

CLCS Board Meeting Minutes
January 22, 2019, 5pm – 7pm
Upper School – 2120 Dorchester Ave, Dorchester MA

Present: Kay Sloan, Kimberly Nelson, Katherine Pell, Lynn Cetrulo, Lisa Wong, Martha Kleinman, Gary Gut, Melanie Sheffield, Takiya Price, Erika Sanchez, Brad Richardson

Staff: Linda Nathan, Allida Warn, Zakiyyah Sutton, Andres Barraza, Matt Chapuran, Rick Tagliaferri, John Chistolini,

Via phone: Rev. Gregory Groover.

Not present: Elaine Chow, Sandy Yeung, Tyrone Sutton, Ceferina Murrell, Bob Grinberg

Kay called the meeting to order at 5:05pm

I. School Presentation

- A. Four students from CLCS presented on the significance of CLCS and music in their lives.

II. Public Comment

- A. There was no public comment.

III. Approval of October 2018 Board Meeting minutes

- A. Kay asked for a motion to approve the October 2018 board meeting minutes. Gary moved. Brad seconded. The vote passed unanimously.
- B. Matt Chapuran is the new Director of development.
- C. Linda thanked Elaine Chow for donating the accordion artist performance she won via auction to our CLCS 1st graders.
- D. Martha thanked Development Associate Allida Warn for the creation of the strategic plan booklets.

IV. Facilities Task Force Update

- A. CCLCS votes
 - 1. Gary explained that all of the documents have been finished from architectural design point of view. The magic date to sign all financial papers is February 15th. If things go the way we expect, we would purchase the land that day, and the contractor begins work the first month or two or three. The completion date is still the summer of 2020 in

preparation for the 2020-21 school year. The only known hiccup is the government furlough possibly interfering the CLCS Realty Corporation's non-profit status, which is required in order to proceed with the financial closing. At some incremental legal expense, we are prepared to go ahead with the closing as a taxable entity and have the right, post-closing, to convert to a nonprofit status. We've previously voted on resolutions to buy the land, enter into financial transactions to enable the development etc. These additional resolutions contain more details and required by lenders.

- a) We would not recoup the incremental legal expenses but that they might be avoided if the IRS approval happens quickly enough. We must try to recapture these expenses from our consultants. The board discussion resulted in a request that Andres should work with Brad and Bob on this issue with the finance committee.
 - b) QALICB is a corporation that meets certain tax requirements under federal provisions and that we set up the CLCS Realty Corporation for that purpose. There's only one member in its by-laws and that is the CLCS Foundation. The Foundation has appointed 5 trustees. These 5 people will operate the entity that owns the building until the tax credits are paid off.
2. 1st resolution (see attached): Gary asked for a motion to approve. Martha moved. Brad seconded. Approved by unanimous vote.
 3. 2nd resolution (see attached): Gary asked for motion to approve. Lisa Wong motioned. Brad seconded. Approved by unanimous vote.
 4. 3rd resolution (see attached): In order to adopt a formal investment policy for any significant cash balances, we need written direction from the Board. Gary asked for a motion to approve. Martha Kleinman motioned, Kimberly seconded. Approved by unanimous vote.

5. 4th resolution (see attached): Gary explained that the last resolution is a set of approvals about who is authorized to sign and make modifications to the legal documents for the development project. Gary asked for a motion. Brad moved. Lynn seconded. Approved by unanimous vote.

V. Presentation on Charter Renewal

- A. Seth Racine presented an overview of Charter renewal process. On Feb. 12, the Board of Education approves our charter renewal. Seth outlined some of the considerations to take away from this including:

1. It is not DESE's role to give specific info on curriculum or teaching.
 - a) Nicole added that both of our key frameworks are things no one would know about. In thinking about El Sistema and EL learning, DESE reviewers sought guidance on things to look for; so, they don't provide specific feedback. As we are looking at the work, we're looking at building out a real detailed curriculum for K-8. We want to say these are the things that happen when you do music at this school for this many years and we don't just want to do it by grade level because some people come here later. We've also been thinking about having more students do composition, creativity, integration where that's applicable. There is also a great need to think about social justice and how we build agency in our students at such a young age. Teachers are beginning to see how we can connect those pieces.
2. Our lowest rating was access and equity which is a fairly new assessment for the state. We need to closely monitor percentages of ELL, economically disadvantaged, etc. for each incoming class and also for students who are leaving, in order to assure the enrollment is stable and meeting the charter requirements. Note: enrollment at BPS has been going down in the last 4 years by a pretty substantial rate (4%). Two

theories are that housing is a major city-wide issue, and that there is a decline in immigration.

3. The state introduced a new accountability system. We may want to think about what measures we want to look at for our students who stay with CLCS long term; how are we doing with proficiency? For students entering in later years, we may want to look at SGP (student growth percentile).
 - a) An “inclusive” school welcomes every student, but they might have different services.
 - b) The proficiency rate is the most nerve-wracking because even with exceptional student growth, its heartbreaking when a student is behind. The next piece is the students who aren’t making the growth we want to see. The section in the report around being rich in curriculum, that should be strengthened even more and we want to see that there are more service-learning opportunities.
 - c) We are seeing an increase in interest in Dorchester and Roxbury and in Uphams Corner in particular.

VI. Education Committee report: Study of Middle School options

- A. The education committee is creating a Middle School Task Force comprised of some CLCS and CAS board representatives, and faculty and staff representatives. On February 28th, at 10:30am the Task Force is going on a listening tour to study what other compelling middle school experiences would look like. Some of Linda’s students and CAS staff sat with Conservatory Lab students who are now at BAA to talk about how they define creativity and how they think Conservatory Lab can be improved. Some students pointed to their musical experience as their most creative experience, and some expressed wanting to be exposed to different art forms.

VII. Recruitment and Retention Task Force update:

- A. Seth provided an update on the work happening with the Recruitment and Retention Task Force. The Task Force met with a group last year (staff and resident artists) to try to create rules of compensation and set a benchmark. The task force also aided getting offer letters out early last year. This year, the Task Force went deeper into working conditions and crafted a survey that went out to all staff which resulted in a sense of budget priorities to consider for next year. The results showed that there was an emphasis for richer benefit packages. The Task Force continues to support early offer letters - by the end of February, 2019.

VIII. Committee Reports

A. Development Committee

1. Capital Campaign/Annual Fundraising update:

- a) Melanie Sheffield provided an update on the progress for the Annual Fund and stated that we are sliding a little off track if you look year to year of our progress. We need to be mindful of the Annual Fund in the midst of the Capital Campaign - so we are not taking away from that. The focus of the Dev. Committee outreach is about continuing to cultivate leadership giving with some of the donors.
- b) Rick added that we are about \$600,000 shy of our Capital Campaign goal of \$3.4 mm and that we have some asks that are still pending.

B. Finance Committee

- 1. Andres provided an update on financials for the school, stating that, for the end of December, our numbers look very positive and that it appears as though we may exceed our budget surplus goal. The goal for the full year is \$731,00; the year end forecast is for \$863,000. We are currently

working on first draft of the FY20 budget and will have to meet a minimum surplus of \$833,000; with the first draft we still have some work to do to (either cut expenses or raise revenue). The Finance Committee is also considering the Recruitment and Retention Task Force recommendations; our goal is to retain the services of our experienced staff. Andres hopes to have a final budget to present in May.

C. Governance committee

1. Martha provided an update on the Governance Committee's progress in thinking about new orientation materials for new trustees. The committee talked about providing one- or two-page summaries of things they need to know instead of a big notebook. In addition, the committee will provide them with links to other things they may be interested in. The committee will also be working on self-evaluation of the board this year. Every committee should also be submitting a mission statement to Zakiyyah if you haven't already. Martha invited everyone to consider if they know someone who'd be good for the board, and to let the governance committee know.

IX. Review and Discuss:

A. CLCS school reports

1. Linda mentioned that there are two flyers for the concert on Jan. 26th. The first concert is the youngest students and the 2nd is for the upper grades. Please let people know if you're going to bring people. This is an important part of what the school does.

B. CAS report as written.

Kay asked for motion to adjourn the meeting. Gary moved. Lynn seconded. All are in favor.

Meeting adjourned: 6:57pm.

Documents/Exhibits Used During Meeting

1. January 22, 2019 CLCS Board Meeting Agenda
2. October 23, 2018 CLCS Board Meeting Minutes
3. CLCS Resolutions regarding the Columbia Rd development
4. CLCS Summary of Review (by DESE)
5. CLCS Response to Summary of Review
6. Recruitment and Retention Task Force summary
7. CLCS votes
8. CLCS Foundation votes
9. CLCS QALICB votes
10. Capital Campaign update document
11. School Report
12. Development and Communications Report
13. CAS Report
14. January 26th Concert Flyers.

ATTACHED RESOLUTIONS:

**RESOLUTIONS ADOPTED BY THE BOARD OF TRUSTEES
OF
CONSERVATORY LAB CHARTER SCHOOL
January 22, 2019**

A meeting of Conservatory Lab Charter School (the “School”) was held on January 22, 2019 at 5:05 PM at the offices of the School in Dorchester, MA in accordance with the School’s By-Laws and the Open Meeting Law.

Katherine H. Sloan, Chair of the Board of the School (the “Board”), called the meeting to order and presided throughout the meeting. The Chair determined that 11 of the 17 trustees of the School, being a quorum of the Board for the conduct of business.

The following Trustees were present at the meeting: Kay Sloan, Kimberly Nelson, Katherine Pell, Lynn Cetrulo, Lisa Wong, Martha Kleinman, Gary Gut, Melanie Sheffield, Takiya Price, Erika Sanchez, Brad Richardson

1. THE PROPERTY, THE PROJECT AND THE FINANCING TRANSACTION

WHEREAS, the Board approved the acquisition by either the Conservatory Lab Charter School Foundation, Inc. (the “Foundation”) or CLCS Realty Corporation (the “QALICB”) of certain land and improvements with an address of 395-409 Columbia Road, Dorchester, Massachusetts (the “Property”) and the construction of a new facility on the Property (the “Project”) at the May 1, 2018 meeting of the Board as further detailed in certain resolutions approved by the Board (the “May Votes”);

WHEREAS, the Board approved the Financing Transaction (as defined in the May Votes) with respect to the financing of the Property and the Project;

WHEREAS, in connection with the Financing Transaction, the School intends to obtain a \$1,000,000 line of credit from Citizens Bank, N.A. (the “Line of Credit”) which Financing Transaction and Line of Credit will be evidenced and secured by certain loan documents, including, without limitation, Loan and Security Agreement, Continuing Covenants Agreement, Loan Agreement, Promissory Note, Guaranty Agreement, Bond Guaranty Agreement, Deposit Pledge Agreement, Leasehold Mortgage, Security Agreement and Fixture Filing, Collateral Assignment of Permits, Licenses and Contracts (Columbia Road), Collateral Assignment of Leases and Rents and Subordination Agreement (Hancock Street), Collateral Assignment of Permits, Licenses, Approvals and Contracts (Hancock Street), Environmental Compliance and Indemnity

Agreement, Guaranty of Performance and Completion, Community Benefits Agreement, New Markets Tax Credit Compliance Agreement, QALICB Indemnification Agreement, Charter School Agreement and Certification and guaranty agreement by Massachusetts Development Finance Agency (collectively the “Financing and Line of Credit Documents”);

WHEREAS, the QALICB has applied for its tax-exempt status to be reinstated by the Internal Revenue Service (the “IRS”) but due to the shutdown of the federal government that started on December 22, 2018 the QALICB has not received the reinstatement letter; and

WHEREAS, the bond portion of the Financing Transaction approved in the May Resolutions may close as taxable bonds that will convert to tax-exempt bonds (the “Convertible Bonds”) at such time as the QALICB receives its reinstatement of tax-exempt status from the IRS.

NOW, IT IS THEREFORE:

VOTED: That Board approves of the Financing Transaction and the Line of Credit and the School is authorized to execute and deliver the Financing and Line of Credit Documents to which it is a party.

VOTED: That the Board approves of the Convertible Bonds.

2. LEASE

WHEREAS, the School intends to enter into a lease (the “Lease”) with the QALICB with respect to property located at 395-409 Columbia Road, Boston, Massachusetts (the “QALICB Property”); and

WHEREAS, the School intends to amend its lease (the “Lease Amendment”) with the Foundation with respect to property located at 127, 131-133 Hancock Street, Boston, Massachusetts in connection with the Financing Transaction.

NOW, IT IS THEREFORE:

VOTED: That Board authorizes the School to lease the QALICB Property from the QALICB and to execute and deliver the Lease.

VOTED: That Board authorizes the School to execute and deliver the Lease Amendment.

3. INVESTMENT POLICY

WHEREAS, Citizens Bank, N.A., has requested the School to provide it with a copy of the School’s investment policy in connection with the Financing Transaction and Line of Credit.

NOW, IT IS THEREFORE:

VOTED: That the Board approves of the Investment Policy attached hereto as Exhibit A.

4. OMNIBUS RESOLUTIONS

VOTED: That the following persons holding the following positions are each hereby designated as an “Authorized Officer” (and collectively, the “Authorized Officers”):

<u>Name of Position</u>	<u>Name of Person</u>
Chair	Katherine (“Kay”) H. Sloan
Vice Chair	Martha Kleinman
Treasurer	Robert Grinberg

VOTED: That Authorized Officers are, and each of them, acting singly, hereby is authorized to sign, seal, make oath to, acknowledge, deliver and file any and all loan commitments, assignment and assumption agreements, purchase agreements, notices, term sheets, loan agreements, notes, pledges, indemnities, leases, contracts, assignments, agreements, guaranties, certificates, mortgages, security agreements, intercreditor agreements, documents, flow of funds memoranda and other instruments of every nature, which may be necessary or proper to consummate the transactions authorized by the May Votes and the foregoing votes, to otherwise acquire and/or enhance real estate owned or to be owned by the QALICB, the Foundation or the School, or which may be required by the Issuer, any lender and/or purchaser of taxable, tax exempt, tax credit or convertible bonds, in such form and containing such terms, provisions and conditions as any Authorized Officer may deem necessary, appropriate or convenient, in his or her sole discretion (including without limitation, changes to any amounts described herein).

VOTED: That Authorized Officers are, and each of them, acting singly, hereby is authorized to take such further action or to cause such further action to be taken, to make such determinations, and to provide such information to other parties and to make payments, as may be deemed by any Authorized Officer, in his or her sole discretion, to be necessary, appropriate or convenient to consummate the transactions authorized by the foregoing votes, to otherwise acquire and/or enhance real estate owned or to be owned by the QALICB, the Foundation or the School, and/or as may be required by the Issuer, any lender and/or purchaser of taxable, tax exempt, tax credit or convertible bonds.

VOTED: That the signature of any Authorized Officer shall be conclusive evidence of the approval of the form, of all of the terms, provisions, conditions, and

of the signing, execution, ensealing and delivery thereof for and in the name of, and on behalf of the School.

VOTED: To ratify, confirm and approve all actions taken by the Authorized Officers in connection with any and all of the transactions referred to in or contemplated by the foregoing resolutions.

Exhibit A

Conservatory Lab Charter School

Investment Policy

1/22/2019

Entities: This investment policy governs and reflects the policies, objectives, and constraints for capital campaign contributions to the Conservatory Lab Charter School ("CLCS").

Purpose: The investment policy is set forth by the Board of Trustees of CLCS to:

1. Establish a clear understanding for all involved parties of the investment goals and objectives for contributions to the CLCS Capital Campaign.
2. Manage assets according to prudent standards as required by Massachusetts law, including the Uniform Prudent Management of Institutional Funds Act.

Delegation of Authority: As fiduciaries, members of the Board of Trustees of CLCS (the "Board") are responsible for directing and monitoring the investment management of Campaign fund assets. As such, the Board is authorized to delegate certain responsibilities to staff and professional experts in various fields (each, an "Agent"), in accordance with law. These Agents include, but are not limited to the staff, portfolio managers, custodians, and other specialists as designated by the Board from time to time. These Agents are responsible and accountable for all investment decisions for the assets placed under their jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. The Board will not reserve any control over investment decisions, other than to establish guidelines and limitations as set forth in this statement.

Investment Guidelines: Until this policy is revised, CLCS will maintain its net capital campaign assets in cash and short- term cash equivalents to provide safety, liquidity, preservation of capital, and moderate return.

Allowable Assets

1. Cash Accounts
2. Cash Equivalents (Treasury Bills, Commercial Paper, Time Deposits, Bankers Acceptances, Certificates of Deposit)
3. Short term credit of investment grade quality
4. Any of the above in mutual fund structure

Prohibited Assets

CLCS shall only invest in the allowable assets listed above. Without limitation, CLCS shall be prohibited from investing in the following:

1. Commodities and Futures Contracts
2. Private Placements
3. Options
4. Limited Partnerships
5. Venture-Capital Investments
6. Investment Real Estate Properties
7. Equities – Common or Preferred
8. Derivatives excluding those already included in current real estate financings.

Ethics and Conflict of Interest: Board members and Agents shall disclose the existence of a material relationship with any individual with which business is conducted on behalf of CLCS