North Routt Community Charter School
54200 RCR 62
Clark, CO 80428
March 8, 2010
Regular Meeting

In Attendance: Christy Belton, Rick Boese, Roy Powell, Stephanie Anderson, Colleen Poole, Karen Myers, Amy Cosgrove, Todd Raper

Call to Order: Christy Belton called the meeting to order at 6:15 PM.

Approval of Agenda: Roy suggested moving Todd Raper and Capital Construction report up behind Public Input. Rick Boese made a motion and Roy Powell seconded to approve the agenda. Motion passed unanimously.

Approval of School Board Minutes: Feb 18 work session minutes were missing and tabled to April 12 meeting for approval.

Rick initially moved, and Stephanie seconded to approve the Feb. 8 Regular Board Meeting minutes.

Upon further review, changes to Feb. 8 minutes were required. Colleen suggested that the Resolution for Capital Construction Committee to execute construction of building, and the Resolution adding "commitments other than Owners Rep, Architect, and General Contractor that are…" to resolution. Be placed under Action Items.

Rick withdrew his initial motion and made a new motion and Christy Belton seconded to approve School Board Minutes from Feb 8, 2011 as amended. The motion passed unanimously.

Request to address the Board:
No Public Input

Capital Construction Report: Todd asked the Board what they expect in his monthly reports. Christy suggested a critical items list that includes any potential issues requiring Board action and sufficient supporting information. Todd provided examples of another comparable BEST project where the state denied a septic tank and leechfield and required a water treatment plant resulting in huge cost overrun. Water rights issues also added to cost over runs. Todd will also bring up pay applications, scheduling, and budget. Todd also asked if it is appropriate for him to address individual Board members outside of the Capital Construction Committee (CCC) for questions or urgent issues. Christy re-emphasized that no Board decisions can be made without 24-hour notice in order to post a meeting, but that open communication and sharing of information is perfectly acceptable. Regarding emails, it is perfectly acceptable to share information via email (and emails involving more than 2 Board members is public information), but discussions as part of any decision processes need to be handled in meetings.

Pay applications: Todd requested that current limitation of having only the President sign off on pay applications to the state be amended to include the Capital Construction Committee. Christy had no issues with this as long as there is adequate reporting in the construction budget reporting. Todd noted that typically State requires invoices to be in front of ownership by the 20th of each month, and then submitted to the State by the end of each month. He suggested that in order to synchronize with this cycle, either the Board meetings move to the end of the month, or the pay applications need to be started earlier. If signing ability is granted to the CCC, then the following Board meeting is when those pay applications will be discussed. Christy wanted to make sure that any signatures require from the

Board at regular meetings be submitted the previous Friday to ensure proper time for review. Todd left a pay application that needed signing with Christy and requested it be returned the next morning. He also clarified that the State confirmed insurance is not needed with this first application. Christy asked if the school Board had adequate insurance. Colleen stated that the CCC is working on acquiring insurance, but the Board has a couple of options: for the Board can use the current insurer, or a third party like the Contractor (Calcon). Calcon will have general insurance, automobile, worker's comp, etc. The Board needs to insure the property and the asset/building, general liability, and Builder's Risk insurance--this is what the CCC is working on. Christy noted that the Board has D & O (Director and Officer) insurance for liability, and needs more coverage for building the school. Colleen will contact Dale Mellor at the District about the extra Builder's Risk policy. Todd suggested the Board should find a decent deductible rate and some of it may be transferred over to the contractor, but if something happens he cautioned that the insurance should be used rather than protected to prevent a rate increase.

Stephanie had a question about the District having to sign off on pay applications, but Todd demonstrated that the State pays vendors directly. He also stated that once the total after grant reserve is down to roughly $769,000, he uses a different fund application to get funds out of other sources such as DOLA. Colleen will get clarification from Scott regarding the 20% up front payment and a return of any remaining balance. Colleen stated that if we don't spend the contingency, then we get the 20% balance back. Roy was concerned that the contingency should be retained as much as possible so that the project does not go over budget. Todd noted that the Board shouldn't plan on getting anything back, even though so far nothing has been allocated towards the contingency funds. The contingency is in place for the contractor, and not the Board. It is the goal of the next 2 weeks is to develop the contingency without going after anything that is currently off the table. If the contractor's numbers are below the original budget, then the Board could retain the contingency within the BEST grant.

Christy asked how decisions in the CCC would be made regarding items that go over budget. Rick stated that the resolution prevents the CCC from spending the contingency without Board approval, but that moving funds around within the budget is part of the process and is up to the CCC.

Todd and Christy disagreed on whether it is ultimately up to the Board or State whether the contingency is used. Regardless, it was agreed that it is vital for the Board to be informed of any issues ahead of time. Todd reassured the Board that there is a contingency line item in the budget of $139,000--which was added over a year ago by the Calcon at 4%. Today, the numbers are tighter and the contractor has a better grasp of the project scope. He suggests that the number should now be cut in half, and that Calcon should only control 2% of the contingency and that the school take its piece and put it in the budget above the State's contingency. Aside from unknowns, the contingency could also be used to add scope to the job, or fill in gaps in the drawings to complete the job. If anybody uses the contingency, it needs to be justified. Roy was still concerned about any conclusions that the contingency is already spent before the project starts. Rick stated that the object of everyone is to build the project without money coming from the school. A Todd added that it is impossible at this stage to presume that any of the contingency will be available a year from now. In summary, there are three contingencies: within the current budget (approved by CCC and reported to Board), below the line (controlled by CDE--requires Board approval), and Calcon's contingency (approved by CCC and reported to Board).

Rick noted that OAC (Owner Architect Contractor) meeting notes would be forwarded to Board.

Architect (Michael Olsen): Contract still being worked on.

Rick announced that the promissory note had been completed and was presented to the Board for review so that the Architect can finish work necessary to begin the construction project. Attachment A indicates that when the Architect gets payment from the state, he will return the note value to the school. At 21 days, interest will be charged, and the NRCCS can begin the collection process in court at Architect's expense at 90 days. The plan is for NRCCS to give Architect $25,143.58 from the line of credit and submit a pay application to the state. Once Architect receives payment from the State, he will reimburse NRCCS for same amount. Both Colleen and Todd have received reassurances from the State that the Architect invoices will be paid through the regular funding cycle.

Roy was concerned that the note is not secured by the Architect contract (pending), which was the plan of action from the Feb. 18 work session, and reminded the Board that it was issuing an unsecured note. Christy raised an issue with timely reviewing of contracts by Board members and necessary legal review. Rick expressed frustration at the process and countered that Board needs to proceed immediately or risk serious consequences as a result of any delays. Roy asked what occurred following the Feb. 18 meeting, and Todd replied that a set of documents for a permit set were submitted to the State. The State quickly responded that there were no structural calculations so the documents could not be reviewed. Todd indicated that 8 months prior--when the NRCCS first submitted for permits, the State said that these were not needed, so Architect did not pursue structural calculations. Architect has provided everything else that was required by NRCCS for permitting. Currently, the documentation is not being reviewed for permit by State due to missing structural calculations and two minor omissions on required forms. As of the previous Tuesday, the contractor who is responsible for structural calculations has not been released to continue the work, so he is likely 2-3 weeks away from completion. This results in a timeline for permitting in the middle of April, which jeopardizes the start date.

Christy reiterated that the Board could not risk $25,143.58 without any security, and Rick countered that what was presented to the Board for review was the result of the Feb. 18 action plan. Roy reminded everyone that all facts of the promissory note needed to be reviewed before the Board could act. There were disagreements regarding the role of the CCC vs. Board in this matter. Roy reminded everyone that the plan was to have a contract in place for roughly $100,000 with the Architect stipulating that the Board could loan him $25,143.58 against the contract as security. Roy asked why we aren't under contract with the Architect and what was the updated timeline for billing? Rick stated that the contract was still being drafted, and that the billing cycle would start as soon as Christy signed the paperwork. The Board agreed that the promissory note needed to be secured in the contract. Colleen asked if the Board could approve the note contingent on the Architect signing a contract that secured the note. Roy asked why the project was unable to fund the request for $25,143.58 in the normal course of business. Rick stated that the Architect had subcontractors doing work for the project, but that they had not been paid and would not continue to work without payment. The issue is compounded by short timelines for permitting and ordering steel for the project. Both Rick and Todd assured the Board that the unique circumstances of this situation should not happen again, and Rick restated that the $25,143.58 was within the $100,000 budget for the Architects contract. Christy wanted to remind the CCC that it is not in the best interest of the NRCCS to act in haste or make decisions that could cause risk to the school.

The Board agreed that a contract must be in place that secures the $25,143.58 to move forward. The Board wanted to ensure Architect would not be able to go over budget for various allowances without prior Board approval. Roy volunteered to amend the Promissory Note, help finalize the contract, and make a payment the next day pending a legal review.

Roy moved to accept the promissory note with amended changes to account for the cost of borrowing money and to be secured by the contract for architectural services for the NRCCS School building being executed and signed. Christy Belton seconded. Motion passed unanimously.

Moving forward, requests for payment to be signed by the CCC instead of the President will be changed with the State using appropriate forms and attached to the new facility resolution.

Resolution: The North Routt Community Charter School Board resolves that the Capital Construction Committee, which is comprised of two Board members, community members; the Owner's Representative and the Director, execute the building of a new facility. This includes the signing of contracts and commitments that are consistent with, and appropriated in the BEST budget. The NRCCS Board will review any expenditure that accesses the contingency fund before final approval. A monthly update of the building project will be provided to the NRCCS Board or as needed.

Christy cited an example of a charter school in Pueblo that recently went under as a result of the Board President signing documents without exercising due diligence to make sure the documents reflected the best interests of the school, and emphasized the necessity for thorough review of all documents requiring a signature. Todd assured Christy that she would receive copies of all documentation for review.

Student/Teacher Report: Staff-Amy Cosgrove

Outdoor: Home Ranch Friday trip was a fantastic outing where the younger kids carpooled to the ranch while older kids skied over.

K-2: Working on wetlands throughout the US, and now focusing on local Routt County wetlands to explore lifecycles of frogs. Kindergarten is focusing on birds. Kindergarten team would like to eventually have the first full kindergarten day in Routt County that is not subsidized so they can spend more time with the kids to gain more academic benefits and better prepare the students for moving up in grade levels.

3-5: Students finishing goldrush powerpoint presentations which include audio clips and active links. Focus is on gold mining expedition, but the timeline could be shortened by CSAP testing. Expedition will involve local connections (Tim Magill) to Hahn's Peak and should include gold panning and visits to local mines.

6-8: Students finished up unit on speech and debate and are now focused on culture and conflict in modern civilization--especially the Civil War and WWII.

Calendar: Staff is considering moving to a semester-based calendar, especially to have report cards and conferences better reflect expedition work.

CNI Day: Staff will study a new school model called Ninety Ninety Ninety (sic) and also preparing for CSAP testing. Meeting individual CSAP testing needs is challenging, so staff is considering not having scheduled class for K-2. One issue is requiring grade levels to be in separate rooms for reading tests--space is an issue. Colleen warned the Board that notifications will have to be sent out pending any related schedule changes and logistics. Discussions will also continue to determine if 3-year multiage classrooms are the optimal environments to work in vs. 2-year rooms and how to address associated challenges with the new building.

Director Report:

Colorado League of Charter School Conference: Christy noted that the conference was a wealth of useful information and ideas. One issue to address is Board attention not being diverted to non-Board related issues. With new ideas learned at the conference, she feels we are in a good position to address lingering issues to help the Board be more productive. Student achievement should be a

top priority for the Board, so Christy asked Colleen to help educate the Board on how student achievement is measured.

Enrollment is the next highest priority for the Board to focus on. The Board needs to ensure that the school is at capacity and that there is even a waiting list for enrollment to ensure financial health of the school.

Student Achievement Overview: The Board needs to be more informed on issues regarding student achievement so that it can effectively delegate to, and monitor the Director's progress.

Colleen presented an overview on how the school tests for student achievement. A timeline of assessment testing was shown. QRI's (reading assessment), ARL's (language processing), and six-trait writing (writing sample), and MAPS testing are administered at the beginning of each school year to set beginning targets to start each student portfolio. In the classroom, there are regular daily math assessments. Colleen pointed out that one advantage to being a small school is that once a need is identified, the staff can act quickly to make adjustments to meet student needs, often within a 1-day turnaround.

Portfolio assessment also tracks progress toward student goals. Beginning samples can be compared to end of year results for tracking.

3rd grade reading only CSAPS occur in February, with the rest of CSAP testing in March (reading, writing, math, and science for 5-8).

Colleen suggests that following meetings should be dedicated to exploring student assessment in greater detail. April's Board meeting will focus on CSAP testing and personal growth models. Christy stressed the importance of knowing benchmark figures to help promote the NRCCS vs. other local schools. Amy also highlighted the lasting public impression of our students with regard to character traits, which should also be touted. Christy noted that this approach would also help the Board remain focused on the school mission statement. NRCCS should strive to be a better alternative to schools in Steamboat, and our student assessment tracking is a major part of NRCCS excellence.

Old Business:

Board Vacancies: Board needs to fill empty seat (appointed position). Christy suggested that maybe a "cheerleader"/PR type of personality would compliment the current Board. The Board should determine the character type that will most benefit the Board and pursue the best candidate. It was also mentioned that the Pre-School might be a good source for a potential candidate--especially in light of the NRCCS considering renting Kindergarten space at the Pre-School and other potential cooperative efforts.

Eagles Thank You: A check was presented from Fred Wolf to Christy Belton for real estate related services, which Christy had previously declared. Concerned about a conflict of interest, Christy decided to cash the check and make a deposit for the school instead of keeping it herself.

Christy made an executive decision to have the mission statement added to the bottom of each Eagle thank you plaque, but it will increase the cost. We are waiting to hear if this change can be worked in under the budget and still look good.

Policy Review: GP 4,5,6 / EL 9,10 / Ends 3,4 **-** Tabled from February
Christy suggested combining policies for review from Board Discussion (GP 7,8,9 / Ends 5 / EL 4,5).

There was extensive discussion on the pro's and con's of Carver governance, and the Board agreed that policies should be updated to reflect what is currently going on at the school, and with an eye towards eventual Director and Board succession. All policies should be up to date, the most current draft, and properly archived. Chris will work on this.

GP 4: No proposed changes.

GP 5: Change "chairperson's" to "President's". Strike 7 - *In the absence of, or inability of the President the Secretary shall have the powers and duties of the President.* This is already in the By-Laws.

GP 6: 3 a - Christy suggested that Todd present monthly report on project status for PR release. No Proposed changes: 2 b - Conflict with By-Laws. Change to say "…shall absent herself or himself from only the vote."

EL 9: Colleen received letter from IRS regarding questions on 990 filed back in 2008. Paul Strong prepared the form for us, so Colleen forwarded him the letter. Paul suggested that the Board sign a power of attorney so he could communicate directly with the IRS to answer any questions. Christy signed the power of attorney.

EL 10: Concern expressed about vagueness.

Colleen to have all staff review Ends policies.

Ends 3: No proposed changes.

Ends 4: No proposed changes.

Ends 5: Previous change should have "…areas of enrichment may include…" Chris will work on this.

GP 7: No proposed changes.

GP 8: No proposed changes.

GP 9: No proposed changes.

EL 4: Note to make sure that Chris makes changes when policies are updated. Notes that additions made to include fiscal year ending June 31 and preliminary budget is July 1 - Oct 30.

EL 5: No proposed changes.

Board Discussion:

CLCS Conference: Christy distributed notes from the Colorado League of Charter Schools conference. Another conference coming up in April/May--Board participation would be great. Free Board training modules are available for online training. Christy suggest that the next Board member should participate, and everyone else when available--this is a great governance tool. Rating Board tool also available, and this will be tabled for next meeting.

*****Recording of meeting ended abruptly at this point. Notes needed to complete minutes. (02:56:03)**

Budget – Roy Powell

Action Items:

Architect Promissory Note - Roy moved to accept the promissory note with amended changes to account for the cost of money (line of credit) and secured by the contract for architectural services for the NRCCS School building being executed and signed. Christy Belton seconded. Motion passed unanimously.

Executive Session:

None

Adjournment:

Meeting was adjourned at 9:35 PM