

**YouthBuild Philadelphia Charter School
Board of Trustees Meeting
1231 North Broad Street – 5th Floor
October 11, 2018**

MINUTES

Present: Martin Brigham, Timothy Daniel (arrived 9:30 a.m.), Charles Esser, Kiley Smith Kelly (except from 10:02 – 10:17 a.m.), James Mergiotti, James Multari (arrived 9:55 a.m.), Roxanne Tillman (except from 9:30 – 9:40 a.m.), Robert Totaro, Sai Yerrapathruni (until 10:30 a.m.).

Attending by phone: Jared Farbman (joined at 9:30 a.m.), Erin McNamara Horvat (joined at 9:30 a.m.), Khalilah Lawson (joined at 10:00 a.m.).

Absent: Keith Anderson, Graham Brent, Scott Lillis, Melanie McCottry, Tiffanie Talley-Baines, David Thomas.

Guests: Ben Goodstein, Isaiah Johnson.

Staff: Ameen Akbar, Scott Emerick, Brian Leffler, Eva Lexie, Meredith Molloy.

Staff guests: Ted Molloy, Alex Rocke, Chaneil Scott.

The meeting was chaired and called to order at 8:53 a.m. by Board Chair M. Brigham.

Welcome: (M. Brigham)

- M. Brigham welcomed everyone to the first board meeting since the beginning of a great, busy, challenging school year.

Updates: (S. Emerick)

Government Relations

- Two handouts regarding the work of the Government Relations ad hoc committee were distributed to the board in advance of this meeting and copies are on file with these minutes.
- S. Emerick highlighted the good news that in the federal budget DOL-YouthBuild has been level-funded this year, and AmeriCorps funding has been increased by \$13M.
- Some Congressional staff members will be coming for a site visit here next week.
- The Government Relations Committee has been primarily focused on the work of the new Pennsylvania state YouthBuild coalition. The coalition is preparing to hire a full-time staff member.
- The committee is increasingly active and anyone interested in helping with this work or knowing of good candidates to join us should please notify S. Emerick.

Mission Statement

- We are working on updating our mission statement. S. Emerick talked through some of the proposed changes and invited feedback on the most recent draft by the end of October. We hope to finalize the wording by the end of this calendar year.

Visit to Village Meeting

- At this time everyone left the room to attend the School's Village Meeting for half an hour. Board members and guests were able to sit in small group circles with students and staff to share reflections. Board Chair M. Brigham also briefly spoke to students about the work of the Board.
- At 9:30 a.m., T. Daniel arrived at the meeting in person and J. Farbman and E. Horvat joined by phone. Six additional board members returned from the Village Meeting at 9:35 a.m. and the board meeting recommenced. R. Tillman remained out of the room for the first vote.

Approval of Minutes: (M. Brigham)

- The draft minutes of the board meeting of August 9, 2018 were distributed to the board in advance of this meeting. There were no corrections. Nine board members were present to vote on the following resolution:
- **Motion** by J. Mergiotti: **To approve the minutes of the August 9, 2018 board meeting as submitted.** T. Daniel second, motion **unanimously approved.**

Approval of Employee Policy Manual: (M. Brigham)

- R. Tillman returned to the meeting at this time.
- A draft of the updated Employee Policy Manual and a document explaining what has been updated were distributed to the board in advance of this meeting, and copies are on file with these minutes.
- R. Totaro noted a minor grammatical correction in the Vision statement on p. 5. The word "activate" should be replaced with "activates." There were no additional comments.
- Ten board members were present to vote on the following resolution:
- **Motion** by R. Totaro: **To approve the updated Employee Policy Manual as submitted, but with one correction as noted.** S. Yerrapathruni second, motion **unanimously approved.**

Updates (continued): (S. Emerick)

Strategic Plan

- The Strategic Planning Committee met again recently.
- Committee chairs will be asked to narrow down the goals that each committee is prioritizing going forward, as well as how to measure progress against those goals.
- We are retaining the four main case study areas as part of the plan going forward, but have agreed that the two top priorities are Facilities and Enrollment. The other two (Learning Exchange and Risk Management) are already moving along well and do not require the same level of focus and decision-making.
- We hope to find an external consultant to help us create the written narrative of the Strategic Plan.

Program Update: (B. Leffler)

- B. Leffler provided a handout on student outcomes and demographics for 2018-19, and a copy is on file with these minutes.
- Recruitment of applicants is more difficult than it once was; there are more options for them in Philadelphia than there used to be. We did meet our goals for the number

of applications received, and we have enrolled 223 students to start the year. B. Leffler highlighted some of the trends in the demographics.

- The number of students who enroll with a previous IEP has increased dramatically. Two years ago there were 45; last year 55, this year 75. There is also a significant number of additional students who were not previously diagnosed but would qualify. Supporting students with disabilities is an increasing challenge; there are not only more of them but the disabilities are more severe.
- It is a point of pride that we are seeing increasing student leadership as part of our climate and culture.
- In recent years we have had some challenges with finding partnerships for our construction worksites. This year we are on a stable footing and have what we need for our three construction squads.
- B. Leffler discussed a second handout on Program Direction and Priorities for this year; a copy is on file with these minutes. Our program retention has been dropping in the last couple of years; we are working to correct this and guiding themes this year are building relationships, connecting and engaging students.
- J. Multari arrived at the meeting and K. Lawson joined by phone during the Program Update.

Bylaws Amendments: (M. Brigham)

- M. Brigham asked for a vote on the proposed amendments to the Bylaws while the required supermajority of the board was present at the meeting. All of the proposed changes were previously presented for discussion at the August board meeting. A copy of the changes was distributed to the board again in advance of this meeting, and is on file with these minutes.
- There were no new questions or concerns about the proposed amendments.
- Twelve board members were present to vote on the following resolution:
- **Motion** by K. Smith Kelly: **To approve the amendments to the Bylaws as submitted.** J. Multari second, motion **unanimously approved.**

Program Update (continued): (B. Leffler)

- K. Smith Kelly stepped out of the meeting at this time.
- M. Brigham returned to the topic of program retention. Our Charter agreement commits us to a graduation rate of at least 72% and recently (since the agreement was created) we have not been able to meet that.
 - There was an extended discussion about the challenges faced, and how we compare to other schools like us (our graduation rate is considerably higher than in other schools with a similar population), and how we should articulate this.
 - We have reached out to the Charter Schools Office to request a conversation about this, and are being transparent about it.
 - It is important that we not blame the students nor use the increasing Special Ed population as an excuse for diminishing performance.
 - There was a discussion about how staffing is evolving to meet the challenges, professional development, and how staff can be supported.

- This is a very big topic that will continue to be a focus of the Program Committee as well as Program staff. The board is eager to help in whatever way possible.
- K. Smith Kelly returned to the meeting at this time.

Finance Update: (J. Mergiotti)

Unaudited financial statements for FY 2018

- A copy of the unaudited year-end financial statements for FY'18 was distributed to the board in advance of this meeting and a copy is on file with these minutes. J. Mergiotti reviewed highlights from the statements.
- It was a good year. We increased unrestricted net assets by about \$600K. Actual revenue was higher than budgeted. The balance sheet remains strong. The cash position was stronger at the end of the year. Receivables were a bit higher but we have had good subsequent collection on those.
- The audit fieldwork is finished and it went well. We will have the audited financial statements in December.

FY 2019

- Revenue is up considerably from what was budgeted. Some of it is due to the increased number of Special Ed students, but there are also some new or increased grants. The administration will be back with a revised expense forecast to allocate some of this to additional staffing needs. However, we still expect to be able to add to reserves.

Other finance updates

- Our former Controller, I. Kauffman, left in August. We are close to hiring someone in the redefined position of full-time Accounting Manager.
- S. Emerick expressed appreciation for the work of A. Karade and her department for all the hard work accomplished on the audit during a time of reduced staff. There is a need to increase some of the part-time positions in Finance and Operations to full-time to increase the capacity of the department.
- J. Mergiotti spoke about the usefulness of breaking out our financial statements under four lines of business: Special Ed students, Non-Special Ed students, Postsecondary, and Learning Exchange. This would add to the detail work needed, but in the long run would make us more efficient and better able to control expenses.

Governance Update: (K. Lawson)

- M. Brigham introduced and welcomed Isaiah Johnson, an alumnus who is part of the Governance Committee's Grads on Board program, where he is being prepared for potential board membership.
- K. Lawson spoke about the committee's focus on board recruitment, board support, and the Social Identities training for the board. There will be an introductory two-hour Social Identities training offered by some staff members who have expertise in this, for all board members who did not participate last year.
- J. Multari reported on data drawn from the individual board member rubrics that were completed last spring, in comparison to those from the previous year. A handout about this was distributed in advance of the meeting and a copy is on file with these minutes.

- He urged everyone to participate in filling out the rubric going forward.
- The data show strong interest among board members in learning and group participation, but less of a connection between board members outside of meetings and committee work. The Governance Committee is working to address this and will reach out to connect with individual board members.
 - K. Smith Kelly stated that the Fundraising Committee is also interested in “off-schedule” connections between board members at smaller events. The two committees could cooperate on this.
- Personal contribution and leverage has increased significantly. Can we find ways to further strengthen how we get others involved and do fundraising?
- J. Multari also stated that we are looking at digitizing our committee assessment survey.
- S. Yerrapathruni left the meeting at this time.

Fundraising Update: (K. Smith Kelly)

Annual giving

- This is annual giving season. Of the Fundraising Committee’s overall fundraising goal of \$150K, \$93K is from the annual giving campaign.
- Board members are asked to provide contacts and to make sure they are updated each year. This should happen very soon because the mailing will go out in one month.
- Each board member is asked to write a personalized note to be included in the mailing to their contacts.
- The theme of this year’s campaign is “make a ripple, start a wave.”

United Way

- Many companies have kicked off their United Way campaigns. M. McCottry has sent an email to board members asking for information about any company they are connected to that does a campaign, and when it is. If we can send students and staff to speak at the organization it will really help. The goal is \$15K. Last year we did not meet the goal we had set.

Fundraising events

- The committee brainstormed ways to bring people out to our events. One idea was to honor someone famous at the event; we are working on this and would welcome any suggested connections.
- We are also working on some smaller events:
 - Philly sports 50-50 fundraising campaign at sporting events that would include a publicity video. We think we could raise between \$5-7K at each of these.
 - Other small events in winter and/or spring are being considered.
- The annual event will be on May 2, 2019 at the HIVE.
- Board members are reminded to check for matching gifts from their employer when they donate to YB Philly.

Facilities Update: (M. Brigham and R. Totaro)

- Our lease runs until 2024. We are seeking to meet with our landlord’s top leadership to discuss whether the end date is negotiable.
- We continue to have difficulties with our current facility.

- Looking towards the future, we need to plan for where we will move when the lease ends. At the board retreat there was a financial analysis of our options. The Facilities Committee has looked at this in more detail and determined that the estimates we received were not realistic:
 - The building size they used in the estimates did not include enough useable square footage
 - If we wish to purchase land, our need to be close to transportation would add costs
 - They estimated New Market Tax Credits covering as much as 30% of our capital requirements, but this is improbable. With the recent large reduction in corporate tax rates there is reduced value for corporations to buy these credits
 - Their projection of the debt did not include a debt service coverage factor in the estimate
 - They did not include maintenance costs
 - We would lose the lease reimbursement that we currently receive from the State.
- Additional questions we will need to address:
 - Where do we benchmark ourselves in terms of facility costs as a percentage of our budget/ cost per student? What is a realistic expectation?
 - Will we build, buy or rent?
 - Will we have one building or a satellite campus?
 - Will we have a social enterprise out in the community?
 - If we have a target \$5-10M acquisition cost, how will we pay for it?
 - We have met with Schultz and Williams who have expertise in capital campaigns. They were optimistic about our ability to accomplish the goal, but there will be consequences on finance, fundraising, and board recruitment. They had case studies that were in tune with what we might need.
- There will be a lot of challenging work and decisions ahead for the board!

Closing and Adjournment:

Eleven board members were present to vote on the adjournment resolution.

- **Motion** by T. Daniel: **To adjourn the meeting.** C. Esser second, motion **unanimously approved.**

Executive Session: (R. Totaro)

Following the adjournment of the regular meeting, some board members remained for an optional update on the Executive Director Review process. This was informational only.

Respectfully submitted,

Eva S. Lexie