

HCS School Board Meeting Minutes May 7, 2009

Attending: Dan Johnson, Dan Darby, Marty Flickinger(by phone), Kenny Kessler, Chris Folster, Aletha Rogers, Janeal Lischke, Tim Roberts

Guest: Carl Folster

Audiences: Gina Mentzer, Steve Huff, Robert Hughes, Debbie Huff, Julie Darby

- I. Call to order at 7:05 pm
- II. Devotion and prayer – Tim Roberts
- III. Amend or approve agenda
Motion to amend to add Hire recommendations to New Business, by Folster, Roberts second.
Motion to approve as amended Darby, seconded by Roberts
- IV. Approve Minutes of Board Meeting for April 16th, 2009
Motion to add Aletha Rogers to Attendees by Folster.
Motion to approve by Darby; Flickinger second.
- V. New Business
 - a. East Indianola
--Pledge update
Pledge update as of May 7, 2009 we are at 285,340 pledged with another \$16,000 from the events of 4/18; also does not count proceeds from flower sale. These totals add up to 301,000 with more still coming in. Money in hand amounts to \$228,888. again not counting 4/18 events.
We also have sent out \$ over time letter to those that have not responded to the campaign as of yet. These letters encourage monthly, annual or one-time gifts to assist with mortgage expenses. We currently have about \$2,500 2009-2010 school budget impact in pledges.

--EI Purchase Discussion

--Bank Discussion
Cap City: 10 year note with 20 year amor
Opt A: WSJ +1.25 adjusted in 5 years with a floor of 5.50
Opt B: WSJ + .85 adjusted every 3 years with a floor of 5.125 WSJ currently 3.25%

Core: 3 year note with 20 year amor

Rate at 6.25% fixed for 3 years
Secured by property and assignment of \$50,000 CD or savings account.
New appraisal to be ordered on the school with final loan value not to exceed 75%
HCS maintain main operating deposit accounts

Silver Lake Bank: 300,000 or 80% loan to value based on new appraisal
Amor at 20 years
8% fixed for ten years
Mature at 10 years.
Deposit accounts moved to lender

If we did a \$600 prepay for 5 years at 5.5%.....we could cut 7 years off the loan. But could be offset by a move up in the rate at 5%.

SLB:

Consensus was to lock in at 8% for 10years due to the likely uptick in interest rates. While the amor is 20 years, the term of the loan at 10 years will NOT result in a paid off mortgage, rather a balloon that would need to be paid or refinanced. Our goal will be to pay off the loan in 10 years or less.

Motion to pursue the SLB offer and terms at a \$300,000 mortgage made by Tim Roberts ; seconded by Dan Darby.
Marty asked for a count; All Aye; no dissent.

Motion to approve the expenses associated with the loan process at SLB for the purchase of East Indianola made by Folster; Flickinger seconded.

We need to act by signature for pursuit of the loan. Kenny signed and Dan Darby will take it to SLB. Carl Folster will take a copy of the loan offer to Seaman district with information about the board approval to pursue loan with close June 5th. Survey needs to be scheduled very quickly. And need to determine what the environmental audit is, Dan will ask SLB what is needed.

Gina Mentzer mentioned that David Munoz may be a source for expertise on buffers/buffing.

On behalf of the board, Kenny wants to Thank all the families and friends who gave us support for this effort to date. God has provided thus far. This decision was based on fulfillment of pledges and expectation of more donations to the campaign.

b. Recommendations for New Hires

Mrs. Couch: presented to the board for hire in elementary school. Dan Darby motioned, no dissent motion passed.

VI. Open Forum

Nothing in open forum; Motion to break for two minutes prior to exec session made by Kessler; Folster second no opposed.

VII. Executive Session

Entered exec session at 8:41pm

Exit exec session at 9:39pm

Motion to approve salary budget with reductions to a \$426,486 amount with additional \$5,000 counted as a line item for EI maintenance made by Folster. Second by Darby with no dissent motion is passed.

Adjourn at 9:41pm