HARBOR SPRINGS CHARTER SCHOOL BOARD OF DIRECTORS

43466 BUSINESS PARK DRIVE • TEMECULA, CA 92590

SPECIAL MEETING
MINUTES

April 7, 2014
1:00 – 1:30p.m.
43422 Business Park Drive / Temecula, CA 92590
Human Resources Building

I. PRELIMINARY

Our mission is to empower students by fostering their innate curiosity, engaging their parents, and promoting optimum learning by collaboratively developing a personalized learning program for each student.

1. *Action*: **Call to Order & Pledge of Allegiance**
   - **a.** Board Chair, Pamela Ellard, called the meeting to order at 1:05p.m.

PRESENT:

Pamela Ellard, Board Chair Steaven Chan, Board Vice Chair Rachel Couch, Board Secretary Jennifer Mejares Pham, Board Treasurer Louis H. Fetherolf, Board Director Kristyn "Liz" Johnson, Board Director	Dr. Kathleen Hermsmeyer, Superintendent Kyla Shofner, Director of Charter Relations Amy Podratz, Assistant Superintendent – Business & Admin Ops

2. *Action*: **Approval of Agenda**
   - **a.** Ms. Mejares Pham moved to approve the agenda. Ms. Johnson seconded.
   - **b.** Discussion: None
   - **c.** 4 AYES (Mejares Pham, Johnson, Chan, Ellard); 0 NOES; 2 ABSENT (Couch, Fetherolf). Motion adopted.

II. COMMUNITY RELATIONS

This is an opportunity for community members to speak to any item on the agenda or regarding subjects or concerns that do not appear on the agenda. Any person wishing to speak is requested to complete the "Request to Speak" form found at the entrance to the meeting and to bring it forward to the Board Secretary. Presentations are limited to five minutes. Government Code Section 54954.2 and Education Code Section 35145.5 prohibit the Board from discussing or acting upon matters not on the agenda.

3. *Information*: **PUBLIC COMMENTS**
   - **a.** None

4. *Information:* **BOARD COMMENTS**
   - **a.** Ms. Johnson: I am working on completing my pre-credential classes. Unfortunately I have a test on May 15th, so I will be late to the board meeting. Additionally, my finals are during the June board meeting, so I have to regretfully miss that meeting.

III. BUSINESS

Ms. Couch arrived to the meeting at 1:08p.m.
Mr. Fetherolf arrived to the meeting at 1:13p.m.

5. *Action*: **Discussion/Approval of Lease Agreement with Mater Dei Catholic High School of San Diego, Inc.**
   - **a.** Mr. Chan moved to approve the lease agreement with Mater Dei Catholic High School of San Diego, Inc. Ms. Mejares Pham seconded.
   - **b.** Discussion:
     i. Dr. Hermsmeyer: As you know, we have been looking at several student center options for Fall 2014/15. The facility in Chula Vista would have required a Triple Net lease, so we would have been responsible for everything. In addition, the Tenant Improvements would have been over $120k. Mater Dei's lunch program will host our students; in other words, they will take care of all the paperwork for our Free and Reduced Lunch students. This facility is turnkey, a gross lease (so that all utilities, custodial, landscaping, etc. are included in the monthly fee), and we have access to all of the campus' shared areas, including a soccer field, lunch area, and an amphitheater. This facility is in a very nice area of Chula Vista (Otay Mesa) which could adversely affect our unduplicated pupil count (in terms of LCFF calculations).
     ii. Ms. Ellard: Why did High Tech High leave?
     iii. Dr. Hermsmeyer: High Tech High was only using this campus while they were building their own campus. Right now, we have a five year lease. However, if Mater Dei's enrollment surges, they could potentially try to buy us out of their lease.
     iv. Ms. Mejares Pham: Will be ever be able to expand to K-12 on that facility?
     v. Dr. Hermsmeyer: Unfortunately, we will not be able to expand beyond K-8 because Mater Dei did experience trouble in the past with High Tech High's high school students interacting with their students.
     vi. Ms. Mejares Pham: Will we be able to bring our Keys students onto this campus?
     vii. Dr. Hermsmeyer: It will be great if we could in the beginning, but that is not what is in the lease. However, Mater Dei staff have proven very easy to conduct negotiations with, so I'm sure we can have that discussion.
     viii. Ms. Podratz: In the preliminary budget, I factored using seven (of the eight) classrooms with a P2 ADA of 189 with a full time Director and Site Facilitator as well as part-time janitorial (if needed). This worked out quite well even with purchasing all of our furniture.
     ix. Dr. Hermsmeyer: We will have to transition one of the classrooms into an office and reception area.
     x. Mr. Chan: Are we occupying the entire 1st floor this first year?
     xi. Dr. Hermsmeyer: That is correct. And I am sure that if our enrollment warrants it, Mater Dei will be okay with us renting additional space before the end of the first year. And they will not rent the 2nd floor out to other interested parties in the interim.
     xii. Ms. Podratz: We have already started our advertising campaign in that area, beginning with movie theaters in Chula Vista.
     xiii. Ms. Johnson: What is the reasoning behind having the parking lot being shared until we lease the entire building?
     xiv. Dr. Hermsmeyer: Staff may be parking there, but it's definitely not an access for students.
     xv. Dr. Hermsmeyer: There is an elementary school kitty-corner to this building. The benefit of that is that we can possibly draw in some students. We will have signage on that corner.
     xvi. Ms. Podratz: We will also be offering a four day arts program and a one day learning center.

xvii. Dr. Hermsmeyer: We will also be offering electives for academy students (2:30-4:00pm) which we will open up to Homeschool.
xviii. Ms. Johnson: And that will encourage enrollment growth as well.
xix. Ms. Podratz: Per Assembly Bill 1994, Harbor's Orange County Quest Academy cannot grow until San Diego County's enrollment grows. So, this facility will allow growth in the OC Quest program as this campus' enrollment grows.
xx. Ms. Johnson: Can the students enrolled four days per week take the extra class offered on the fifth day?
xxi. Dr. Hermsmeyer: My only concern is that we will already be giving those students home-study work specific for their needs.
xxii. Mr. Fetherolf: The lease states that no modifications can be made to the exterior of the building. How does that allow for signage?
xxiii. Dr. Hermsmeyer: They have told us they will allow for signage. We will start out with just banners and determine more appropriate permanent signage later on.
xxiv. Mr. Fetherolf: Are we anticipating possessing the facility before July 1?
xxv. Dr. Hermsmeyer: No, we are not planning to occupy the facility until July 1. School starts August 26th. We will be ordering the furniture now (with net 30 payment terms) so that the expense is reflected in the correct fiscal year (2014/15).
xxvi. Mr. Fetherolf: If we sustain the costs of the interior remodel, will that also lead to a lease renegotiation?
xxvii. Dr. Hermsmeyer: I think we will be using Hermann Miller walls for the office space so that it does not require permits.
xxviii. Mr. Fetherolf: Since this facility doesn't seem to address ADA issues, what are your plans for that?
xxix. Dr. Hermsmeyer: I will talk to Dave Black (our General Contractor) and have him assess the situation. However, in my initial review, the bathrooms and walkways are ADA-compliant, and there is an elevator. There may be a slope issue from the building to the parking lot.
xxx. Mr. Fetherolf: We need to make sure we address that.
xxxi. Dr. Hermsmeyer: Phil (Hermsmeyer) is quite rightly nervous about gross leases. We could be at the mercy of the landlord's tenants.
xxxii. Mr. Chan: However, if the landlord is in good standing, they would reimburse the tenant for any additional costs.
xxxiii. Ms. Mejares Pham: Will we require uniforms for our students (since Mater Dei students wear uniforms)? If we are building an arts-focused campus, uniforms would be counter to that culture.
xxxiv. Mr. Fetherolf: Section 4.2(d) on page 3, discusses a dedicated reserve fund for the costs of maintenance. How do they figure our share of the costs we contribute to that reserve fund?
xxxv. Mr. Fetherolf: How old is this building?
xxxvi. Ms. Mejares Pham: According to a Google search, the campus was upgraded in 2007 (gutted and rebuilt) when it was taken over by the Diocese.
xxxvii. Mr. Fetherolf: Although the lease doesn't require renter's insurance, will we be getting insurance coverage?
xxxviii. Dr. Hermsmeyer: We will definitely be insuring this facility under our existing coverage.
xxxix. Mr. Fetherolf: Could we sublet some of the space?
xl. Dr. Hermsmeyer: We did have great success with subletting at our Indio facility. (College of the Desert sublet that facility.) Although it is an excellent source of revenue, there are some issues, particularly if the sub-tenants are hard on the building.
xli. Mr. Fetherolf: The lease is very restrictive in terms of time (7:30am-5:00pm). Do you feel comfortable with those restrictions?

xlii. Dr. Hermsmeyer: We will just need coordinate our dates with Mater Dei. I have no doubt that we'll not have any trouble using our building (Seton Hall) after those hours. And, we will just communicate and schedule the use of the shared facilities on the dates/times we need them with Mater Dei.
xliii. Ms. Mejares Pham: I am worried about geographical limitation in Chula Vista. For the long term potential of our school as Harbor grows, I would like to see us at a freeway crossing (at the heart of San Diego – like Mission Valley, Fashion Valley, etc.). It is going to be hard for many of our current students to reach the Mater Dei campus.
xliv. Ms. Mejares Pham: This is a community that is already infiltrated with charter schools, and they are used to high-performing charters. I just want to point out that we will be competing with the likes of High Tech High and Gompers.
xlv. Ms. Mejares Pham: What happens when we have to become a lottery school like the other charters in the Chula Vista area? How will that affect us?
xlvi. Dr. Hermsmeyer: We enroll our students based on first-come-first-serve basis.
xlvii. Dr. Hermsmeyer (in response to a question from Ms. Mejares Pham): There is no playground, per say, but there is a field (that is fenced).
xlviii. Ms. Mejares Pham: Will we be thinking of putting in a playground in the future?
xlix. Dr. Hermsmeyer: I'm not sure, but it's a good question that I'll think about.
l. Ms. Johnson: But we could invest in fun equipment like hoola hoops, balls, etc. in the interim.
li. Dr. Hermsmeyer (in response to a question from Ms. Mejares Pham): We are going to target all of Chula Vista for our advertising campaign (not just Otay Ranch).
lii. Ms. Couch: How do we figure out marketing budgets?
liii. Dr. Hermsmeyer: Each campus gets $5,000 per year if their enrollment is healthy. However, if a campus needs enrollment, we give them more marketing dollars (even upwards of $20k).
liv. Dr. Hermsmeyer (in response to a question from Mr. Chan): Our target enrollment is 200 students this first year. The classrooms are 1,000 square feet each, so we are planning to have an enrollment of 30-32 students per classroom.
lv. Mr. Fetherolf: How long does it take to get to that target?
lvi. Dr. Hermsmeyer: It depends on the area. For example, enrollment growth was slow at Lake Elsinore but quick at Hemet.
lvii. Mr. Chan: Can we take a tour of this campus?
lviii. Dr. Hermsmeyer: I'm sure I can arrange an appointment with the Dean.
lix. Ms. Johnson: We also might want to have an open forum night once we have access to the facility in July where we can answer members of the community's questions.
lx. Ms. Mejares Pham: There is a San Diego School of Creative and Performing Arts down the street from this campus, and I know they are a lottery school. I think we need to do some strategic marketing in that area to get those kids who did not get in on the lottery.
lxi. Mr. Fetherolf: Are we fiscally sound enough to sustain operations until our enrollment hits 200?
lxii. Dr. Hermsmeyer: With 189 ADA, Ms. Podratz predicted the program is in the black. Harbor has a tight budget in general (because it's a small school). The only way to make Harbor's budget more sound is have to have enrollment which means we have to have a student center. It's important to note that we traditionally have had a surge in Homeschool enrollment accompany the opening of a student center. Also, we are not a stand-alone school; we are a network. That means that if Harbor is suffering financially, one of the other network schools can assist until enrollment is healthy.

c. 6 AYES (Chan, Mejares Pham, Couch, Ellard, Fetherolf, Johnson); 0 NOES; 0 ABSENT. Motion adopted.

IV. ADJOURNMENT

6. *Action:* **Motion to Adjourn the Meeting**
   a. Ms. Mejares Pham moved to adjourn the meeting at 2:18p.m. Ms. Johnson seconded.
   b. 6 AYES (Mejares Pham, Johnson, Chan, Couch, Ellard, Fetherolf); 0 NOES; 0 ABSENT. Motion adopted.

V. NEXT REGULAR MEETING

Thursday, May 15, 2014 3:45 – 6:20p.m.
Temecula Administrative Offices – Executive Conference Room – 43448 Business Park Drive – Temecula 92590

Rachel L. Couch

Rachel Couch, Board Secretary

5/15/14

Date