



Endeavor Board Meeting Minutes: April 14, 2014

Call to Order:

Lisa Springle called to order a meeting of the ECS Board of Directors at 7:00 pm in Endeavor's multi-purpose room.

Present:

Lisa Springle, Kevin Myers, Bill Borter, Andy Kristianson, Sarah McConnell, Steve McAdams, Christian Nechyba and Margaret Holder. Charlie Kennedy arrived at 7:18 pm. Bill Borter left at 7:55 pm and designated Margaret Holder as proxy.

Finance Report / 2014-2015 Budget Discussion

Bill Borter led a discussion of the financial considerations and outstanding expenditure projections for the remainder of the 2013-2014 school year and the projections for the following year.

Initial discussion focused on the impact of the adjustable rate for interest on the loan based on the current quote for our interest rate swap and the median libor. For planning purposes, we should know the forecast for the upcoming year, and any annual projections beyond the next fiscal year. Bill recommends projecting the adjustable rate at 5.92%.

Bill then talked about the impact of the interest projections on the estimated reserve balance, given the requirements from BB&T. Based on his projections, we should be able to meet our required reserves as long as the market interest rates remain below 6%.

The Board then discussed beginning to investigate liquid investment assets that would garner an interest rate at (or at least closer to) the market rate. Margaret Holder will begin the process of investigating these options.

Bill mentioned the variability we see in the next year's school budget based on the preliminary work that has now started on preparing it, and that we are using projections at this point for all new expenditures based on quotes received thus far. The Board also discussed recent press that the Wake County School Board is considering a raise in teacher salary, and the potential for affecting future budgets.

The Board then had a detailed discussion about the current estimated surplus less outstanding items for the current budget year, including the proposed expenditures for decommissioning the Forum Drive location and moving into One World Way. Amy Luciani took the Board through the current construction contingency items and items in

budget related to these proposed expenses. Acoustical panels, whiteboards and backpack cubbies are not currently included in the construction budget.

The Board discussed the final accounting at the conclusion of the project and implications of potential budget under-runs on our ability to access and use funds for other capital improvements to the new site. Andy Kristianson related his discussions with Jeffery Arens from BB&T about this situation, and the recommendation to identify additional capital improvements to which the budget surplus can be applied.

Current savings balances total \$1,368,642.99, comprised of \$1,112,457.81 in the operating account, \$236,000 held as collateral for the potential taxable loan, and \$20,185.18 remaining in the First Citizens operating account that has not yet been closed out due to potential receivables.

Foundation / Construction Items

David Clodgo provided an update on potential playground expenses and proposals. In laying out the proposed space, they considered creating separate play areas, a walking track, and soccer and basketball. The current proposal is approximately \$60,000 installed.

The Foundation project management team has discussed the impact of the playground proposal with the Town of Wake Forest. The basketball court is the one component of our proposed layout that might impact our site plan, since it increases our total impermeable surface area. David Clodgo shared his plan to provide the Town with a copy of our proposed design and measurements, and then adjust the same at the Town's written direction to ensure that it will not impact our pending Certificate of Occupancy. The Town has already represented in oral conversation that even if the playground does impact the impermeable surface area, it will provide the school with a grace period to develop the necessary environmental offsets.

The current proposal for the kindergarten playground would include wood mulch and involve a reinstallation of the current equipment. David Clodgo will follow up with those from whom we have received estimates to ask about on-going maintenance costs for the different materials in the proposal.

The Foundation and P.A.W.S are working to confirm funding sources. P.A.W.S. is currently able to contribute approximately \$20,000. Fundraising could potentially speed installation of the playground equipment, but messaging and timing make it difficult to pull off successfully. Members of the Board proposed staging in elements. David will follow-up on questions of both the cost of staging, and the time of installation for the current proposal (currently believed to be approximately 8-12 weeks from ordering through installation).

The Board discussed contingency plans for if the full amount of the playground proposal cannot be found through fundraising or budget under-runs. The Board will work with P.A.W.S. and the Foundation Board between now and the May 2014 Board of Directors meeting. P.A.W.S will work to launch a coin drive for the students.

Christina Cermin from the Boosters discussed the baseball and soccer field utilization and the willingness to purchase goals and equipment for those facilities. The desire is to keep most kids off the fields during the school day to eliminate wear and tear. There are issues of on-going maintenance for things like field dragging and the associated equipment needed for that maintenance. The 2014-2015 Boosters Budget will include items for this maintenance, as well as benches and other items needed for the use of the fields. Kevin Myers will follow up with Christina and Christian Nechyba on sharing the current proposals and see if funds can be found to begin work.

Approval of Prior Minutes:

Kevin Myers moved to approve the meeting minutes as distributed for the March 10, 2014 Board of Directors Meeting. Margaret Holder seconded. The motion was approved unanimously.

Director's Update

Space Camp was a huge success for the fourth year in a row. Our patch design was chosen to be on display permanently in Alabama.

Science Olympiad came in 3rd overall at our first outing. This was a great success.

Fourth Grade is at Haw River on their overnight camping trip.

State representative to the Geography Bee did well.

Jeff Fulk who is offering the vinyl for the building would like to put the Endeavor lion into the floor. It is currently scheduled to say "ECS", and Amy Luciani will check on the design.

Key Project Management reviewed moving estimates and they seemed in-line with expectation and included items that would be expected. Estimates ranged from \$16,000 to \$19,000. Kevin Myers moved that the Board approve up to \$19,000 to be used to contract with a moving company to arrange for moving expenses. Margaret Holder seconded. Motion was approved unanimously.

Mobile Modular provided a return estimate of approximately \$7,000, which is not in-line with the contract that we agreed to in 2009; \$4,500 in return charges were struck through and the cleaning fees are different. Andy Kristianson is working with them on the details here, and will work to close with them before the May Board meeting.

Transportation Update:

Andy Kristianson updated the Board about the statutes applicable to charter school transportation issues. One such statute - (G.S. 115C-238.29F(b)) titled "School Nonsectarian" - was not limited only to transportation issues, but did appear to be (a) relevant and (b) inconsistent with the transportation approaches we understood other charter schools were using. Specifically, the statute prohibits charter schools from

charging fees other than those charged by the local school board in the location where the charter is located. Since Wake County does not charge its students for busing, the Board checked with DPI to determine whether the statute was applicable. Unfortunately, DPI responded today and indicated that the statute applies, and therefore Endeavor absolutely cannot charge for busing.

In the same conversation, DPI did confirm that the statutory requirement (G.S. 115C-238.29F(h)) that the school "develop a transportation plan," is specifically applicable to the transportation plan in our charter. Our charter provides that the school will create a "car pool committee" to help families identify transportation. To this end, we will promote the the car pool feature on the P.A.W.S. the web site, and remind parents about the before and after school care programs available through enrichment. Charlie Kennedy and Sarah McConnell will also look at ways to facilitate families interested in options other than carpooling to discuss those options among themselves.

Public Comments:

There were no public comments.

Closed Personnel Sessions

Kevin Myers moved that the Board go into closed session to discuss a personnel issue, in accordance with statute 143.318.11 (a) (6). Andy Kristianson seconded the motion. The motion was unanimously approved and the board moved into closed session at 9:59 pm.

Kevin Myers moved that the Board move to open session. Margaret Holder seconded. The motion was unanimously approved. The board reconvened in public session at 10:13 pm.

Adjournment:

The meeting was adjourned at 10:14 pm.