

**MINUTES OF THE MEETING OF  
LEMAN CLASSICAL SCHOOL  
A COLORADO NONPROFIT CORPORATION**

A meeting of the board of directors of Lemman Classical School was held on Tuesday, December 18, 2018. Victoria Hostin presided at the meeting and noted that a quorum was present for the purpose of doing business; Dana Knauff, Wendi Burkhardt, and Susan McGinley were in attendance. Principal Jason Edwards also participated in the meeting. Joe Higgins and Mike Farley were in attendance representing Lemman Educational Services / Faustus; they were joined by their lawyer, Bryce Carlson. Barry Arrington, Lemman Classical School board's attorney, was in attendance as well.

There were no public comments.

The September 18, 2018 meeting minutes were reviewed. Ms. McGinley motioned to pass the minutes without edit; Ms. Knauff seconded. A vote was taken and by unanimous decision the following resolution was adopted:

APPROVED, the meeting minutes from the September 18, 2018 board of directors meeting.

Ms. Hostin proposed that the agenda be amended to move item VII, the Lemman Educational Services Presentation, to the beginning of the meeting. Barry Arrington, representing Lemman Classical School Board, and Bryce Carlson, representing Lemman Educational Services were present at the meeting. In an effort to be conscientious of their time, and the fees associated with their representation, moving the presentation allows us to not waste attorney fees on meeting content that does not require their attention. Ms. Hostin motioned to amend the agenda; Ms. McGinley seconded.

APPROVED, the meeting agenda was amended to move the Lemman Educational Service presentation to the beginning of the meeting.

Joe Higgins gave a presentation outlining the Lemman educational model, classical education, and reviewed the services being provided. His PowerPoint presentation is attached as an addendum to the minutes.

Discussion ensued regarding whether or not a contract would have to be reviewed by the DCSD Board of Directors. Ms. Burkhardt expressed concern regarding the difficulty our board would likely face – based on historical record of the DCSD Boards treatment of Lemman Academy – if this contract required that board's approval. To allay this potential pitfall, Ms. Burkhardt suggested that the case for the services and products provided to Lemman should be a framework for the contract. Ms. Hostin noted that the charter stature allows for charter schools to contract with outside providers as they see fit. Mr. Arrington concurred that charter schools are

autonomous and do not need to seek permission from an authorizer at every juncture unless the charter contractor with the authorizer specifies such. Mr. Arrington said that he will review the contract and find out the appropriate channels the Faustus / Lemman Classical School contract will have to go through.

Ms. Hostin reminded the board that the 7-month contract that was approved in June 2018 was purposefully left vague and at \$100 per pupil for the reason that we could have 5 or 6 months of operational history with Faustus before re-negotiating the contract. Mr. Arrington also recognized that the \$100 per pupil fee is incredibly below market rates given the service, curriculum and support that Faustus has been providing. Ms. Hostin recalled that Mr. McMillen, former Director of School Choice, had suggested that amount. Generally, fees are a flat rate or a percentage of PPR.

Ms. Burkhardt again noted that however we decide to structure the fee, we need to have a solid case regarding why we are choosing this provider and the value they bring to our campus that merits a fee.

Mr. Farley asked if there were any other questions. None were posed and Mr. Carlson outlined a timeline for the contract drafting process. He said he would have a draft for Mr. Arrington within the week. Ms. Hostin asked Mr. Arrington for advice on guidance to ensure the next steps of contract negotiations are properly managed and compliant with Open Meeting / Sunshine Laws.

It was determined that an executive session board meeting with Mr. Arrington and Dr. Edwards would be the next meeting. The draft contract will be disseminated by Mr. Arrington to all the board members with his comments and edits. Following the executive session with the entire board, Mr. Arrington will then have clear direction from the Board of Directors on negotiating the contract. Mr. Arrington and Mr. Carlson departed the meeting

The charter schools in Douglas County have formally organized into The Alliance of Douglas County Charter Schools. This group has the support of the Colorado League of Charter Schools; they are providing approximately \$85,000 in direct and indirect support. Ms. Hostin read the purposes statement of The Alliance. There is a fee structure to participate in the Alliance. It is based on the FTE of each school. The proposed fee is \$5.00 per student. Paying dues allows a school to be a voting member. The Alliance is asking members to join and pay 50% of the annual dues. Dr. Edwards commented that this group will be a benefit for all schools, that there is not a narrow focus of the group is interested in, and that the proactive work that the Alliance will do can set the precedent for future years. He thinks that there is a healthy set of checks and balances with the Alliance. Ms. Burkhardt said the collective representation at the state and district is well with the very reasonable cost. Ms. Hostin reminded the board that Lemman will be the first charter school under the microscope regarding district waivers.

Ms. Hostin presented the resolution that was provided. Ms. Burkhardt asked again about the price. Ms. Hostin clarified that this year, our annual fee would be \$2150 (\$5 per student), but only 50% of that amount is due. Ms. Burkhardt asked if the budget could manage the expense and Ms. Hostin replied that she had consulted with Katie Determan, the Lemman CPA who assists with the budgeting process, and she indicated that it was within our budget and will not have a negative impact on the financial health of the school.

APPROVED, by unanimous vote, Lemman Academy of Excellence will join The Alliance of Douglas County Charter Schools and will be a voting member with dues at \$5 per FTE.

Ms. Hostin discussed the use of funds for the MLO / Bond Funds. Mr. Arrington told Ms. Hostin that he believed that Lemman might get 95% of the money in January. It is unclear exactly how much of the funds will arrive; the date that the funds will arrive is also unclear. Some of the ideas of using the funds include a bonus to the teachers and to recoup costs related to benefits. The approximate amount is \$300,000. Ms. Burkhardt asked about financial obligations that have to be met. Mr. Higgins replied that the current budget that was approved by DCSD leaves only a \$4000 margin. So the budget is razor thin. Mr. Farley clarified that the school was short on the number of students that actually enrolled compared to what was budgeted for. Faustus has paid all of the health insurance and retirement benefits for the staff and that need to be adjusted before the end of the year / audit. These funds will have to go toward that obligation before new expenses. For first year charters, it is not uncommon to be in the red; Faustus knows that is the case and is committed to partner for the long term to ensure financial health.

A Christmas bonus was discussed and Ms. Hostin reiterated that the board was committed to using part of the funds to support teachers. Ms. Knauff shared information that District teachers received a raise, which we understand was approximately ~1.5%. Bonus distribution has many drivers: some schools bonus on test scores, but that is counter to the Lemman mission; other think about a bonus in a portfolio framework – as teachers increase skills / training their portfolio increases and bonuses are merited on that. This helps incentivize what is important. Today it is just a Christmas bonus unlinked to any metrics. At approximately \$250 per teacher and a smaller monetary gift to administration, the school will need approximately \$12,000.

First year has to be treated as a suffrage year and there is an investment in the first year and it is not going to be a good year. The dollars have to be modeled out, but we are all on board to bonus the staff should get a bonus as a recognition for the time, effort and investment they have put into the school to create the right culture through training. Retention is key and making sure that they are satisfied means it is critical to set aside a portion of the incoming funds for them. Then the balance of the funds have to be modeled out to meet the current budget. Ms. McGinley clarified that it is possible that the funds will not arrive in January.

Ms. Hostin motioned that the board commits to a bonus, contingent on getting the mil levy funds, and that the bonus amount will be comparable to the other campuses. Ms. Burkhardt seconded the motion.

APPROVED, the LCS board unanimously agreed to commit to a staff Christmas Bonus in the same amount as the AZ campuses, contingent on the mil levy funds arriving.

Dr. Edwards gave his report. We started the year with 499 scholars – that is not FTEs, but actual scholars. The lottery for the 2019 school year ran in late, and 255 enrollment requests went out. If current scholars all roll up, then the count will be 675. Tours happen every Tuesday mornings with a max of 20 people; the tours have been full for every tour offered. There is real momentum for next year's enrollment.

Before Dr. Edwards began his staffing report, he expressed gratitude for the support that he and the staff have received from Faustus management group; it has been key to the success so far this year. Dr. Edwards believes that the 40 or staff who will start with Lemman Academy in January are all likely to return for the 2019/2020 school year. That said, statistically the school is likely to lose two or three.

Recent staffing changes include the replacement of the P.E. teacher; the new staff member has great credentials, has served as a guest teacher in P.E. and has the skill set to help the athletics program grow. Additionally, the middle school history teacher has resigned for personal reasons and has left on good terms. The new hire was confirmed today. He just finished a Master's degree from Regis. He also has history and philosophy study from CSU. The facilities coordinator has also departed on good terms. He has taken a position with Douglas County Penitentiary, which will be a good fit for him. The search for a new facilities coordinator is on and should be hired within a month.

The PTO, School Accountability Committee, and the House Captains are navigating their way through the bumps of a first year. There has been great enthusiasm from all parties to launch these, but now we have found that we have 3 groups of dedicated and hardworking volunteers, but often their roles overlap. We are working through the process of defining roles and delineating tasks among the three groups.

Planning for a State of the School event is in the works. The vision of this event is for the leaders of the various aspects of Lemman Academy – Board, SAC, House Captains, PTO and Principal.

A 2019 meeting schedule was proposed with the guidelines of quarterly meetings on the third Tuesday of the month.

January 15  
April 16  
July 16  
October 15

It was suggested that the January meeting get set back a little to provide time for the contract draft, review and negotiations. January 29<sup>th</sup> was selected.

There was no new business.