

North Davis Preparatory Academy Electronic Board Meeting Minutes Wednesday, March 25, 2020



Zoom Meeting: <https://zoom.us/j/875485918>

Mobile Number: +1-346-248-7799

Meeting ID: 875 485 918

This meeting of the board of directors will be held via Zoom. Members of the public will be accommodated using the information provided. [Allowable Under: Executive Order Suspending the Enforcement of Provisions of Utah Code §§ 52-4-202 and 52-4-207, and Related State Agency Orders, Rules, and Regulations, Due to Infectious Disease COVID-19 Novel Coronavirus]

In Attendance: Monte Poll, Dale Pfister, Rita Brock, Maggie Arave, Clint Heiner

Others in Attendance: Cole Arnold, Dawn Kawaguchi, Trent Brown, Brad Taylor, Ryan Robinson, David Robertson

VISION:

North Davis Preparatory Academy students develop a love of learning, experience high academic achievement, and enjoy high bi-literate proficiency.

BOARD CONSTITUTION:

- ★ We will Govern, not Manage. We will set the direction and goals for the school, but we will not micromanage the day to day administration of the school.
- ★ We will speak with "One Voice". We will recognize that our authority is only valid as a group and not as individuals. We will not use our position on the Board to promote our own personal agendas.
- ★ We will make the Spanish language a key element of our school.
- ★ We will make decisions that will keep NDPA financially stable.
- ★ We will review our Charter before making any dramatic changes to school policy.

MINUTES

6:02 PM – INTRODUCTORY ITEMS

- Welcome and Introductions – Monte Poll
- Pledge of Allegiance – Ryan
- School Vision – Dale
- Board Constitution – Maggie

There was no PUBLIC COMMENT. *This was the second public viewing of the proposed 2020-2021 school fee schedule and the amended Fee Waiver Policy.*

- 2020-2021 School Fee Schedule – Ryan reviewed the fee schedule for 2020-2021. This is designed to show the maximum amount of possible fees for the school year. It also shows

NOTE: Times on this agenda are estimated as a courtesy only. Actual times may vary.

In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call Dawn Kawaguchi at (801) 444-9378 to make appropriate arrangements.

what the fee is going to be used to pay for (spend plan). The Spain Trip is included in the fee schedule. Any fee included on this schedule is fee waivable. This schedule is intended to be very transparent on all expected fees that parents could possibly expect to pay.

- *Amended Fee Waiver Policy* – Ryan reviewed the amended Fee Waiver Policy. Due to legislative changes, we have an updated fee waiver policy and the fee schedule corresponds to the policy. Any curricular fee is waivable which means anything to be NDPA sponsored would fall under curricular.

REPORTS

➤ Administration

- *State of the School* – Ryan Robinson
 - ✓ **Update on Elementary Renovation** – Ryan updated the board on the elementary renovation project. We have postponed the pavilion. We have decided the retrofit all lights and lighting fixtures for LED in the elementary. Once that is done then we should be able to wrap up that project. The cost for the LED retrofit will not exceed the amount of what is left on the project.
 - ✓ **Update Exhibit A** – The last communication that Ryan has received was a just before the school dismissal. They have had a couple of changes at the state who work on this so it's been quite a long process. As of now there is no change.

➤ Board of Directors

- *Building Finance Update* – Monte Poll stated that he met with David Robertson, a financial advisor, along with Cole and Trent to discuss the school's refinancing options. The school can potentially refinance the current bonds as soon as this summer. Brad Taylor reviewed the background of the school financing of their buildings. The board has the option to refinance after ten years which will be July 15. For every 1% that we can save in interest saves the school about \$130k a year that goes back into the school. Brad informed the board that David is one of the two approved advisors for Utah that is allowed to represent charter schools in these types of transactions. If the board is interested in refinancing, then they would approve to engage him today to represent the school to find the best options for the school. Brad introduced David Robertson from Lewis Young Robertson & Burningham. He reviewed the school's current bond status. The school is in a great position and has several options that the board can choose from. He reviewed his three recommended options.
 - ✓ **Direct Purchase** – This disseminates term sheet to banks for a single purchaser.
 - ★ PROS: Typically, lower cost of issuance which can be faster and there is no rating required
 - ★ CONS: Typically interest rate is higher and shorter amortization period and may require 20-30% equity.
 - ✓ **Public Offering** – This is what you currently have. You would go through an underwriter and offer bonds to the public market.

NOTE: Times on this agenda are estimated as a courtesy only. Actual times may vary.

In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call Dawn Kawaguchi at (801) 444-9378 to make appropriate arrangements.

- ★ PROS: Typically, the lowest available interest rate and they fund 100% of the transaction.
- ★ CONS: Higher cost of issuance and takes the longest because you have to work through the Utah Financing Authority to qualify for their credit enhancement and there is a rating required
- ✓ **Direct Loan** – This is a loan rather than a bond offering.
 - ★ PROS: Lower cost of issuance typically no DSRF, good interest rates with flexible call features.
 - ★ CONS: Lengthy process with less certainty of outcome and may still require a rating and you may not qualify (CDU)

David reviewed the rates since the rollercoaster of the coronavirus. He also reviewed the indicative metrics of potential refunding scenarios. Even though we need to wait for a couple of weeks to see what happens with the market, there is still a lot of work that can be done to prepare for the refinance. David briefly reviewed the next steps depending on which route the board decided to go. David also stated that his company has done over 60% of the funding for charter schools over the last five years. Brad reviewed the net present value savings and why that's important. Brad also reviewed the agreement with LYRB. Brad also added that David needs to bring back a viable plan to the school to be able to collect the agreed upon fee.

- Financial Review – Dale Pfister asked Cole to do a two-minute recap of the financials. Cole reviewed the statement of financial position as of February 29. The cash balance has only gone down by about \$26k even with the big elementary renovation project. He also reviewed the statement of activities as of February 29. Nothing that stands out here.

CONSENT ITEMS

- New Hires
 - McKendra Barboan – TA replacing Luigi Falquez
 - Debra Denning – Moved to counselor intern at Jr High
 - Jamie Stansfield – Head Coach boys' volleyball
 - Travis Nicholson – Asst Coach boys' volleyball
- February 5, 2020 Board Meeting Minutes

Monte Poll made a motion to approve the CONSENT ITEMS. The votes were as follows:

Monte Poll – Aye

Maggie Arave – Aye

Dale Pfister – Aye

Rita Brock – Aye

Clint Heiner – Aye

Motion passed unanimously.

BUSINESS ITEMS (To Be Voted Upon During Board Meeting)

NOTE: Times on this agenda are estimated as a courtesy only. Actual times may vary.

In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call Dawn Kawaguchi at (801) 444-9378 to make appropriate arrangements.

- *Discuss and Vote on Financial Consulting Services* – There was no further discussion. See “Building Finance Update” discussion above. **Monte Poll made a motion to approve the engagement of Lewis Young Robertson & Burningham as Financial Advisor to the school, and to appoint a Building Refinance Committee of two board members (Monte Poll and Maggie Arave) as well as allow the Board President to sign on behalf of the school. The votes were as follows:**

Dale Pfister – Aye
Monte Poll – Aye
Rita Brock – Aye
Maggie Arave – Aye
Clint Heiner – Aye

Motion passed unanimously.

- *Discuss and Vote on Audit Engagement Letters* – Cole Arnold stated that we are doing these a little early this year. AW sent this out to bid this year and Eide Bailly came in much lower. Also, this year they will be sending the letter electronically through DocuSign. There are sample letters included in this packet. Brad reviewed the RFP process and how Eide Bailly has come in 40% lower than the Squire. **Monte Poll made a motion to approve the engagement of services provided by Eide Bailly for the year ending June 30, 2020 and allow the Board President to sign on behalf of the school. The votes were as follows:**

Monte Poll – Aye
Maggie Arave – Aye
Rita Brock – Aye
Dale Pfister – Aye
Clint Heiner – Aye

Motion passed unanimously.

- *Discuss and Vote on the 2020-2021 SLT Plan* – Ryan Robinson reviewed the 2020-2021 School LAND Trust plan. The committee has voted on the plan. It was decided a few years ago that we spend all the money on technology. We have received approximately \$125k this year. The money is spent on a rotating plan to replace student labs and staff computers. We also use the money to pay for salary and benefits on our IT person. **Monte Poll made a motion to approve the 2020-2021 School LAND Trust Plan. The votes were as follows:**

Monte Poll – Aye
Maggie Arave – Aye
Rita Brock – Aye
Dale Pfister – Aye
Clint Heiner – Aye

Motion passed unanimously.

- *Discuss and Vote on the 2020-2021 School Fee Schedule* – There was no further discussion. See Public Comment for discussion. **Monte Poll made a motion to approve the 2020-2021 School Fee Schedule. The votes were as follows:**

Monte Poll – Aye
Maggie Arave – Aye

NOTE: Times on this agenda are estimated as a courtesy only. Actual times may vary.

Rita Brock – Aye
Dale Pfister – Aye
Clint Heiner – Aye

Motion passed unanimously.

- *Discuss and Vote on the Amended Fee Waiver Policy* – There was no further discussion. See Public Comment for discussion. **Monte Poll made a motion to approve the amended Fee Waiver Policy. The votes were as follows:**

Monte Poll – Aye
Maggie Arave – Aye
Rita Brock – Aye
Dale Pfister – Aye
Clint Heiner – Aye

Motion passed unanimously.

Ryan wanted to update the board on the “Grab n Go” lunches that food services. LaRetta is currently serving about 120 students daily instead of 500-550 students so that may catch up with the budget. Ryan also updated the board on the Spain trip that was canceled. Deposits have been made so we haven’t refunded money. We would still like to take the trip (if possible) later. He may need more guidance from the board. The last issue that that Ryan brought up is that their Spaniards will want to return home at some point.

OTHER BUSINESS ITEMS (Items for Discussion Only)

- **Calendaring Items – Monte Poll**
- Electronic Board Meeting – May 6th @ 9 a.m. (if needed)
 - June PreBoard Meeting – May 12th @ 1 p.m.
 - Annual Board Meeting – June 3rd @ 5 p.m.
 - UAPCS Conference – June 9-10 @ Davis Conference Center
 - ✓ Registration not open yet but let Dawn know if you want to attend
 - National Charter School Convention – June 21-24 in Orlando
 - ✓ Forward all emails to Dawn

7:24 PM – Monte Poll made a motion to enter into a CLOSED SESSION to discuss the character, professional competence, or physical or mental health of an individual pursuant to Utah Code 52-4-205(1)(a) electronically on Zoom. The votes were as follows:

Monte Poll – Aye
Maggie Arave – Aye
Rita Brock – Aye
Dale Pfister – Aye
Clint Heiner – Aye

Motion passed unanimously.

7:51 PM – Monte Poll made a motion to exit the CLOSED SESSION and ADJOURN. Motion passed unanimously.

NOTE: Times on this agenda are estimated as a courtesy only. Actual times may vary.

In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call Dawn Kawaguchi at (801) 444-9378 to make appropriate arrangements.