

Charter School Revolving Loan Committee Minutes

1:00 - 3:00 pm
September 3, 2019
Utah State Board of Education
Room 221
250 E. 500 S.
Salt Lake City, Utah 84114

Committee Members in Attendance

Gavin Hutchinson - Chair (via phone)
Jacob Wright
David Kaufman
Jennifer Lambert – non-voting

Others in Attendance

Charles Kavanagh - Utah Mountain School
Sheri Hardy - Utah Mountain School
Roger Simpson - Utah Mountain School
Tim Owen - Utah Mountain School
Jodi Wilson - Advantage Arts Academy
Cole Arnold – Academica West
Stewart Okobia – SCSB
Marie Steffensen - SCSB

Welcome:

Called to order at 1:08 p.m. by Chair Hutchinson.

Review and Approval of Minutes from April 29, 2019 meeting

Chair requested a review of the minutes. Motion made to approve by Member Wright, seconded by Member Kaufman – motion passed unanimously.

Rates and Total Amount to be Loaned

Stewart Okobia of the SCSB covered the loan option amounts. USBE Finance is comfortable loaning the total \$1,414,039 of requested loans.

2nd Round of the FY20 Revolving Loan

a. Advantage Arts Academy	New School	\$68,700
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Member Kaufman wanted to confirmation that this year was the school's true pre-opening year because the school had delayed opening for two years. Cole Arnold from Academica West clarified that this was the pre-opening year and that for the last two years the only expenses the school had was for payment of the original Revolving Loan that the school received two years

ago. Member Kaufman also inquired about the asset balance required for closure and Member Lambert explained that a closure plan would be worked out in the future if the school were to be closing.

b. Utah Mountain School	New School	\$300,000
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Member Lambert made a comment that there may have been some mis-communication during the first revolving loan committee meeting and although being a non-voting member, she supports the school getting approved for the revolving loan because they have fixed the questions that were brought up during the first meeting. Member Hutchinson asked why no dollar amounts were budgeted for “ESP services for July 2020- June 2021” and “Architects Fees/Developer Fees”. Mr. Simpson explained that those items were included in the RFP for the developer and were part of the lease price. Member Hutchinson asked for detail on the \$50,000 budgeted for “Training for kitchen staff and non-educational staff”. Mr. Owen explained that it was for curriculum development. Member Lambert asked if this item was put in the right category. Mr. Owen explained that since it wasn’t for instructions, they assumed it would be non-educational. Member Hutchinson asked for detail about the training for kitchen staff. Mr. Owen explained that since the school will be opening in an area with high demand for free/reduced lunch, they want to dedicate some funding towards training a kitchen staff. Member Lambert suggested that the school first reach out to the Child Nutrition Program because they have some resources available that may be free. Member Hutchinson wanted more clarity on what the \$50,000 was budgeted for. Mr. Simpson explained that in addition to the curriculum consultant, this budget item is for hiring additional consultants such as financial consultants, operational consultants etc. to help train employees at the school. Member Lambert explained that since most of the amount would be used for the curriculum development consultant, it would be better to have a different description for this budget item. Mr. Owen explained that the school has not put out an RFP for a curriculum developer but since most of the board was made up of teachers, they could have a board member step down to be their curriculum developer. Member Lambert cautioned the school about having a board member step down and applying for a position that the board created. Member Lambert suggested that the school use the revolving loan for tangible items. Member Kaufman asked if the \$187,576 of revenue in Year 2 and 3 on the pro-forma budget all grants or is some debt included? Mr. Simpson explained that it was all grants.

Motions: Member Wright made a motion to recommend approval of the loan requests of \$68,700 for Advantage Arts Academy, seconded by Member Kaufman, passed unanimously.

Motions: Member Wright made a motion to recommend approval of the loan requests of \$300,000 for Utah Mountain School provided that the school clarify the use of the \$50,000 (budgeted for non-educational purposes) including breaking it out between curriculum development and training such that it matches the (accounting) categories for which the money will be spent, seconded by Member Kaufman, passed unanimously.

Adjourn

Member Wright made a motion to adjourn, seconded by Member Kaufman. Meeting was adjourned at 1:30 pm.