



## **BOARD MEETING**

6:00 – 7:30 PM, Tuesday, June 16, 2015

Esperanza School Meeting Room \* 4956 W 3500 S, West Valley City, UT 84119

## **MINUTES**

Members present: Janet Christensen (chair), Marty Banks, Patricia Matthews, Steve Winitzky

Members absent: Cody Case, Juan Freire, Challene Nuwan, Rocio Velasquez

Others present: Eulogio Alejandre (principal), Chrystal Sanchez (school secretary), Chris Miller, Monty Hardy, Noah Hardy (Red Apple)

Janet called the meeting to order at 6:10 with a welcome and introductions. Cody Case gave Janet his proxy in order to achieve quorum for voting on action items.

**BUILDING PURCHASE DISCUSSION.** Monty Hardy/Red Apple presented a proposal for Esperanza to acquire a bridge loan during 2015-16 to purchase the building. Members asked questions and will consider the proposal with the intent to decide within the next two weeks whether to pursue the bridge loan. The main points of the proposal:

- Lender: Texas nonprofit corporation CLI (has funded other charter schools in Utah and other states)
- Loan amount: \$7,615,000 (\$7,317,600 building price + \$237,400 fees + \$60,000 2015 property tax)
- Interest rate: 6.25% floor, not fixed – 2.5 points above prime
- Amortized years: 30
- Prepayments: allowed with no penalty
- Annual payments: \$562,162 (interest only payments until March 1, 2016)
- Lender fee: 2% (\$152,300)
- Lender commitment fee: \$10,000 (included in the 2% lender fee)
- Red Apple Financial Advisor fee: 1% (\$76,150)
- Potential benefit: avoid annual property tax payments, saving ~\$240,000 over next four years
- Potential benefit: avoid 2% lease payment escalators, saving ~\$150,000 over next four years
- Potential benefit: build sound financial history in order to qualify for Utah state credit enhancement program in four or five years

FINANCIAL REPORT. Chris Miller/Red Apple provided the financial report through the month of May 2015. Revenues and expenses are on track as anticipated.

#### ACTION ITEMS

1. Review/approve minutes from May 19, 2015 board meeting. Marty moved, Steve seconded approval of May minutes. Unanimous approval.
2. Review/discuss/approve final budget for 2014-15. Steve moved, Marty seconded approval of the revised 2015 budget. Unanimous approval.
3. Review/discuss/approve budget for 2015-16. Steve moved, Marty seconded approval of the 2016 budget. Unanimous approval.
4. Selection of financial auditing firm for the 2014-15 year. Marty moved, Patricia approved selection of Squire & Company to conduct the Esperanza financial and enrollment audits for the 2014-15 year. Unanimous approval.
5. Removal of board member Rocio Velasquez who, due to conflicts, is unable to attend meetings. Steve moved, Patricia seconded removal of Rocio Velasquez as Esperanza parent representative board member. Unanimous approval.

#### DISCUSSION/INFORMATION ITEMS

6. Executive Director/Principal report
  - a. Students:
    - The retention rate for 2014-15 was 80.7%
    - There are currently 511 students enrolled for the 2015-16 school year; this is 61 students over the goal of 450.
  - b. Faculty for 2015-16:
    - Need 18 teachers total; only 1 left to hire
    - Need 1 full time Special Education teacher; currently 2 candidates
    - Need 1 full time Title I Coordinator; currently 5 candidates
    - Need 1 part time librarian
    - Need 4 Title I Paraprofessionals
  - c. Teacher compensation for 2014-15. Utilizing Esperanza's unique teacher compensation plan, at year end Esperanza awarded an average of \$2,750 in bonuses to faculty members; \$46,757 total.
  - d. Principal Eulogio reported on the year-end testing:
    - For the whole school, the DRA is up 8% from beginning of the year data
    - For the whole school, Ideles is up 33% from the beginning of the year data
    - For the whole school, Dibels is down 1% from the beginning of the year data
    - Overall, Esperanza student scores are low, improvement is needed through an enhanced Title I support program and the WOW program
  - e. Principal Eulogio reported on the year-end Conditions for Learning assessment

- The number of respondents (students, teachers, parents) increased from the mid-year assessment; all teachers participated
  - In general, there was improvement from the prior two assessments, but greater improvement is called for.
- f. 2015-16 school year calendar was reviewed by Principal Eulogio.
  - g. Principal Eulogio acknowledged the hard and successful work of the PTO in raising around \$30,000 this year, which should be a net of about \$20,000. The funds have been raised to support teacher appreciation and to purchase and install a playground for older students. Bids are being obtained for the playground.
7. PTO report. There was no report this meeting.
  8. Set next board meeting date. Board decided to have no July meeting; next meeting will be August 11 – this is the second Tuesday instead of the usual third Tuesday for this month only, because the third Tuesday conflicts with the beginning of the 2015-16 school year.

ADJOURN

ANNOUNCEMENTS:

Next board meeting – August 11, 2015 \* 6:00-7:30pm, Esperanza Elementary School – there is no July meeting of the board of directors.