

The Chicago High School for the Arts  
Board of Directors Meeting  
**The Chicago High School for the Arts, 521 E. 35th Street, Chicago, Illinois**

### **Minutes for March 24, 2014**

**Present:** Duffie Adelson, Joo Boe, Jackie Bratland, Marge Collens, Michelle Esfahani, Francia Harrington, John H. Hart, Julie Hurvis, James Mabie, Kay Mabie, Sylvia Neil, Charles Slamar, and Steve Solomon; with Sandra Guthman and Betsy Holden by telephone.

**Absent:** James Alexander, Sarah Bader, Elissa Efroymsen, Sondra Berman Epstein, Jay Franke, Ron Grais, Mirja Haffner, Ramsey Lewis, Terry Mazany, Susan McKeever, Zarin Mehta, Ralph W. Rydholm, Pam Strobel, and Neal Zucker.

**Others Present:** Daniel Abdalla, Jose Ochoa, Jessica Ramirez, Doug Ray, and Carrie Stewart.

**Quorum: Yes** (1/3 required to conduct business, but not majority required to new board members or amend the by laws).

This meeting of the Board of Directors of The Chicago High School for the Arts (“ChiArts”) was held pursuant to Call & Notice served on all Directors, a copy of which is attached to these minutes. Board Chair, Marge Collens (“Marge”) called the meeting to order at 3:00 p.m. She conducted the meeting in accordance with the agenda, a copy of which is attached to these minutes.

### **Approval of the February 5, 2014 Minutes**

Kay Mabie (“Kay”) moved to approve the February 5, 2014 board meeting minutes. Francia Harrington (“Francee”) seconded. The board unanimously approved.

### **Finance Committee Report**

Joo Boe (“Joo”) thanked the finance committee, Doug Ray and Jose Ochoa (“Jose”) for their extra hours to ensure that the financial statements and reporting were timely. Through consultation with Carrie Stewart of Afton Partners, a new reporting template was created to include a narrative for finance and development dashboards, as well as a balance sheet and income statement. Spreadsheets are still available upon request.

Currently, we have a cash operating balance of \$292,000 and The Elizabeth Morse Genius Working Capital Fund (“The Fund”) is fully funded with a balance of \$900,000. However, we anticipate borrowing from The Fund for the last month of the school year since payments from Chicago Public Schools (“CPS”) are collected after the close of our fiscal year.

Net income year to date through February 29 is <\$400,000> due to the quarterly CPS Base Allocation received in January for the third quarter ending March 31. Nevertheless, based on projections through year-end we expect to have sufficient net income to repay this year’s budgeted portion of last year’s deficit.

Conservative estimates project a year-end shortfall in revenue of \$350,000. This is expected primarily as a result of the following: (a) Special Education reimbursement was under budget by \$130,000 due to vacant positions and the timing of the fourth quarter payment; and (b) projected shortfalls of \$70,000 in Individual, Board, and Chairman’s Fund gifts and \$75,000 in corporations and foundations, including a \$100,000 foundation grant that was anticipated, but will not be received.

Joo also highlighted that one of the key negative expense variances was the CPS increase in the facility fee after our annual budget had been approved. Jose cautioned the board that the facility fee would likely change again next year because of the upcoming move and that it, most likely, would not be announced until next January.

Carrie Stewart summarized a recommended financial improvement plan for ChiArts. The plan works toward more timely and accurate financial statements by targeting board governance, financial reporting, staffing, and policy. Among its recommendations:

- The finance committee should hold scripted monthly meetings and follow the new reporting format that has been implemented.
- Three full time staff members are needed for finance and accounting.
- The Fiscal Policy Manual should be rewritten with a focus on payroll and procurement.

The plan requires formal approval by the board and submission to CPS. Betsy Holden (“Betsy”) suggested that the plan should be amended to include a benchmark to review the preliminary budget in April after financial information becomes available rather than in March as provided in the plan. After discussion, it was decided to defer this suggestion.

Jim Mabie (“Jim”) moved to approve the recommended financial improvement plan and submit it to CPS. Francee seconded. The board unanimously approved.

Joo also advised the board that the committee is looking for a new auditor and has two upcoming audits scheduled. Due to the upcoming facility change, the committee is being proactive in trying to schedule the audits after the move.

#### **Other Committee Reports**

- **Facilities**

Marge and Jose both expressed their gratitude to Sarah Bader (“Sarah”) for her assistance with the upcoming facility move. Sarah’s firm, Gensler, has been assisting with a number of projects, including design elements and the donor wall.

Jose summarized the two parts of the facilities move: The first involves approval from the City of Chicago. To assist in this regard, ChiArts created a community engagement plan. Alderman Roberto Maldonado of the 26th ward and the Humboldt Park community have been supportive of the move. An Open House is anticipated after the move has been completed.

The second part involves design and amenities. Currently the project is out to bid and includes 9 dance studios, 9 visual arts studios, an art gallery, an improved auditorium, a gymnasium, more administrative spaces, a library, and other amenities.

The move is scheduled for June 13.

Sandra Guthman (“Sandy”) suggested that ChiArts compile a wish list of needs related to the new building and hold a fundraising event under the auspices of a “shower” or housewarming celebration.

- **Board Affairs**

Charles Slamar proposed an amendment to the by-laws that would increase the range of board members from 25-30 to 28-33.

Pending the adoption of this amendment, Marge proposed the following for election to the board: Warren Chapman, Alan Jagiello, and Shruti Jayaraman.

However, since the required quorum was not present, both of these matters will be deferred.

- **Program Excellence**

Duffie Adelson reported that Jay Franke has replaced Zarin Mehta as a member of the Committee. The committee is continuing to review college data of the Class of 2013 and is working toward a template for arts evaluation based on input from conservatory heads and the model developed by the Accrediting Commission for Community and Precollegiate Arts Schools.

- **Constituent Communication**

Kay reported that due to the rise in student enrollment, activity, and achievements, the number of newsletters published throughout the year has been increased from 5 to 9. The newsletters are shorter and include hyperlinks to external sources that provide further information on the content.

- **Development**

Sandy reported that the development dashboard now correlates with the finance report so that data from both committees link together.

The development committee is working to move existing Chairman's Fund donors to the Major Donor level.

ChiArts has been designated as the beneficiary for the Skender Foundation's "Summer Eclipse" event on June 17<sup>th</sup>. In addition, Skender is sharing "Kerfuffle!" invitations with its board. Sandy thanked Jim and Sarah for making this connection.

- **"Kerfuffle!"**

Francee reported that invitations have been mailed for this third annual gala, taking place May 7 at The Museum of Contemporary Art. Our four Arts Partner All Stars this year are The Art Institute of Chicago, The Joffrey Ballet, Ravinia Festival, and Steppenwolf Theatre Company. Over 300 guests are expected and this year's goal is \$330,000.

- **Parents' Report**

Jackie Bratland and Michelle Esfahani reported that The Parents Support Organization has generated \$20,000 through a combination of donations and merchandise sales. Although parent opinions on the upcoming facility move have been generally positive, a major concern is transportation to and from the building. A meeting with the ChiArts staff is scheduled to address concerns about the new building.

### **Executive Director's Report**

Jose reported that Carol Friedman has accepted the position of part-time Interim Principal. In addition to teacher evaluations, she will assist with the on-going Principal search.

CPS has approved ChiArts' contract renewal for five years.

This fall, CPS will inaugurate School Quality Rating Policy for evaluating school performance. Assistant Principal Gia Orr has been working to ensure that ChiArts is prepared for the upcoming change in policy.

Jose expects 2% of our students will not return to ChiArts due to the facilities move, and a slightly larger number of students will not return for other reasons. Although there is data on five years of enrollment, changes in location and the dramatic differences from year to year have skewed meaningful conclusions and projections. At this time in the school year, there are usually 100-110 students confirmed for the next year. This year, there are 160 students from all 50 wards confirmed for the 2014-15 school year.

**Public Comment**

None

There being no further business, Kay moved to adjourn, Betsy seconded, and the board unanimously approved. Marge adjourned the meeting at 5:00PM.

Respectfully Submitted,

Charles Slamar

Secretary