



Minutes
Providence Hall - Board of Trustees Meeting
Thursday, November 1, 2012

Meeting called to order by ROBB ENGER at 6:03 pm:

ROLL CALL:

Board of Trustees members present: Robb Enger, Sonya Peterson, Alicia Calapp, Melanie Kingdon, James Barker, Laurie Compton. Alicia Hansen will be late.

Others Present: *Erin Preston, Jodi Lusty, Kathy Davis, Lynn Roux, Jim Freeland, Shannon Singleton, Kathy Watson, Kelly Mattingly, Erica Hancock, Max Meyer, Chantel Olsen, Kortney Wadsworth, Julia Critchfield, Paige Harrawood.*

PUBLIC COMMENT: *None Submitted.*

Parent, Jared Tolman – asked about the high school time frame. Erin Preston reports that PH will have 10th grade next year with portables. 11th-12th grades will be added in 2014. Land is not yet purchased, but a Letter of Intent for the land has been drawn up. Gun range – Erin went to range with Jim Freeland. Observed from the jr high, you can hear the guns, but it sounded like nails from construction. They went to the land. It is in a true bowl in the hill. Gun range is against the hill. Shots will hit definitely hit dirt. Cannot see either school from the gun range. This is about a mile away from the elementary school. Many guns were at the range when it was observed. Will be a small range. Most of city council, city planning and zoning and city manager were at the range as well. Board's recommendation is moved to next month.

2nd GRADE UPDATE:

One choice and beyond – IB unit. Central idea is individuals and communities are affected by the choices people make. Classes talked about choices and how choices affect us and others around them. Lines of inquiry...our choices affect ourselves, our choices affect our school, our choices affect the community, and our choices can affect the state or the nation, as well. Activity – collect and donate toys to take to the Ronald McDonald house. Students are excited about this idea. Had lesson on respecting our school. Definition – to clean up after ourselves to help us respect our school. Students are picking up garbage from the playground. Students are also making good choices in the hallway. If not, the student goes back to fix it.

ROBB ENGER:

Item of Discussion: *Follow Up Questions and Comments from Previous Meeting*

Sonya would like to see the names more specific, including last name, especially when there are members with the same first name. Take out "(more info needed)" on submitted minutes. Alicia Hansen asks if Erin was able to get in touch with Mike Marshall. She stated she did not get a definitive answer from him and Erin will follow up and get back to board. No further questions or discussion.

Item of Discussion: Approval of October BOT Minutes

MOTION BY SONYA PETERSON TO APPROVE THE OCTOBER BOT MINUTES WITH THE EXCEPTION THAT WE NEED TO MAKE AN ADDITION ON JODI LUSTY/ERICA NUTTALL, MORE INFO NEEDED HERE. 2ND BY JAMES BARKER. VOTE IS UNANIMOUS IN FAVOR.

SHANNON SINGLETON / MAX MEYER:

Item of Discussion: Squire will be presenting audited financial statements Paul Winword and Stephen Olsen. Gave brief overview of audit. How are the financials and what is the result of the work we have done. They are hired to evaluate management. Financial statements have 3 reports...Independent Auditors Report; says that the financial statements presented are fair. Clean opinion or unqualified opinion. State of Utah requires that all government entities be issued this. Audit is required by state law. Performed under regular and government auditing standards. Look at the numbers, internal controls and compliance issues in relation to how the government standards are written. Also identifies there are not any deficiencies they will be reporting to any oversight agencies and nothing out of compliance. State compliance – no issues to report to state. They are issuing clean opinions, no finings and no deficiencies. Issued Max Meyer a passing grade. Robb asks if any fraud was determined. Paul stated they did not come across any indications of fraud in the work they performed.

BRANDING COMMITTEE:

Item of Discussion: Branding next step presentation by Saxton Horne Erin Preston hands out packet to the board. Will decide on 1 for letterhead and 1 for shirts. Erin points out the two that were picked for monograms and embroidering and the one that was most chosen for a crest. BOT discusses the different choices. Consensus from last board meeting was to get a letterhead and an image to embroider on shirts in time for the holiday. Logo/letterhead - Robb Enger suggests replacing the lantern with a globe. Board likes the idea of the pillars. Put PATRIOTS on banner. Take out 2nd Providence Hall Charter School and replace with think, communicate, act. Board recommends going darker on the red and blue colors. Will send back for another finalization draft. Approve via email. Embroidery options...1. Circle, shield and PH. 2. Shield, PH. 3. Circle, PH. Decision: Sporty logos – shield, ph. More formal – circle, shield, ph.

SONYA PETERSON:

*Item of Discussion: Lunch Policy Finalization
Sonya made changes per BOT. No official vote was recorded in minutes.*

MOTION BY ALICIA HANSEN TO APPROVE THE PROVIDENCE HALL SCHOOL LUNCH POLICY AND PROCEDURE AS PRESENTED IN THE BOARD PACKET. 2ND BY LAURIE COMPTON. VOTE IS UNANIMOUS IN FAVOR.

ERIN PRESTON:

*Item of Discussion: Bond Financing – Approval Needed from Financing Authority
Board needs to pass a very specific authorization to finalize the USDA loan. We will have a fair amount of cash that will need to be used to finalize the loan; \$250,000 of our own money gets put into the loan straight off the top which will draw down against the 9.4 million. Will also have to put in another \$140,000 which goes towards the remainder for the full kitchen and 4 classroom additions from the original 400. The outcome on that is because we are getting such a good interest rate we will be cutting off \$32,000/month from day one from what is being paid on the lease right now and will continue to reduce over the years. 3 categories of money... USDA guarantee (3.5%), loan with a consortium of lenders backed by a cross collateralized note on the*

elementary with the original set of lenders (4.2%), and Taxable Placement Bond (variable 7%). Hoping to close the end of November.

MOTION BY LAURIE COMPTON TO AUTHORIZE A RESOLUTION AUTHORIZING THE SALE BY PROVIDENCE HALL OF ITS (1) \$2,520,000 SENIOR SECURED TAXABLE PRIVATE PLACEMENT BONDS, SERIES 2012A (USDA GUARANTEED), (2) \$280,000 SENIOR SECURED TAXABLE PRIVATE PLACEMENT BONDS, SERIES 2012B (NON USDA GUARANTEED), AND (3) \$6,835,000 PROMISSORY NOTE TO FINANCE THE PURCHASE OF JUNIOR HIGH CHARTER SCHOOL FACILITIES; AUTHORIZING THE EXECUTION OF A TRUST INDENTURE FOR THE SERIES 2012A AND 2012B BONDS, DEEDS OF TRUST WITH AGCREDIT AND USDA AND A PARITY DEED OF TRUST AND ALL OTHER DOCUMENTS AND ACTIONS NECESSARY FOR THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; RATIFYING ALL ACTIONS TAKEN WITH RESPECT TO THESE TRANSACTIONS; AND RELATED MATTERS. 2ND BY SONYA PETERSON. VOTE BY MEMBERS: ALICIA HANSEN - AYE, SONYA PETERSON - AYE, LAURIE COMPTON - AYE, MELANIE KINGDON - AYE, ALICIA CALAPP - AYE, JAMES BARKER –AYE. VOTE IS UNANIMOUS IN FAVOR.

Item of Discussion: Investment Policy Related to 401K

**Selection of Co-Trustee for 401K Account (or discussion of whether this is necessary)*

Erin Preston held an investment meeting on September 10th with Shannon Singleton, Melanie Kingdon, and from Spectra Management is Brent Bennett and Steve Ballantyne. The board needs to designate a trustee on this. There was an immediate need to pass some of these things Erin Preston acted as the temporary trustee pending the board's ratification or selection. Risk management covers fidelity coverage or employee theft for all employees of the school, including board members. Risk Management does not cover you if you have the authority to dispense funds; anyone on the checking account. Fidelity Bond in place to cover 3 Board of Trustees members. Arriser requires there is a fidelity bond on the retirement plan; already in place - \$90,000 in coverage. Erin has been a trustee as a previous board member. BOT member can be a trustee if they are on the bank account. Shannon Singleton remarks that the Trustee and the Retirement Plan Committee would perform different roles. Shannon and Spectra recommends any board members be on the committee. Erin would like to remain as a trustee. Laurie Compton and Sonya Peterson recommend that Erin Preston remain the trustee.

MOTION BY LAURIE COMPTON TO ADOPT THE INVESTMENT POLICY STATEMENT CONTAINED IN THE MINUTES AS THE INVESTMENT POLICY FOR THE PROVIDENCE HALL RETIREMENT PLAN FOR THE 2012-2013 SCHOOL YEAR. 2ND BY ALICIA HANSEN. VOTE IS UNANIMOUS IN FAVOR. SONYA PETERSON AND ALICIA CALAPP STEPPED OUT OF THE ROOM.

MOTION BY LAURIE COMPTON THAT ERIN PRESTON BE APPOINTED THE TRUSTEE OF THE PROVIDENCE HALL RETIRMENT PLAN FOR THE ONGOING OVERSIGHT OF OUR PLAN INVESTORS. 2ND BY ALICIA HANSEN. VOTE IS UNANIMOUS IN FAVOR. SONYA PETERSON AND ALICIA CALAPP STEPPED OUT OF THE ROOM.

Item of Discussion: Engaging with Van Alfen's for High School Financing Now

Erin Preston would like the board to authorize her to engage now, to assist in getting the high school approval and at their full rate. 1% fee for high school. Added item #14 to contract which reads "Assist Providence Hall in negotiations with the consortium of lenders and USDA guarantors who currently oversee the debt associated with the elementary and jr high financing. Specifically, Providence Financial will assist in negotiating a modification the covenants of the elementary and jr high loans necessary for Providence Hall to incur the additional debt of a high school expansion". Sole provider; uniquely qualified, therefore no RFP is needed. Erin asks the board to consider entering into a contract with Providence Financial or authorize her to enter into the contract that is attached.

MOTION BY LAURIE COMPTON TO AUTHORIZE ERIN PRESTON TO ENGAGE PROVIDENCE FINANCIAL TO ACT AS THE SCHOOLS FINANCIAL ADVISOR FOR PURPOSES OF OBTAINING NECESSARY FINANCING FOR PROVIDENCE HALL HIGH SCHOOL. 2ND BY ALICIA HANSEN. MELANIE KINGDON STEPPED OUT OF ROOM. VOTE IS UNANIMOUS IN FAVOR.

Item of Discussion: *Proposed Bonus/Incentive Criteria for PH Admin and Staff*

During the board retreat the BOT asked Erin Preston to form a plan tying Administration bonuses to hitting targets and the ongoing success of the school. Kathy Watson states that surveys are being used as part of the teacher end of year surveys. Low participation; out of a class of 25 students, usually 8-9 parents participate in survey. James Barker suggests using the survey as part of an evaluation but not necessarily tied to a bonus. This is a plan that Erin would like to implement this year. Erin Preston would like to pay out on enrollment and CACTUS completion sooner rather than later. Eliminate highly qualified teacher bonus. Kathy Watson and Jodi Lusty feel this should be expected as part of their job. MYP authorizations – bonus for years of commitment. Robb Enger likes the idea of rewarding the principals for reporting, as well as the people who support them in the process. Robb feels bonuses should be rewarded to those teachers that re-enroll from year to year and keep students engaged in school. Robb Enger authorizes Erin Preston to continue working on the incentive plan and present to the board at a later date, with the exception that the bonuses for November and December enrollment and CACTUS be paid out.

Item of Discussion: *Selection of Charter Organization(s) in which to Renew Membership*

Chris Blake met with Erin Preston on 10/31/12. Erin thought Chris was going to talk to her about the value that UAPCS brings to Providence Hall and why we should continue with them but he instead discussed why Providence Hall should not support UCN. UCN has been a great support to Providence Hall this past year. UCN dues for the 2012-2013 year are \$5000. UAPCS dues are \$8500. Chris Blake feels there is not a need for 2 organizations and wants to eliminate UCN. BOT has been asking for the UAPCS budget for 2 years. Erin said it was sent over 1 hour before this board meeting. Erin asks BOT to continue to support UCN. UCN is not as organized of an organization as UAPCS but is very effective and the member schools are similar to us. They are independent schools and running their own programs. Erin maintains that Providence Hall is an independent school and as such should have affiliation with this UCN group. 36 schools signed up with UCN last year. Alicia Hansen asked if all were resigning for this year. Erin stated that 26 schools have signed up so far for this year. Laurie Compton asks Erin to explain about the moral obligation. UAPCS supports the larger schools and UCN supports the independent and smaller schools.

MOTION BY SONYA PETERSON TO PAY DUES TO BOTH UCN AND UAPCS NOT TO EXCEED A TOTAL OF \$10,000, \$5,000 FOR EACH SCHOOL, TO BE MEMBERS OF BOTH ORGANIZATIONS. 2ND BY ALICIA HANSEN. ALICIA CALAPP ABSTAINS FROM VOTE. VOTE IS UNANIMOUS IN FAVOR.

Item of Discussion: *Update on IB DP Authorization Path – Possible Reduction in Time Period*

In order to get a DP application for candidacy in by April 2013, Providence Hall will need to have a curriculum coordinator in place. We may need to pay someone a little extra to do the curriculum coordinator duties for the purposes of submitting the DP application. BOT gives support to Erin Preston in the direction she needs to go with the application process.

JODI LUSTY/ERICA HANCOCK:

Item of Discussion: *Benchmarks*

MYP and PYP update was submitted in the board packet. Erica Hancock and Jodi Lusty have organized a plan to ensure they are on target for MYP and PYP re-verification. An overall action plan for each school and an action plan that focuses on implementing the action element in the school are included on the charts. Robb Enger likes the flow charts because they are easy to read. Robb would like monthly updates from both Jodi and

Erica. Erica said there will not be much that changes from month to month. Erica will color code PYP. Robb would like to see a color change to reflect intervention; color will be yellow. On grade level will be green. Erin Preston suggests that Laurie Compton look at the MYP progress and update next month. Jodi Lusty goes over benchmarks. Jodi explains the intervention process. There are only a certain amount of spaces per block. Instructors work with students for 14-16 weeks meeting for 30 minutes every day/week. Once students reach grade level they are moved out of the program. Different students will move into intervention at the next block. Those students who are not in reading intervention will participate in the STAR reading program.

ALICIA CALAPP:

Item of Discussion: PHAST Update

Alicia Calapp included minutes from 1st PHAST meeting in the board packet. She reports that things are going well. Next meeting is on Monday, November 5. Would like board input on a girls night out shopping night. Sell booths to parents for \$50. Limit amounts on types of product. First come, first serve. PHAST will monitor what comes in to sell. Sonya Peterson states there is a policy on the website. No objections from BOT for this event. She will form committees so PHAST board does not always run things. Volunteer coordinator will remind those who sign up to help. Sonya Peterson would like to change in PHAST minutes...on page 2, PHAST members to PHAST officers.

Item of Discussion: Vote on Bylaws

Sonya Peterson, Jolynne Jimenez, and Alicia Calapp went through the elementary bylaws and the jr high bylaws and combined them to reflect both schools.

MOTION BY SONYA PETERSON TO APPROVE THE CHANGES TO THE PHAST BYLAWS. 2ND BY ALICIA HANSEN. VOTE IS UNANIMOUS IN FAVOR. Sonya would like to avoid the “jr high” and “elementary” terms or labels.

MOTION BY LAURIE COMPTON TO APPROVE THE PHAST BUDGET. 2ND BY SONYA PETERSON. VOTE IS UNANIMOUS IN FAVOR.

CLOSED SESSION:

- Discussing an individual’s character, professional competence, or physical or mental health.
- Strategy sessions to discuss the purchase, exchange, lease or sale of real estate property.
- Investigative proceedings regarding allegations of criminal misconduct.

MOTION BY LAURIE COMPTON TO END THE BOT MEETING. 2ND BY ALICIA HANSEN. VOTE IS UNANIMOUS IN FAVOR. NO CLOSED SESSION.

MEETING ADJOURNED BY ROBB ENGER AT 9:00 PM.

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