

**WHITE PINE CHARTER SCHOOL  
IDAHO SCHOOL DISTRICT #464  
BOARD OF DIRECTORS SPECIAL MEETING  
MINUTES**

2959 JOHN ADAMS PARKWAY AMMON, ID

OCTOBER 30, 2007

Call to order

The meeting was called to order at 7:40 p.m.

Directors in attendance

Miles Carroll, Liz Sharp-Marsden, John Thompson, and Rob Black established a quorum.

Visitors

Judy Brower, Peggy Sharp, and Anita Ogden were in attendance.

Public Input

Miles thanked the Board for conducting business in his absence at the regular meeting on October 11, and the many volunteers who hosted the PFA carnival the previous week. Peggy noted that the PFA raised approximately \$3000 during the carnival.

**Old Business**

None

**New Business**

Financial Audit. Judy Brower of Galusha, Higgins, & Galusha, presented the annual financial audit of the school's finances. See attached report and letters. Miles asked if the instructional expense percentage of 79% was low as District 91 usually has an instructional expense percentage of around 85%. Judy replied that our percentage was lower because of the building construction expense. Judy stated that it is common practice for school districts to have a separate tracking of the maintenance account in order to demonstrate the 5% reserve requirement. She also said that we could pay a portion of a janitor's salary out of that reserve especially for summer assignments that are considered maintenance as kids are not in school. She stated that school districts did not have a standard allocation, but paying 25% to 40% of the janitor's salary out of the

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reserve was not unusual. She noted several times that next year's audit would be much more substantial and in-depth since the Board had borrowed money from the federal government to finance the construction of the new school building.

Judy highlighted items from one of the stand alone letters, titled "Management Report," that was issued with the audit, including:

- The auditors recognized that two of the check signers are related parties and they recommended that the Board review policies and procedures to minimize transactions being authorized by related parties. She noted that there could be an issue, perceived or real, if appropriate layers of separation did not exist between a Board member and relation who is an employee of the school. She stated that the Board should clearly document, in the meeting minutes, how the relationships between Board members and related school employees are handled during Board meetings. She provided an example of similar situations where the related Board member was noted as leaving the room during discussions regarding the employee in order to maintain an atmosphere where other Board members could speak freely.
- The business manager's passwords to the financial data should be kept in a secure, readily available location as a contingency for a situation where the business manager is not available and access to the financial data is required.
- The Board needed to continue refining financial policies. Miles asked if there was a checklist that the Board could use to evaluate our policies and programs. Judy stated that there was one on their company website that provided guidance for compliance with Idaho Public Law 743.
- No transportation report was provided to the auditors. Anita stated that she had submitted the report to the state, but she could not find the submittal letter. Anita also stated that she was able to provide the back-up data that was provided with the submittal letter to the auditors.

Rob moved to accept the results of the financial audit. John seconded. Discussion of the motion included Rob asking Judy if the financial condition of the school was sound. Judy replied that the school was in good shape but many challenges were ahead that are associated with the new building and any unanticipated costs associated with it. Anita expressed her appreciation to the staff of Galusha, Higgins,

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and Galusha. Anita requested that the auditors provide an electronic copy of the report so it could be forwarded to U.S. Bank, the USDA RD, Idaho Public Charter School Commission, and the Idaho Department of Education. Motion passed.

Technology Grant Application.

Anita reviewed the technology grant application process and stated that it was a two phase process. Phase I was submitted at the end of July and the Phase II submittal was due at the end of September, but she had received an extension allowing submittal the week of October 10<sup>th</sup>. The Phase II grant application amount is \$8,500.00, which is consistent with the school budget for the grant application. John asked if the administration was planning to make any of the PowerSchool modules available for viewing from home by parents. Anita responded that it was in the plan and was necessary, as we had fallen behind other school districts in implementing this feature, but it hadn't been done yet due to other priorities. Anita noted that we spent approximately \$21,000 last year on technology improvements. John moved to approve the Phase II technology grant application. Liz seconded. During the discussion, Miles asked how much input Anita had received in the development of the grant. Anita said she had received quite a bit of input and a lot of the grant information was based on historical data. She stated that the amount covered new computers for the new teachers and a back-up. Liz asked if a technology audit had been done. Anita replied that she has a computer inventory but it need to be updated. She also noted that she had a rotation plan to replace a percentage of older machines with new ones each year, but she was not planning to buy any additional computers this year. Motion passed to approve the \$8,500 Phase II technology grant application. Peggy noted that we are now Idaho School District #464.

Schedule Change for Wednesday.

Anita reported that she and Tara Henderson had attended a workshop on school attendance. The workshop reviewed the requirement that a school must have a minimum of four hours of instructional time to qualify as a full day. The four hours cannot include the time required to change classes. Anita recommended that we add 5 minutes to the schedule on Wednesdays to ensure that we could count it as a full day for the middle school students. Liz moved that we henceforth change the Wednesday release time to 12:35 p.m. Rob seconded. Motion passed.

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Loan Rate and Term Negotiation with U.S. Bank.

Anita reported that U.S. Bank had requested that the school to identify a representative to negotiate final terms for the long-term financing for the new school. Anita stated that she thought the school could afford a 20 year, \$3.1M loan at a 7.35% interest rate. In a conversation with the USDA RD the previous week, Anita stated that the school was given the option of establishing a reserve account as part of the financing. Miles stated that he felt that the Board should establish a policy to manage any reserve account funds that were made available from the financing of the building. The chairman nominated Anita and Liz as the negotiation team. The Board approved the nomination with Liz abstaining. Liz and Anita said they would have prepare several financing scenarios, present the scenarios to U.S. Bank, and bring the scenario financing options to the next board meeting.

Landscaping Bid.

Anita received a bid to complete landscaping at the school entrance near John Adams Parkway, the old water retention pond, and Track II for \$10,795.00 from Tchek Sprinklers. Anita stated that the bid was substantially lower than the bid received from Seasons West for the same work. Rob asked if the Maughn donation of \$5000.00 for Track II would be credited to the job. Anita said it would, so the actual cost to the school would be \$5,795.00 to complete the work. Rob moved to accept the bid and award the work to Tchek Sprinklers. Liz seconded. Motion passed.

Agenda Items for Next Meeting

Long-term financing scenarios for the building loan

Adjournment

John moved to adjourn. Rob seconded. Meeting adjourned at 9:20 p.m.

Deleted: Jeremy