

# The Renaissance

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Charter School

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## BOARD OF TRUSTEES

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Minutes of TRCS Board of Trustees

Meeting of December 2, 2015

## HONORARY MEMBERS

Hazel DuBois, Ph.D. 1937-2013

Hon. Rudolph Greco, Esq.

Meryl Thompson

Meeting convened at 6:50 PM

1. Chairperson's Welcome: Vice Chairperson, Monte Joffe, welcomed everyone on behalf of The Chairperson, Sandra Geyer, who was ill and sent her regards.
2. The Pledge of Allegiance was said.
3. Roll Call was taken: All board members were present except for Sandra Geyer and Margaret Martinez-DeLuca. Also present: Denise Hur, Director of Operations and Finance; Julia Cohen, School Counsel; David Ashenfarb and Joseph Albano, representing Schall and Ashenfarb, CPA; and Rachel Mandel, M.D., a candidate for The Board of Trustees of TRCS.
4. Minutes of October 7, 2015 BOT meeting were reviewed and approved, as amended.
5. The Certified Financial Report (CFR) FY2015 was reviewed by The Board with David Ashenfarb and Joseph Albano representing Schall and Ashenfarb, CPA.

Mr. Ashenfarb provided some background information regarding the preparation of the report. He stated that because we receive federal funding we are required to conduct a financial audit under circular A133. Schall and Ashenfarb, CPA, was enlisted to conduct that audit, which should have been conducted and submitted by March, 31 2014 by our previous CPAs.

*“Developing Leaders for the Renaissance of New York”*

In the process of conducting the A133 audit, some errors and omissions were found that are attributed to the practices of our former CPAs. These were corrected by redoing and revising the FY2014 certified financial audit and resolved in the FY2015 audit.

Board Member Chester Hicks asked if there were any consequences from the errors and omissions discovered in the June 30, 2014 audit. Mr. Ashenfarb stated that he did not think there would be any problems, and that, based on the submission of the June 30, 2015 audit, he did not anticipate any since all issues were resolved. He stated that the federal website for submission has been down since July and has been recently reactivated in November. We have until Jan. 31, 2016 to address any issues through automatic extensions, should they be brought to our attention after federal review.

Joseph Albano proceeded to conduct a review of the CFR FY2015 for The Board. Mr. Albano stated that the CFR gives an accurate picture of the fiscal state of the school. He directed the Board to look at page 3 of the CFR, which provides a snapshot of Liabilities and Net Assets.

At a glance, our liabilities are approximately \$1.8 million in accounts payable and accrued expenses, which is a higher number than we have seen in previous years, reflective of the accrual of staff salaries that must be reported at the end of the fiscal year. This number compared to \$2.1 million in cash and equivalents would leave about \$300,000 in liquidity, which he advised the Board to keep an eye on as part of our fiduciary responsibility to manage our school's cash reserves for the year. This number is fairly common for charter schools like ours.

Page 4 shows the profit and loss for the year. There is an operating deficit for the year of around \$400,000 since we are now accruing summer payroll and listing CAR (Cumulative Account Reserve) day liability. This is additionally impacted by the issues surrounding our per-pupil allocation since the funding formula has been frozen for years.

Mr. Hicks asked, "How does our deficit effect our day-to-day operations?" Ms. Gauthier responded that it doesn't impact us negatively at this time. However, some people and entities, including the UFT, have been taken the position that we have a surplus of cash reserves. This is not the case. We spend most of our money on programming to educate our students and delivering necessary services. Mr. Albano pointed out that this fact is reflected in the items on page 5 of the CFR, which can be used as a point of reference when addressing outside sources of concern regarding our financial status.

Ms. Cohen stated that the original charter school act requires that every charter school have enough in its reserve fund in the event that the school should close. This

money (\$75,000) is legally encumbered. Mr. Ashenfarb cited this item as restricted cash under Assets on Page 3 of the CFR. Ms. Gauthier commented that should our school be closed, our reserves would cover our legal payroll obligations for July and August including the pay-out of CAR days. That is why we should not see this money as a “surplus”.

Mr. Hicks commented that the presentation of the CFR made everything perfectly clear.

Mr. Ashenfarb invited The Board to provide any feedback necessary as we move into the fiscal year 2016 audit.

Ms. Gauthier revisited the shortfall in our per-pupil allocation with regard to the state funding formula. She stated that if the formula was “turned back on” we would see substantial increases in the coming years due to the increased expenditures of the NYC DOE.

This would make up for our shortfall. The combined advocacy efforts of the big charter support organizations, other charter schools, including the 5 conversion charter schools, are designed to get the formula corrected and turned back on in our favor. TRCS and two other conversion charter schools, Wildcat and Future Leaders’ Institute, are subject to contracts that were negotiated between the unions and The NYC Office of Labor Relations without regard to whether or not we would be able to meet our increasing financial obligations to our unionized employees under the current funding formula. We have estimated that TRCS is obligated to pay out \$3.7 million over the next 5 years. Additionally, we anticipate a possible 4.5% increase in our pension costs for employees by the end of this year with further increases expected annually.

Ms. Gauthier stated that the CFR was reviewed and approved by The Finance and Audit Committee, but requested that the Board ratify the committee’s approval.

Mr. Hicks made a motion to approve the CFR FY2015. The motion was seconded and approved.

Dr. Joffe asked if it would be necessary for the Finance and Audit Committee to meet at some point to plan for contingencies should there be any new developments with the budget from Albany.

Ms. Gauthier stated that there is always a need for contingency planning, but that any anticipated shortfall or windfall would not occur until between March and June of 2016. Presently, TRCS is working with a conservative fiscal mindset with regard to not hiring any additional personnel and retaining staff positions at their current level.

6. Report on Executive Compensation:

Ms. Gauthier stated that she was informed that she had been advised by Mr. Albano that a best accounting practice for charter schools is that there should be a record in our proceedings that the Board is informed of the executive compensation of our School Management Team. Other boards set their executive compensation, but, TRCS follows the CSA contract salary structure for three levels of administrators, inclusive of the Principal, Assistant Principals, and Education Administrators. These salaries vary depending on years of service in those positions. Mr. Albano clarified that we should have this discussion on an annual basis, at the end of each school year, for the public record.

Ms. Cohen clarified that it would be sufficient for the Board to have the discussion as described annually and that our executive compensation follows the CSA salary schedule.

7. School Management Team Report:

*Progress Towards Goals, Accountability Metrics*

Ms. Gauthier delivered the report on behalf of the SMT. She referred The Board to materials that were provided before the meeting and posted on the school's website, including our CFR, Annual Report, and School Survey Report.

Ms. Gauthier referred to the documents provided in the meeting packet:

- A. "Progress Towards Charter Goals Summary – Annual Report
- B. Renaissance Charter School – 2015-2019 Charter Goals/Progress Toward Goals 2015-2016

The reports show progress toward achieving prescribed goals from our last charter in a number of areas. It's important to note how we are performing on our new goals, as these are the metrics we will be judged on. When the State standardized tests changed, the DOE did not change the metrics, therefore few schools have reached 75% proficiency. The new goals are comparative. With these new goals we are at 94.4% goal completion. One of the places TRCS fell short is in ELA, which has been a topic for discussion at previous board meetings. There are two goals which we are not required to meet until year 4 of our charter, but given our 4.2 year renewal, we may want to question whether and how these goals are applicable.

We've performed quite well toward meeting our passing rate of 75% for students taking a Math Regents. We are at 67%, which compares very favorably to other schools in NYC.

We also have a high passing rate on the ELA Regents at 65%. However, this does not yet meet the new benchmark of 75%. Our rates drop to 47% passing when our students are held to a standard to achieve a score of 75 or higher on Regents Exams. Therefore, we have our work cut out for us to move to a higher passing rate on ELA

Regents. Additionally during the period of our charter renewal, RCT exams were eliminated, thus all students have to take the same exam, meaning that struggling students who would have passed the RCTs and not the standard Regents have no alternative other than taking and passing the Regents.

We've included Value-Added Goals and Mission-Centered Goals, toward which we are making great progress.

Ms. Gauthier concluded the report by stating that our response rate on our school-wide survey was remarkably high, at 90%. This year, the DOE included the survey results in their evaluation of our school. Their evaluation states that compared to District 30 schools, TRCS did not rate as well in overall survey results even though the numbers are high. Unfortunately, this comparison does not take into consideration the response rates of other schools (which are lower) compared to TRCS.

#### 8. Board Members New Business

A. Ms. Gauthier reported that The Friends of The Renaissance Charter School had officially launched, with an alumna, Connor McCoy, serving as its President. Ms. Gauthier reminded The Board that The Friends of Board is primarily a fund-raising component of The Board of Trustees of TRCS. Ms. Gauthier referred to the document entitled "The Friends of Renaissance Charter School", which included names and positions of board members and the bylaws.

A motion was made to approve the Bylaws of The Friends of The Renaissance Charter School, subject to review of past minutes, and a full review of those bylaws. The motion was seconded and passed unanimously.

An additional motion was made by Mr. Hicks to approve the members of The Friends of The Renaissance Charter School. The motion was seconded and passed unanimously.

B. Ms. Gauthier introduced Dr. Rachel Mandel, new board member candidate, whose resume was presented at the Board meeting. Dr. Mandel has met with Ms. Gauthier, Mr. Boyd, and Rebekah Oakes, Director of Development and Partnerships; and has toured the school. She was nominated as a candidate by Justin Ginsburgh, a former board member.

Ms. Mandel introduced herself. She first learned about our school and the vacancy on our board from Mr. Ginsburgh. She works with Mr. Ginsburgh's wife at Bellevue Hospital, where Dr. Mandel works as a child psychiatrist in a specially designated section of the emergency room dedicated to children's

psychiatric emergencies. She believes that she can be an asset to the Board based on her expertise in areas of children's mental health, special education, and her desire to be of service outside of the hospital, especially in a school setting.

Ms. Gauthier added that TRCS is presently working under two grants directly related to mental health, Project Aware and a secondary age Counseling Grant. Having someone in these areas of expertise on our board would be an asset. Additionally, we are aligned with The Mayor's and The First Lady's (of NYC) initiatives on mental health and have garnered interest in The Mayor's office regarding our initiatives.

Dr. Joffe asked Dr. Mandel to share her personal pre-college educational experience. Dr. Mandel stated that she attended a Math and Science magnet school which shaped her philosophy regarding how schools prepare students to undertake academic and career challenges.

Mr. Hicks asked Dr. Mandel about her projected commitment to our school, if she were to be elected as a trustee. Dr. Mandel reiterated her desire to be of service to a school like ours and that she was impressed with our commitment to excellence in education.

Dr. Joffe shared his observation about some of the challenges that our students face with mounting expectations at home, in school, and in the society at large. He has observed that a large portion of our students come from homes of first generation Americans, many of whom have not gone to college. Quite a few of our students face emotional and psychological challenges which have an impact on their academic performance. Notably, many of our students who might perform well academically, are underachievers when it comes to their results on the SAT. Dr. Joffe asked Dr. Mandel if she could share some of her insights with regard to his observations.

Dr. Mandel shared that in her experience, the question as to why certain students excel and others do not is ongoing. Certainly, it has been widely accepted that some of the traditional standardized tests, e.g. the SAT, are racially and socially biased, impacted negatively on some immigrant populations.

Dr. Joffe asked Dr. Mandel if she had any questions for The Board. Dr. Mandel had no further questions.

Mr. Johnson asked if Dr. Mandel's interest in our school was piqued because we are a K-12 model. Dr. Mandel said that, yes that is one of the aspects that makes our school attractive to her, as well as the addition of our Pre-K program.

Mr. Boyd asked Dr. Mandel about her impressions of our school based on her tour during a school day. Dr. Mandel stated that she was impressed with our

open classrooms, relative order in the school, attentiveness to teaching and learning, and its relatively small size compared to other schools she has experienced.

Mr. Hicks asked Dr. Mandel if she had observed an increase in children presenting with mental disorders in recent years. Dr. Mandel stated that there may not have necessarily been an increase, but there may be more diagnostic tools and information that have made it possible to identify mental illness and distress in children with more specificity.

9. Public Speaking – None
10. Adjournment of Public Session - Mr. Boyd made a motion to adjourn the public session. The motion was seconded and passed unanimously. Adjournment of Public Session at 7:52PM.
11. The Board went into Executive Session.
12. The Board voted unanimously to approve Dr. Mandel’s candidacy as a board trustee. The Board granted Ms. Gauthier the authority to submit all required documents regarding Dr. Mandel to the NYC DOE for their review and final approval of her candidacy to the Board.