

**High School for Recording Arts  
Board of Directors Meeting Minutes - DRAFT  
Wednesday, February 11, 2009, 9:00 am**

All Board Members in attendance: Wayne Jennings, Layne Bellamy (arrived during item 4), Carei Thomas, Paula Anderson, and Darryl Young.

Ex Officio and others: Education Director Bryan Rossi; David Ellis, Anthony Simmons, Bonita Hughes and David Kingsbury of Studio 4; attorney John Cairns; Pam Young and Andrew Adelman of Designs for Learning

Note: All votes were unanimous unless otherwise stated.

1. Call to order – meeting was called to order by the Chair, Jennings, at 9:00 am; with Anderson, Thomas and Young also present.
2. Approval of agenda – approval of the Agenda as presented moved by Jennings, seconded by Young, and carried.
3. Minutes – approval of the Minutes of the December 10, 2008 Board meeting, as presented, was moved by Jennings, seconded by Young, and carried.
4. Facility Financing Plan – attorney John Cairns will report to the Board. Ellis reported that the school has been working with the National Charter School Development Corporation (CSDC) for potential support for property acquisition, and also have initiated application for a tax-exempt “501(c)3” building company.

Cairns reported to the Board on progress toward obtaining financing for a new building. The building company would be an intermediary or supporting organization as charter schools can't use public funds to purchase real estate. Two members of the HSRA board, and one other, will constitute the Board of the building company. Property intended for purchase is a three-acre parcel on Capp Road off Hampden Ave., north of University Ave. in St. Paul. Board discussed aspects of the potential property deal including costs, financing options, value of the property, space needs of HSRA/size of building, potential for raising additional revenue by having an evening school program, and next steps. Costs through closing should be approximately \$100,000, +/- \$10,000, reimbursable after the property is purchased.

Cairns circulated a Cost Reimbursement Resolution by HSRA Board of Directors in Conjunction with Issuance of Qualified 501c3 Tax-Exempt Lease Revenue Bonds by the City of St. Paul, Minnesota. Total bond amount is \$11.5 million (likely significantly more than HSRA will need; this is intended as an upper limit). **After Resolution language was reviewed and corrected, Jennings moved approval of the Cost Reimbursement Resolution; seconded by Bellamy, and carried.**

Next, Board discussed setting up the building company. Anderson and Jennings volunteered to be on its Board, and realtor Judy Mueller was identified to be the third member. Cairns noted that the higher HSRA's fund balance as of 6/30/09, the better the terms the building company will be able to obtain. **After discussion, Young moved to elect Paula Anderson, Wayne Jennings and Judy Mueller to be members of the Board of Directors of the building company; seconded by Thomas, and carried.**

5. Financial updates (Hughes; Pam Young of Designs for Learning)
  - 2007-08 audit status update - auditor's report from HLB Tautges Redpath was distributed to the Board. Hughes reported, audit was completed on time with only two findings which is good news. Year-end (6/30/08) General Education Revenue fund balance was \$227,307, up from \$221, 079. Fund 2 (food service) was down slightly, from \$10,073 to \$9844. The findings are Audit Adjustments/Year End Closing Process; and Lack of Segregation of Duties. Has communicated with the auditor regarding possible strategies for addressing these items. Hughes will ask the auditor to speak to the Board at the next meeting.
  - 2008-09 financial status – HSRA Financial Report Summary dated 12/31/08 was distributed to the Board; also November/December 08 Electronic Transactions and Payment Register. Pam Young reported, General Fund deficit as of 12/31 is \$219,925. HSRA had received 53% of budgeted revenue and recorded 62% of

budgeted expenses. If expenditures are held at budgeted amounts for the second half of the school year, school should end the year breaking even. Board reviewed expenditures in the various categories; Hughes will re-categorize some expenses. Enrollment now is 236 (budget is based on 200 students), and Administration expects average for the year to be somewhat over 200. Board discussed strategies for maximizing revenue and decreasing expenditures. **Jennings moved acceptance of financial reports; seconded by Bellamy, and carried.** Rossi thanked Bonnie Hughes and Pam Young for their information on finances

6. Director's Report (Rossi / Ellis)
  - Enrollment update – Rossi reported, there are currently 236 students enrolled; 316 students have been enrolled at some point this year. Current ADM is 211.5. New students continue to enroll. Overall percent-of-attendance has declined to 61%.
  - Staffing updates – there were no terminations or new hires since previous meeting.
  - Facility/property acquisition updates – addressed previously.
  - Grant updates – Rossi reported, he expects a second cycle of \$25,000 from LubeTech (budget-neutral). Ellis reported, HSRA received about \$4,700 from Under the Radar and \$2,500 from Barbara Portnoy, for general-fund support. **Bellamy moved acceptance of these gifts; seconded by Thomas, and carried.**
  - HSRA – LA update - Ellis reported, HSRA has received a grant from the Coalition of Essential Schools to mentor the LA school; there was a mentor trip last month and will be another in March
7. Development update – Simmons reported on grants received in the first half of the year. He is exploring strategies to leverage support already received into something larger for the school; will continue to consult with current supporters on strategies for raising more funds from business.
8. Board Committee reports
  - School Improvement Committee – Rossi reported, they will meet immediately after the Board meeting). Currently 88% of students have PLP's at 88% (goal is 90% - actual figure is close to 100% of students in regular attendance). Student use of Planners is up to 65% (from 41% in December – goal is 80%); and 73% of students are completing project proposal forms.
  - Parent Advisory Committee – Rossi reported, HSRA continues to hold required parent orientation along with student orientations. This happens once per month. Phone contact with parents has increased.
  - Technology updates – David Kingsbury reported, HSRA is having problems with its network which he and tech staff are working to address. The school's E-rate application has been approved, and equipment purchases are planned.
9. CharterSafe Insurance instead of MSBA (Hughes) – not addressed.
10. Other business – there was none.

The meeting was adjourned at 10:45.

Respectfully submitted by Andrew J. Adelman