



DR. LINDA CLARK  
SUPERINTENDENT

## SCHOOL BOARD MEETING MINUTES

April 2, 2013

Date, Place & Time	A special meeting of the Board of Trustees, Joint School District No. 2, convened on Tuesday, April 2, 2012, 7:30 a.m., at the District Service Center, 1303 E. Central Drive, Meridian, Idaho
Trustees in Attendance	Chairman Mike Vuittonet, Janet Calinsky, Loraine Hand, Reid Olsen, Anne Ritter
Staff in Attendance	Dr. Linda Clark, Trish Duncan
Guests	George Coburn, Bill Russell representing North Star Charter School

### CALL TO ORDER

Chairman Vuittonet called the meeting to order at 7:30 a.m.

### North Star Charter School Financial Update

Dr. Clark distributed the following handouts for trustee review:

- North Star Charter School Comprehensive Review prepared by American Preparatory Services
- Comprehensive Review prepared by Dr. Stan Olson and Ms. Nancy K. Landon
- Copy of Wells Fargo letter dated March 18, 2013
- Copy of Wells Fargo letter dated March 29, 2013
- Notice of Defect dated May 5, 2010
- Copy of Idaho Code 33-5209

Bill Russell, vice-chairman of the North Star Charter board of directors, addressed board members regarding the two comprehensive reviews. Bond holders requested a review of the school including all finances and hired a group out of Utah to conduct the review. Feeling this group was unqualified to conduct the review; the North Star board hired their own consultants as seen in the second document. The two reviews are supportive of the school's opinion that lowering the interest rate on their building bonds would greatly enhance the schools ability to continue operations for the next school year. Bill stated the immediate concern for this school year was to get their seniors through graduation and to finish the regular school year. They will be hampered by a cash shortfall in April of \$30,000 which they hope to cover with a bridge loan. This loan has not yet been secured. A state payment in May will put them in the black but they are predicting another shortfall in June of \$640,000. It is their hope a solution will be reached with the bond holders in June for a lower interest rate on their payments and permission for them to capture funds currently in a reserve account to cover the shortfall.

Trustees discussed the information provided and asked the following questions:

- If the interest rate is lowered, what percentage would make them financially viable for the next school year? Recommendations from the two reports were 4.5% and 2%, they hope to negotiate somewhere in between and would be able to begin building their fund balance at 4%.
- If the bond holders do not unanimously vote to allow access to the reserve account to cover their shortfalls, what would happen? They will have to close the school.
- Are the parents and students aware of their financial difficulties? Their plan for bond payments was discussed during their last board meeting (March 21<sup>st</sup>) but very few parents were there. They will present the plan for the school's survival to the board of directors at their next board meeting scheduled for April 4<sup>th</sup> and upon approval will send it to their bond holders. They have made no provisions for information to the general parent population.
- How stable is their board? Elections will be held in May for the seat held by the chairman and a seat for a trustee who is resigning. Mr. Russell will be leaving the board in September as requested by his employer.

Chairman Vuittonet asked Dr. Clark if the district has a contingency plan for the students who would be coming back to our schools if North Star was forced to close and she indicated there is room in area high schools and elementary schools but space is limited in middle school. She requested that North Star provide a list of students by geographic area so plans could be made.

Mr. Russell and Mr. Coburn completed their presentation and left the meeting at 8:45 a.m. Chairman Vuittonet thanked them for coming and stated the board's appreciation for their openness and forthrightness.

#### Letter of Defect Approved

The board deliberated the question of a letter of defect for North Star Charter and reviewed Idaho Code on the subject. Trustee Hand moved, Trustee Calinsky seconded and the vote was unanimous to issue a Letter of Defect to North Star Charter School as outlined in Idaho Code 33-5209 (2) *if the authorized chartering entity has reason to believe that the public charter school has done any of the following it shall provide the public charter school written notice of the defect and provide a reasonable opportunity to cure the defect:...*

*(d) failed to demonstrate fiscal soundness. In order to be fiscally sound, the public charter school must be: (i) fiscally stable on a short-term basis, that is, able to service all upcoming obligations; and (ii) fiscally sustainable as an ongoing concern, that is, able to reasonably demonstrate its ability to service any debt and meet its financial obligations for the next fiscal year...*  
Copies will be sent to Superintendent Tom Luna and the State Charter Commission.

#### Special Meeting Set

Trustee Hand moved, Trustee Calinsky seconded and the vote was unanimous to hold a special meeting on Thursday, April 18, 2013 at 12:00 noon to hear a bid protest for the mechanical work at Meridian

High School.

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Chairman

Clerk