



**Da Vinci Schools Board of Trustees
Special Board Meeting
Meeting Minutes
June 2, 2014**

Chet Pipkin, President	Matthew Wunder, Executive Director, Da Vinci Schools
Don Brann, Vice President	Tom Johnstone, Superintendent, Wiseburn School District
Cheryl Cook, Secretary	Chris Jones, Director of Curriculum, Instruction & Technology, WSD
Brian Meath, Treasurer	Dave Wilson, Budget/Acct. Director, Wiseburn School District
Israel Mora, Trustee	Nathan Barrymore, Principal, Da Vinci Communication High School
Jennifer Morgan Trustee	Kate Parsons, Principal, Da Vinci Design High School
	Michelle Rainey, Principal, Da Vinci Innovation Academy
	Tyler Phipps, Dean of Students, Da Vinci Innovation Academy
	Kim Merritt, English Teacher, Da Vinci Communications
	Yolanda Saldana-Bautista, Business Manager, Da Vinci Schools
	Carla Levenson, Enrollment/Communications, Da Vinci Schools
	Jaime Hernandez, IT Director, Da Vinci Schools
	Miles Denniston, Charter School Management Corporation
	Shin Green, Consultant, Eastshore Consulting
	Michael Reimenschneider, Consultant, Eastshore Consulting
	Jhezrel Valentine, Executive Assistant, Da Vinci Schools

Call to Order

Meeting was called to order at 5:32 P.M. by **Chet Pipkin**

Approval of Minutes

Minutes from April 21, 2014 were approved

First: **Israel Mora**; Second: **Cheryl Cook**; Motion carries: **5-0**

(Mr. Meath arrived after Minutes were approved)

Board Approvals

First: **Don Brann**; Second: Cheryl Cook; Motion carries: **6-0**

From the Board

Mr. Pipkin noted an article that speaks about a *quest for great education in Inglewood*. Also noting that Dr. Brann's contract as a State appointed Trustee is being extended for another 36 months. Mr. Pipkin states that the article was "a glowing report on Dr. Brann" and "a great example of the terrific work that is taking place." Mr. Pipkin further notes that we are all doing our collective and individual best.

Dr. Brann mentioned that on Saturday he attended one of the Da Vinci School's senior projects, noting that it was really something to see. Dr. Brann also mentioned the passing of Bev Robinson, a champion of the district.



Further stating that she was an amazing woman and her memorial service was well attended. Dr. Brann makes a note for the record that he will need to leave tonight's meeting at 6:45 PM. Dr. Brann also mentioned that Mr. Meath's daughter was married on Saturday. Dr. Brann concludes by saying how he is looking forward to the Da Vinci Schools' graduation scheduled Thursday in Manhattan Beach.

Mrs. Cook simply stated that Inglewood is so lucky to have Don Brann.

Mr. Mora announced that he just got back from being on vacation, that he and his wife celebrated 25 years of marriage while in Europe. Mr. Mora announces that his son just got home from college so, everything is great!

Mrs. Morgan attended a Wiseburn community feedback meeting, which entailed 25 members of the community giving their feedback. Mrs. Morgan states that it was really interesting to attend. Mrs. Morgan also participated in a parent education meeting offered by DVIA for parents to learn how to be better parents and teachers better educators for our children.

Special Presentations

Eastshore Consulting

Shin Green presented the following summary:

- After a thorough review of the Wiseburn High School project cost estimates and projected timing, there is a better understanding of the additional resources required and challenges facing the project
- Under current circumstances, there is an approximate \$14 million project shortfall to complete the entire High School vision
- Given uncertainty about the timing of State funding, there is also potential for a \$12 million cash flow short fall which would first be experienced in the 2nd Quarter of 2016; if State funding is delayed, the cash flow shortfall could grow to in excess of \$36 million
- While phasing may mitigate the cash flow shortfall, it does have a cost and would not solve the project shortfall
- In addition, should Da Vinci Schools determine that the Sepulveda site is suitable for long term DVIA housing, there would be an additional cost of approximately \$7 million to complete improvements
- If the Sepulveda site is not determined to be suitable, at some point other long term housing for DVIA may be required
- The overall project shortfall can only be solved by generating new resources and would most likely require some form of debt borrowing
- Using debt financing to solve cash flow shortfalls is a viable option and short term rates are reasonable
- Uncertainty about future budgets – in light of LCFF and STRS reforms proposed by the Governor – combined with the likely lack of a 2014 State school bond requires long term back-up financing options in case of an extended wait for the State to fulfill its commitments
- Da Vinci Schools does not have the resources to solve the entire project or cash flow shortfalls
- Regardless, there are paths to achieve the Wiseburn High School vision on the original timeline



- Several debt financing options are available including:
 - Da Vinci Charter School Revenue Bonds – can only raise a limited amount of funding and may present a higher borrowing cost as compared to other options
 - Da Vinci Charter School Direct Loans – can only raise a limited amount of funding and may be limited in terms of availability from traditional low cost providers such as the CSFA
 - Hybrid Lease Financing – may allow for a lower cost of borrowing but would require a formal lease arrangement with Wiseburn to facilitate a public debt offering
 - Wiseburn USD General Obligation (GO) Bond Measure – while viable at a relatively modest tax rate, several challenges are present including bonding capacity issues related to SB 477, local tax rate fatigue and project challenges experienced by neighboring entities
- All options other than the Wiseburn USD GO bond measure would require the commitment of Da Vinci Charter School General Fund resources toward repayment
- Depending upon capacity of both Da Vinci Charter Schools and Wiseburn USD to seek out additional financing solutions, there are a variety of pathways to solve both project and cash flow shortfalls; however, with an extended delay in State funding, such solutions become more challenging
- A viable plan for at least the core High School facility should be formulated and enacted by early 2015 to ensure that promises made about the opening of the new high school can be kept
- As clarity about the pace of LCFF implementation, STRS reform and a new State school bond measure becomes evident, the exact financing path can be finalized or modified

Public Hearing:

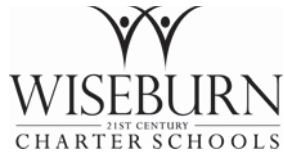
Charter School Management Corporation (CSMC)

Mr. Miles Denniston presented the following budget summary:

Budget Summary 2014-15 per site

	Design	Science	Innovation	Communications	CMO	Total
Revenue	\$4,355,010	\$4,425,775	\$2,136,118	\$1,220,794	\$815,831	\$12,953,528
Expenses	\$4,097,153	\$4,322,726	\$2,065,291	\$1,512,442	\$798,635	\$12,796,247
Operating Surplus/ Deficit	\$257,857	\$103,048	\$70,828	(\$291,648)	\$17,196	\$157,280
Net Surplus	\$181,344	\$25,732	\$32,119	(\$309,350)	\$17,196	(\$52,959)
Beginning Balance	\$886,541	\$951,065	\$16,269	(\$150,505)	\$412,714	\$2,116,084
Ending Balance	\$1,067,885	\$976,797	\$48,388	(\$459,855)	\$429,909	\$2,063,124

- ✚ **Mr. Mora requested that Mr. Denniston provide a comparison 2013-14 and 2014-15 line items that the board may review.**



Public Hearing:

The Local Control and Accountability Plan (LCAP) – Vehicle that all local education agencies must create and complete to show how they are following the rules of the local control formula. LCFF is the single biggest change in the way schools are funded in 40 years.

Closed Session

Meeting entered into Closed Session at **7:00 P.M.**

Adjournment

Meeting reconvened from Closed Session and was adjourned at **8:02 P.M.**

 Denotes *action* item