to request this.
- MB—what about other activities? Band, theater, etc. Yes, ask for those as well.
- SO—audit. On Kim's MDA (capital assets) list \$1 million asset (Capitola St. land). Appraised value when it was donated to KHS years ago. Do we need to get it reevaluated? PA—not necessary now until we want to use it for future funding requests.

Highlights of Director's Report (TD)—see handout

- School events—Art Show and Music Concert; 8th grade at Barnes and Noble for book fair (highly successful!); 6th grade went bowling; Band and Orchestra to perform at the downtown YMCA this Wednesday.
- Enrollment. MS = 308; HS = 277; Total = 585
- Suspensions—two in closed session tonight. Suspensions down this year.
- Security update. Cameras have been installed at the MS. AFA has installed at HS as of today.
- Athletics. Basketball and fencing both doing well. Conference update for year after next (East Wake Academy, Franklin Academy, Raleigh Charter, Voyager Academy, Woods Charter, KHS). NC High School Athletic Association.
- Personnel. Mr. Corey Holloway has been hired as 7th grade language arts teacher—replacing Bobby Allen who was called up to active armed forces reservist duty. MB—what about a Junior ROTC program? TD has looked into this. Need a retired colonel to head this up. PA to look into this. Board agrees that TD needs to pursue.
- TD to check on changing Board e-mail addresses so we get the newsletter.
- Media Center update. Students all trained to use the library now.
- 8th grade parent meeting this Thurs. at 7:00 to discuss KHS as a viable and significant high school option. Board members encouraged to attend. Anecdotes from former students—they are doing very well and we have enough to invite to share with rising 9th grade parents.

Highlights of Asst. Director's Report (RiM)

- MB—as Athletic Director, do you know how Booster Club revenues spent. RiM—yes and cited examples. TH—make this part of your monthly Board report? GM—we will get with TW to investigate the most efficient way to report this (break out of revenues/expenditures).

SACS Update (TD)

- Status of plans for 5 required action plans: long range technology plan, professional development calendar, process to communicate and review school improvement plan and vision. Draft report. See handout.

PTSO Report

- N/A—minutes sent to GM?

Booster Club Report

- N/A—minutes sent to GM? TH—made almost \$8K this year. RiM—yes, and we deposit it to a general fund. GM—another example of the need for us to be able to trace revenue and expenditures for KHS programs.

Exceptional Programs (JH)

- JH—status report since October and chance to meet with you face to face. See handout. Team overview, responsibilities, updates, short-range goals, and long-range goals.

Personnel

- Health insurance—trying to get KHS back in. Need to work through legislature. AJ investigating details. Irrevocable?—at one time KHS was in so why are not still in the state plan? TD, GM to also help with contacts of local legislators.

Meeting adjourned at 9:33 by GM. RM. Approved 7-0.

Respectfully submitted,

Rob Matheson
Secretary

Corporation for Effective Schools, Inc.
Facilities Planning Meeting • Kestrel Heights School
February 9, 2012

Board Members Present: Kim Anglin (KA), Mac Bare (MB), Joseph Featherstone (JF), Tonya Hunt (TH), Grace Marsh (GM), Rob Matheson (RM), Scott Owen (SO), Kathleen Sanders (KS)

Others Present: Tim Dugan (Director, KHS—TD), Richie Mitchell (Assistant Director, KHS—RiM); Keith Harrod (Owner of KHS Middle School building); Gary Lyons (GL @ Lincoln-Harris Real Estate); Angus McDonald (Tri-State Properties, representative for Mr. Harrod)

Meeting called to order at 6:48 by GM

Presentation by Gary Lyons

- Letter of Intent presented. Acquiring the building. Proposing at \$5.4 million plus balance on the improvements and impact fee. Contingent on financing. Secure financing. 60 days due diligence and close. May use short-term lease as financing secured.
- No guarantee of financing. Purchase option. Lease to buy. Year to year increase of lease amount.
- Square footage—10,000 for gymnasium plus 40,000 sq. ft. for elementary space. Total to 80,000 leased/purchased by KHS.
- SO—120,000 sq. ft. total in the building. 40,000 left over? GL—rest would be for KHS to use as necessary (e.g. indoor playground space).
- KH—have a separate entity lease the space
- MB—upfit costs in line with middle school upfit? KH—mixed answer because part of the space was upfitted (e.g. plumbing), other parts not. In addition, office space minor in cost. Elementary upfit more expensive per sq. ft. (\$40 good for planning purposes). \$2.1 million for gymnasium and elementary upfit.
- AM—financing avenue? School-related, bonds, bank? TD—just starting. AM—we can help think this through. GL—banker source
- KH—GL has done an excellent job with the LOI. Range of numbers, deal points good. Couple of points: \$5.4 is a comfortable number. 60 days will not be enough time in today's climate. Best approach to put a lease in place while the financing is working its way through. Purchase option not preferred—out three years needs to be considered from a business standpoint. First right of refusal vs. right of first offer (preferred). TD—first right of offer? KH—interest shown, keep KHS informed, KHS would need to “fish or cut bait” based on the new information (prospective client). Lease terms—make it a ten-year lease overall. Rental rate-- \$6.50 per sq. ft. GL—any flexibility with upfit costs that are cheaper? KH—we can evaluate.
- SO—earliest start date? KH—had June/July for middle school upfit and need more lead time for the elementary upfit. Have the permit by mid-April which means a lot of work between now and then.KH—add some tenant improvement costs to the sales price (\$1.25K). TD—set next meeting to draft a lease after KH puts thoughts to paper and distributes. TH—impact fee? KH—yes, rolled into tenant improvements from lease.
- **Facilities Planning Meeting next Wed., Feb. 15 for next steps (review draft)**

Funding

- Total of \$8.5 million purchase
- Lease at first; by the fall with the 10-year charter pursue financing
- Need 20% down for purchase at the bank (\$1.6 million) or use the Capitola Dr. property plus other cash

10-Year Charter

- Need to ask for now. We were approved for the elementary school—need the 10-year charter for financing
- Go to the Charter Advisory Council and make the case—the Board needs to take the lead with this
- In addition to the proven record of academic achievement and “whole child” development, also take the financial comparison of lease vs. purchase to help justify why we should be granted a 10-year charter

Board Discussion

Hire Principal

- MB—Board subcommittee to hire the Principal. Let TD/RiM and staff vet the candidates down to five. Submit to Board for interviewing/selection with assistance from TD/RiM. Work on this ASAP.
- Hiring needs: experienced as an Elementary School Principal, application of Core Knowledge, understanding of Paideia, starting a school, collaborator, motivator, charter school understanding, flexibility, etc.

KHS Elementary Budget (see handout)

Meeting adjourned at 8:42 by GM

Respectfully submitted,

Rob Matheson
Secretary

Corporation for Effective Schools, Inc.
Board of Directors Meeting • Kestrel Heights School
March 10, 2012

Board Members Present: Mac Bare (MB), Grace Marsh (GM), Rob Matheson (RM), Scott Owen (SO), Kathleen Sanders (KS)

Others Present: Tim Dugan (Director, KHS—TD), Richie Mitchell (Assistant Director—RiM)

Meeting called to order at 5:40 by GM

Overview of Curriculum Coordinator Position (by Mrs. Burke). See handout

- Presented by TH—recommendation for implementing this new position
- SO—expand duties to include K-12 (from K-8 proposed)
- TD—might be time to do this. Other positions needed—social worker, elementary counselor, testing coordinator, nurse, chorus/dance, etc. Need to be careful with creating positions without due diligence given to the need—will probably have competing interests this year so we will not be able to fund all positions that we want to fund.

Update on Construction

- Continue to work on design. Addressing concerns expressed by Board and staff
- By Monday, send plans to city planning
- Next big item—playground plans
- Build a stage at a minimum

Update on Job Fair

- Several great candidates identified
- Let the new Elem. Principal do the final hiring with assistance from RiM

Motion by SO to offer the KHS Elementary School Principal position at an annual salary of \$65,000. Second by MB. Approved. 5-0

Board meeting adjourned at 9:18

Sincerely,

Rob Matheson
Secretary

Corporation for Effective Schools, Inc.
Facilities Planning Meeting • Kestrel Heights School
March 6, 2012

Board Members Present: Kim Anglin (KA), Mac Bare (MB), Joseph Featherstone (JF), Grace Marsh (GM), Rob Matheson (RM), Scott Owen (SO), Kathleen Sanders (KS)

Others Present: Tim Dugan (Director, KHS—TD), Richie Mitchell (Asst. Director—RiM), Philip Adkins (attorney—PA), Gary Lyons (Lincoln-Harris Real Estate—GL)

Meeting called to order at 6:40 by GM

Update about KeySource

- MB—Need for collateral. Mr. Harrod to give them a mortgage on the property? No
- Have the landlord (Mr. Harrod) finance the upfit
- BB&T—KA to have heard back today—did not hear. Conversation the same. Current 3-year charter problematic

Philip Adkins—Elementary School Lease Agreement (see handout)

- Amendment to lease—lease appears to be in final form
- Lease contingent on getting financing.
- Document yesterday. Mr. Harrod to finance upfit of the building. TD—reasonable
- Take \$510+K to pay soft costs of elementary upfit and \$182+K for impact fee. Need to show we can meet cash flow obligations—Tom Williams @ Acadia NorthStar can supply this. Document at least 400 students
- 325 student applications now. TD—not a problem to obtain 400 plus have a waiting list
- Need to consider cash flow for the rest of the year and upfit costs
- Architectural drawings by next week
- RiM to gather costs associated with school furniture, cameras, textbooks, etc. beyond the building “basics.” TD projections to upfit the school--\$125K
- KA—\$106K surplus after lease agreement plus another \$50K budget surplus from current budget
- MB—line of credit maintained at \$350K. Reapply for this is summer ‘12
- Chronology and costs
 - July 2011 surplus = \$800K
 - Cost of lease agreement = \$693K (182 +78.5 + 250 down payment)
 - KA surplus = \$106K
 - TD surplus from current budget = another \$50K
 - 400 students generates \$1.030 million minus \$400K lease payment = \$630K. If only 350 kids, then surplus to \$230K
 - \$125K for “non-building” costs
 - Surplus between \$505K (400 students) and \$105K (350 students)
- Recommendation about lease agreement by PA to proceed—cash flow good now and payments can be supported

- KA concern—summer costs? Be creative with negotiating payments for non-building costs in July
- MB to GL on two points—look at waiving the interest fee for the impact fee for the middle school upfit. Current interest rate at 6%; proposed at 7.5%. Negotiate with Mr. Herrod.
- GL can discuss with Mr. Herrod tomorrow.

Motion by SO to proceed entering into the first lease amendment agreement with HP III, LLC. Second by JF. Approved 7-0.

Motion by MB to approve the Conditions of Agreement with HP III, LLC regarding the elementary lease agreement dated March 5, 2012. Authorize Mr. Gary Lyons to negotiate deleting the interest fee on the impact fee for the middle school and seek a lowered interest rate on item #5 (Loan Agreement for the amount of \$750K). Seconded by SO. Approved 7-0.

Enrollment Update

- Kindergarten and 5th grade have already met the application minimum
- Continue to recruit and advertise
- April 3rd lottery

Director's Report (cancel next week's meeting)

- Thank you to the Board for their efforts in securing the K-5 addition to KHS'
- Teacher fair on March 30—interviews of elementary teacher candidates
- Principal candidates—need at least 5 candidates
- Elementary upfit projected ready to go by August 1st
- Seniors getting into Tier 1 universities

Meeting adjourned at 7:41 by GM.

Respectfully submitted,

Rob Matheson
Secretary

Corporation for Effective Schools, Inc.
Board of Directors Meeting • Kestrel Heights School
May 8, 2012

Board Members Present: Grace Marsh (GM), Joseph Featherstone (JF), Tonya Hunt (TH), Rob Matheson (RM), Scott Owen (SO), Kathleen Sanders (KS)

Others Present: Tim Dugan (Director, KHS—TD), Richie Mitchell (Assistant Director—RiM); Amy Burke (KHS faculty representative—AB); Alicia (PTSA); Andrew Joseph (Faculty rep—AJ)

Approval of March minutes. Defer to next time.

Staff, Student and Parent Survey and SpringFest (Alicia from PTSA)

- 120 responses by parents
- KS—Hard to find the survey on the website
- Responses similar to last year. Good report in general. Bullying again an oft-mentioned topic
- 36 staff responses—better than last year
- 307 middle school responses
- High school just completing this week
- More reporting in June; full report in July
- See SpringFest flyer for information. Could be up to 400-500 people. A lot of interest by KHS community. TD—should be a lot of elementary folks who attend.

Financial Report

- Need to finalize 2012-13 final budget in June
- Paid \$182 K for impact fee paid out of this year's budget plus added elementary build-out and staff. TD will pull out funding and projects a "close-to-zero" balance. Being frugal now to close out the year.
- \$100K in cash reserve now
- See proposed 2012-13 budget. See last page—all new teachers, doubling in tech and textbooks, etc. to fund the elementary. Plus \$500K payment. \$216 K surplus—proposal by TD to give a 10% raise = \$5K surplus. Based on 1,063 enrollment (1,008 enrolled now). TD thinks there is a \$210K error so.....10% raise will still end up with \$210 surplus for next year. To confirm with Tom Williams at Acadia Northstar this week.
- GM (in consultation with KS and TH)—should we do across-the-board vs. merit raises. Ask TD/RiM to consider (10% to top and decrease from there). Need to establish a system or rationale. TD—no raises the past three years. 10% across the board will resolve discrepancies with the "new" folks coming in vs. those who have been here. In a couple of years when we get through "overcoming the inertia" of starting the elementary school, then we can really go after the "best and the brightest." GM—formalize the staff pay scale. TD has used a Kestrel form in past years. TD—bring to next Board meeting.

Paideia (Mrs. Burke)

- Invite to Middle School Graduation. June 8th at Page Auditorium, Duke University
- “Tropical Paradise” them for end-of-year 8th grade dance this Friday. Durham Arts Council
- I have been teaching at KHS for eleven years. Probably have another five years left. The best way to bring my “gifts” and provide a need to KHS—become a curriculum coordinator. Focus on academic leadership vs. classroom instruction. Taught K-9 grade levels.
- Curriculum, mentoring teachers, Paideia teaching philosophy, beginning teacher program
- Four major focus areas for the proposed position:
 - Paideia (help for the classroom, community, resource for other schools, K-12, coached projects, seminars in school and nights, etc.)
 - Special Events (fairs, community outreach, students in the community)
 - Teacher Assistance (resource teacher, coach, certification, implementation of lessons)
 - Academics (K-5, 6-8, and 9-12 visions/year; “horizontal/vertical” meetings, parent contact, newsletters, substitute teacher training)
- JF—does this need to be an interview process? Have TD, RiM, and Mrs. Webb to review the written proposal by Mrs. Burke to see that it fits the needs of K-12.
- Next steps: TD to finalize budget to the point to see if the position can be funded; TD to report status of funding the position at the next Board meeting

Elementary School Report

- GM and AJ—Focus for elementary = STEM?
- Piggy-back on Robotics Club in the middle school. Just getting started now. Push down to the elementary.
- Science Fairs?
- Construction update—demolition now. Need to get the official permit. TD—by Friday? 20 days ahead of last year’s upfit of middle school. GM—playground? TD can discuss with Keith Harrod (building owner).
- Renita Webb (Principal) making good progress with identifying potential teachers (15-18). Will not sign contracts until permits finalized.

Director Report

- See handout

Assistant Director Report

- See handout

By-Laws Update

Motion by SO for Board membership to increase to a maximum of 15 members. Second by TH. Approved 5-0.

Motion by SO to permanently move the current regular May elections for Board of Directors to the month of June in each year. Second by TH. Approved 5-0.

Other Business

- GM—head injuries (concussions) with football. Push for high standards to protect students. Recommend that TD, RiM, and football coaches watch informational videos about protecting football players from engaging in sports without proper diagnosis/clearance for playing again. SO to send CNN video link to RiM. Jenny Hiemenz (currently on KHS staff) has significant experience with Traumatic Brain Injury (TBI) and can be of assistance.
- RM—status of Board members recruited? RM to send copy of Board application. Adding faculty members as members of the Board? Bring it up at the June Board meeting. GM to set up meeting prospective Board members.
- BB&T interest in helping us buy the building. TD speaking with Gary Lyons.
- Former UNC basketball player uses the KHS gym. May be a source of private investor interest.
- Board work session end of June?
- AJ—Mr. Henderson from Walltown Theater can serve in some capacity to help KHS with its drama department. Also—progress on rejoining State Health Plan?

Board meeting adjourned at 8:45

Sincerely,

Rob Matheson
Secretary

KESTREL HEIGHTS SCHOOL BOARD MEETING

June 12, 2012

Attendees: Josephe Featherstone, Kim Anglin, Tonya Hunt, Tim Dugan, Alician Adrian, Richie Mitchell, Renita Webb, Ms. Mester, Dr. Joseph

The May minutes were approved.

Finance Report

Current financial report shows a deficit but at the end of June KHS will have a surplus at the end of the year (approximately \$250,000). There will be no problem meeting payroll for August. The approved budget allows for a 10% salary increase for KHS staff.

Report from Director:

KHS exceeded AYP. Scores jumped from 77 to 80 for EOG and from 66 to 78 for EOC. Construction is moving along but no permits yet. TD will submit a letter to the city informing them that occupancy will not go beyond 400+.

- Graduation for both the middle and high school was held on June 8. Anthony Wilson of Channel 6 was the speaker for both graduations.
- Middle school graduated 98 students and high school graduated 42 students.
- Elementary School- RW waiting for the permit to be granted so that she can make offers to teachers. Has been looking into playground equipment (Keith approved the area for a playground.)
- Elementary School – RW has met with principal familiar with CORE knowledge (RN Harris and Holt) and they have been very helpful.

Board discussed board recruitment and the candidates that have been recruited and interviewed but was not prepared to vote as the board members nominating the candidates were absent. At the retreat the board will discuss what is needed for the board. Issues for consideration: Teachers serving on the board, areas of expertise the board needs, voting versus non-voting members.

Motions

The 2012-2013 budget was approved in the amount of **\$8,641,233.46 with projected admission of 1063 students.**

The school calendar was approved.

10% salary increase for staff

Board expansion will raise number of board members to 15

Presentation by Ms. Mester regarding the success of the media center (see attached)

State Health Plan

Dr. Joseph has been able to make headway with getting KHS employees back in the State system (refer to your emails from Dr. Joseph). This includes legislation prepared for a vote during the short session. At this time it does not include the retirement system.

Other Business

Board Retreat will be held on July 14 from 9:00 am to 5 pm, location TBD.