

MEETING MINUTES – June 25, 2015 11 a.m.

A meeting of the Board of Citizens of the World, Kansas City, was held on Thursday, June 25, 2015, at the Mindmixer conference room at

The meeting was called to order at 11:04 a.m. by the Chair, Luke Norris. Roll Call was taken and a quorum determined to be present before the meeting proceeded.

Present:

Luke Norris

Jacob Littrell

Brett Hembree

Kristen Ellis Johnson

Joy Van Hamilton

Others Present: Christian Cutter

Absent: Kaye Otten

Dr. Kristin Droege, Executive Director

Board Secretary, Kristen Ellis Johnson moved that the agenda be approved with no additions. The Board Chair seconded the motion and the agenda was approved. The Board Chair noted that the meeting will proceed as a formal board meeting following agreed upon procedures to comply with the Missouri Sunshine Laws.

General Communication and Report of the Executive Director

Due to the absence of the Executive Director, no report was given and the meeting proceeded to the next agenda item.

5. New Business

ACTION ITEMS:

a) Resolutions regarding Charter Application

Chair discussed the upcoming meeting with potential sponsor, the University of Missouri (MU), and the necessary document updates needed to seek sponsorship through MU. The items discussed included potential modifications to the term sheet, Articles of Incorporation (regarding dissolution of the organization), and the Licensing Agreement. It remains the Board's primary goal to seek sponsorship through MU, but should this not be possible, the Board has identified an alternative plan.

Chair also discussed the upcoming meetings with the Missouri Charter School Commission's Director, Robbyn Wahby, and the potential to pursue sponsorship directly through the Commission. It was noted that the Missouri Charter Commission is just recently appointed and is currently in the process of establishing their procedures, though Ms. Wahby is very experienced in charter development through her experience in St. Louis. The group discussed the difference in the regulatory requirements between the Commission (a government agency established under statute) and a University sponsor (subject to different regulations).

b) The Chair provided updates on discussion with CWCS Network:

1. Clarification to the Licensing Agreement regarding termination provisions. There appear to be two separate issues:

- a. Termination – can occur at any time, requires material breach
- b. Non-Renewal – At the time of automatic renewal, does not require material breach

The Board and CWCS have worked to clarify a definition of material breach by amending Section 6.1 of the Licensing Agreement, which paired with the renegotiation provisions of Section 9.3 “good faith discussions” provide for negotiation prior to renewal of the term of the agreement.

*No decision is required on this today – but there is general consensus that the suggested revisions provide an acceptable response to MU's requests.

2. Recommendations for establishing a Term Sheet. Mr. Hembree and Mr. Cutter presented a proposed term sheet for discussion. The term sheet provides further explanation of what services CWCS will provide to CWCKC and how would CWCKC can evaluate and measure the fulfillment of such services. The term sheet provides clarification of items listed in Exhibit A of the charter application, to provide clear deliverables from CWCS and flesh out the definition of “material breach” in the Licensing Agreement. Board suggestions were discussed regarding the level of specificity and the need to add frequency to objective items. General consensus that the proposed term sheet achieves the desired objectives, however, this item does not require formal vote.

3. Proposed Amendment to the Articles of Incorporation to incorporate the statutory requirements found in section 160.405.1(17). The full text of the suggested revision is provided below.

Text of Articles of Incorporation –

Suggested revision for dissolution provisions (returning assets to Missouri)

*Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation, including but not limited to any distributions of unobligated assets to the Missouri Department of Elementary and Secondary Education as may be required pursuant to section 160.405.1(17) of the Missouri Revised Statutes, shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for educational and charitable purposes benefiting residents of the State of Missouri and is recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code").

The board resolves that the Articles of Incorporation should be amended as above.

4. Strategy for moving forward with Mizzou –

The Board will return the suggested changes to MU and ask for further discussion regarding their suggestions to continue toward sponsorship and submission to DESE. Namely, the Board will demonstrate the services it will receive from CWCS through the term sheet and provide its suggested modifications to the Articles of Incorporation and the Licensing Agreement. There is general consensus between the KC Board and CWCS Network that there is no reason to change the sole member structure and appointment of board members since these are not legal issues, but rather appear to be a preference of MU. The Board is committed to delivering high quality education seats to the KC community in Fall 2016. We need MU to clarify its position on the Board's suggested revisions in the next few weeks to move forward in early August toward approving the charter application. The Chair suggests an August 15 deadline for MU's decision regarding sponsorship.

6. Finished Business

There is no finished business at this time for discussion.

7. Committee Reports

Pursuant to following sections of Revised Statutes of Missouri section 610.021 there was a closed session to discuss: (1) legal matters, litigation, privileged and privileged communications with attorneys pursuant to section 1; (2) real estate pursuant to section 2; (3) personnel pursuant to sections 3 and 13; or (4) sealed bids or proposals pursuant to subsection

12.

ACTION ITEMS: (CLOSED SESSION)

a) Executive Compensation

Unanimous approval of an executive compensation package for July 1, 2015 through June 30, 2016 – CWCKC will pay 90% of Executive Director's health benefits for the first year and any other employees hired before July 1, 2016. After that point the Board will seek a more comprehensive employee benefit plan for incoming staff.

a) Facilities Committee Update and Recommendations for Board Vote

The Facilities Committee agreed yesterday that it feels confident moving forward with IFF. The Committee had also explored local brokers to potentially assist, but its search though diligent was unsuccessful. The Committee remains open to potential partnership with EPF, KCSDP, or Turner-Agassi, which could occur in the future, but in a more limited role. IFF has estimated costs in the \$25,000-\$50,000 range, but it could possibly fall on the lower end of the range due to the Board's interest in a particular building.

1) Does the board feel comfortable with the facilities committee signing the contract before the sponsorship is settled? Yes, however, would need to be appropriately conditioned upon approval of sponsorship.

2) Services would be able to be paid in part by the grant that we received from Kauffman/Hall though there are some restrictions related to facilities – Network would cover at least the cost of the strategic plan – \$7,500.

Ms. Ellis Johnson moved to approve the recommendation to move forward and engage IFF related to their scope of services and associated fees up to \$10,000 to include Phase 1 services and any additional services not to exceed \$10,000 in 2015. The motion was seconded by Ms. Van Hamilton and approved by unanimous vote.

b) Board Recruitment –

The Chair has created a committee, constituted of Ms. Van Hamilton and Mr. Hembree, to provide assistance regarding the development of a Board Development strategy regarding timing and total number of Board members sought. Specific goals are to increase diversity and seek board members with experience in particular areas of expertise where there are currently gaps (e.g., financial assistance, legal assistance). The Chair

requests the committee develop and submit a plan by September.

c) Formal adoption of policies and procedures

The Chair has created a committee, constituted of Ms. Ellis Johnson and Ms. Otten, to provide assistance with establishing formal policies and procedures by August. The Chair suggests working with Dr. Droege and using model policies from the Missouri Charter School Association to meet this goal.

End of closed session.

NEXT MEETING:

11:30-1 pm July 20, August 17 – the Secretary will work to secure a conference room at the Kauffman Center for the meeting. Allowing an additional 90 minutes for on-boarding activity after the meeting from 11:30 – 2:30. CWCS will provide food.

Other items for general discussion:

*The Board agrees that the primary communication structure should flow through Dr. Droege and the Board Chair.

*CWCS requests a CWCKC Board development visit to its schools in Los Angeles, ideally to coincide with a National Board meeting.

*Ms. Van Hamilton discussed a potential change to the KCMO Earnings Tax that could negatively impact charter schools.

There being no additional business, the meeting was adjourned at 12:46 p.m.