**MINUTES**

Excel Academy Charter Schools Board of Trustees

February 3, 2015
(*re-scheduled from January 27, 2015)*

Marsh & McLennan Agency, Boston, MA

7:30-9:00 AM

Board Members Attending In Person: Chris DeLorey (Chair), Juan Rivera (Vice-Chair), Tom Ellis (Treasurer), Susan Passoni, Steve Mugford, Matt Ottmer, Minnie Joung, Lauren Kushman, Ben Howe, Mark Taber

Management Present: Owen Stearns, CEO; Shane Dunn, Managing Director of Strategic Growth and Development
Board Members Not Present: John Casais (Clerk)

Members of the Public Present: Seth Reynolds, Liz Swerz

Chris DeLorey, Board Chair, called the meeting to order at 7:34 am and presided over the meeting. Shane Dunn kept the minutes of the meeting. Chris ascertained that sufficient Trustees were present at the meeting, and that, accordingly, a quorum existed.

1. **MINUTES VOTES**

VOTE #1: Motion to approve minor amendment to acknowledge a vote related to the acquisition of the Bremen Street property be made to the Minutes from October 22, 2014.

VOTE #2: Motion to approve the Minutes from December 9, 2014.

Motion made by Tom Ellis to approve two sets of Minutes, seconded by Susan Passoni. Motion carried with a UNANIMOUS vote.

1. **CEO UPDATE**

Owen provided an update on the status of the organization. The financing for the high school building is close to being approved by both lenders, Boston Private Bank and LISC. The current plan is to break ground in April, with a completion date of late June 2016. An interim CFO has been hired until a full-time Managing Director of Finance and Operation is brought on. There has been significant progress in fundraising since early December, with $863,000 brought in in cash and $1M+ in pledges made. We’ve raised more than $3M so far this year, which is already on par with last year’s record year. Owen reminded the board that even though we’ve had a strong year this year and we already have money pledged next year, next year will be tough from a finance standpoint unless the per-pupil reimbursement rate comes back high. More fundraising is still to be done but there is a bit of a cushion to give us time to identify new prospects.

1. **STRATEGIC PLANNING UPDATE**

Owen introduced the strategic planning process and plans to the board. He recently had a productive conversation with Steve Mugford and Minnie Joung, who will help lead the strategic planning process to identify our path as an organization knowing there is a hunger for broader impact on education in the region/country. Many board members asked questions about the purpose of the planning process and what our ultimate goals are around scale, impact, staffing, potential partnerships with other organizations.

1. **HIGH SCHOOL UPDATE**

Owen mentioned to the board that we are really close to getting the high school off the ground and there are very few votes remaining around the project. He shared two documents showing the ownership and legal structure of the high school building. Owen and Tom Ellis reminded the board that the organization is taking on a significant financial burden by purchasing the high school building. Owen reviewed our financial models to show different scenarios based on possible per-pupil reimbursement rates from the state.

Tom Ellis emphasized the reality of the project is we can’t afford it from an operating perspective, just fundraising. The need for the model is front-loaded. We need to repeat this year next year plus some, because we have no cushion. And we’re starting a new project so we don’t make cost-cutting decision to ensure success. We need to acknowledge next 12-24 months are going to be tough.

Many board members asked additional questions around our financials, including the prudence of the models we have built based on our operating environment. Questions also arose around how we could reduce costs within current structure or in a future network of schools if we grow so we are more realistic and proactive about our financial models.

Owen is committed to creating contingency plans in case the reimbursement rate from the state is lower than expected and we can’t afford our existing operating model.

Vote on authorizing the School to effectuate the purchase and financing of a new high school building up to $26.5M. Motion to authorize purchase and financing made by Susan Passoni. Seconded by Steve Mugford. UNANIMOUS approval from board.

1. **MOTION TO ADJOURN**

Motion to adjourn made by Chris DeLorey. Seconded by Ben Howe. UNANIMOUS approval to adjourn meeting at 9:00 a.m.

DOCUMENTS PRESENTED:

1. 10/22/14 Amended Meeting Minutes
2. 12/9/14 Meeting Minutes
3. CEO Memo
4. Organizational Financial Models
5. High School Vote Resolution
6. Bremen Street Ownership Structure

Respectfully Submitted,

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 Chris DeLorey, Chair