

Lake Norman Charter Board Meeting Minutes
April 9, 2012

Attending: Tricia Sisson - Board Chair; Bill Farber-Vice Chair; Tom Ghareeb-Treasurer; Eddie Bethea; Ron Jones, Bonnie Newell, Laurie Fabian, Mike Manahan, Jim Cuttino (Board Members); Shannon Stein - Managing Director, Harrella Whitehead - Business Manager

I. Call to order - 7:00 pm

II. Agenda Amendment

Move approval of meeting minutes after New Business
Add a discussion on Geo Study for waste water

III. No public comments

IV. Treasurer's Report

- a. Harrella provided a background on current bond structure and upcoming changes. She introduced Jeff Klein with Kensington, a bond consultant hired by LNCharter to assist in navigating options. Jeff presented our current state, costs, bond options, and the letter of credit changes.

Kensington worked with Finance Committee to develop new bond package for \$19.5 million outstanding balance since Wells Fargo Line of Credit is set to expire on 5/2113. It was reported that many banks thought favorable about LNC and were willing to loan to LNC. Even out to 10 years. With the new Bond the school is looking to try and reduce both the risk and the rate on the loan. Wells Fargo made a proposal for a Bank Purchased Bond for a 7 year term loan amortized over 22 years on \$19.475 million at 1.365% and a taxable conventional loan of \$2.525 million at 2.24%. By splitting the loans we would not need to go back in front NC Facilities Finance Agency for tax exempt status. This loan also allows us to only borrow what we need to complete the high school.

Tom made a motion to proceed with Wells on the 7 year bank purchase bond at \$19.5 Million with up to \$2.5 Million taxable conventional loan if needed. Ron seconded. Board discussion concerning the need to increase the \$19.5 Million with HS construction. Motion was amended by Tom to proceed with Wells on 7 year term at 'up to \$2.2 Million' with the conventional loan option maintained. Ron Seconded amended motion. Motion carried.

- b. Harrella presented the 2012/2013 budget proposal. Board reviewed proposal. Motion by Tom to approve the 2012/2013 budget as presented. Motion seconded by Eddie. Motion carried.

V. New Business

- a. Board Structure. Bill led a discussion regarding reducing the number of board members from 12 to 10, with only one board member, the Managing Director, being a non-voting member. It was decided the nominating committee would take up the discussion and make a formal recommendation along with officer recommendations at the next board meeting.

- b. Shannon initiated discussion concerning the need for a Geo Science study of our storm water runoff. LNC has been paying a fee to the county for storm water runoff that the school should not have to pay due to the installation of the rain gardens. However, the study was never conducted and is a requirement to have the fees waived. LNC is entitled to three years of credits of the fee if the study and all paperwork is completed, submitted and approved. Geo Science provided LNC with an estimate of the cost, \$7200. Board discussed possibility of getting additional bids for the study. Board asked that Shannon go back to Scott Abel and investigate further 1. if study is needed and 2. if other bids could be obtained to reduce the cost of the study.

Bill made a motion to approve the study if needed, Tom seconded. Motion carried.

- VI. Motion by Bill, second by Tom to move into closed session at 7:46pm. Topic pursuant to NC General Statutes § 143-318.11(6). Motion Carried.
- VII. Motion to move into open session by Bill, second by Eddie, at 8:12pm. Motion carried.
- VIII. Motion to appoint Mr. Lawrence Sullivan as the new High School Principal beginning in the 2012-2013 school year by Bill, second by Eddie. Motion carried.
- IX. Motion by Bill to approve March meeting minutes, both open and closed. Motion seconded by Eddie. Motion Carried.
- X. Motion to adjourn by Bill, second by Ron. Motion carried. Meeting adjourned at 8:15pm.