

Valley Inquiry Charter School

March Special Meeting Minutes

March 31, 2025 | In person + Zoom Meeting, 6:00 PM

Board Members

Board President & Chair	Cammi Carriere
Vice Chair	Terry Rohse (virtual, joined at 6:42pm)
Treasurer	Stephen Staten
Secretary	BJ Foster (virtual)
At-Large	Ed Austin
At-Large	Carol Kruse (joined at 6:30pm)
At-Large	Mary Sinclair (virtual)
At-Large	Garrick Williams
At-Large	Vacant
Non-Voting Member	Lacey McNay

Meeting Agenda Minutes

6:07pm Call to Order

6:08pm Approving meeting minutes

Cammi: Mary unable to vote at this meeting as her background check hasn't come back yet. [Note: Counting Mary as abstaining in vote log.]

March 10, 2025 meeting: Stephen motions to approve minutes as written. Ed seconds motion. Vote: 5 yes / 0 no / 1 abstain. Motion passes.

6:09pm Authorization Resolution

Cammi: Lots to get through tonight. Starting with bond financing.

Stephen: We approached the district about what purchasing the property might look like, just a few weeks ago the district accepted our initial offer. We engaged David with LRB and put together a finance team. Two primary paths: traditional bank mortgage or public bond financing. As a public entity we have access to that second option. OFA (Oregon Facilities Authority) is a spinoff from Treasury. Can access lower interest rates and some good oversight protections; want to make sure that school continues forward beyond our individual memberships.

Next step is seeking the bond offering. Authorizing the public bond financing is on our docket tonight, which is allowing a public bond to be placed out there for potential purchase.

Cammi: Moving into the authorizing resolution now.

Courtney Dausz, attorney with Foster Garney representing school in bond financing: OFA is a Oregon State agency, allows us to access tax-free financing. States and School District have no liability, State is just a conduit. Underwriter will be utilized, and David Robertson is representing school. The only action of the board that is required is to delegate authority to the Board Chair and school administrator to execute the bond. Authorizes \$6M maximum due to a maximum outside amount, and school can borrow less but not more.

Resolution delegates authority, and either Board Chair or Administrator can determine how much of the loan is taxable and how much is tax exempt, final terms, maturity schedule, covenants, ongoing reporting requirements, fees, reduction provisions, purchase price and all other terms of the debt. It allows them to enter into loan agreement, disbursing agreement, preliminary agreement with OFA, and other agreements, account control agreement which gives access to the schools funds on behalf of bondholder, tax agreement where school agrees to abide by tax laws, disclosure for investors to review, and ongoing disclosure requirement to update investors on a regular basis. Intercept agreement (amendment to charter agreement where SD agrees to send debt service to bond trustees and remainder to school), deed of trust where school pledges property to holders of the bond for security.

This gives broad authority to complete the loan, get a rating if plans change, purchase bond insurance, deliver the mortgage, deed of trust, etc. to the bondholders. Able to select consultants, attorneys, and other service providers to accomplish the financing. Can prepare offering memorandum to potential purchaser, and enter into any other certificate that is necessary. Any action of the authorized rep is an action of the school and no further authorization is required. Authorizes a charter amendment to provide for intercept and retention of certain consultants, including Foster Garney, Jordan Ramus as legal counsel, Piper Sandler as underwriter, and LRB as financial consultant. There are ongoing disclosure and recordkeeping requirements that are outlined in this.

Questions?

Stephen: Can you speak to the role of the bond trustee?

Bond trustee will receive debt service payments from the district and forwarding them to the bondholders for payment of the debt. If there was a disruption, they would represent the bondholders. They will hold funds not used at bond closing, and the school can access the additional funds for projects. Requires a certificate from the school, architect that all work is done and payments are owed.

Stephen: To keep it clear, the authorized representatives are the board chair and school principal, correct?

Courtney: Yes, this gives broad authority to those two individuals.

BJ: Is it the principal that serves as the tax compliance officer?

Courtney: Board can name an individual; right now it is designated as the principal but it could be changed to a different entity. Responsible for tax and securities, can delegate tasks to others but retains responsibility for making sure obligations are completed and training offered to any delegated party.

Cammi: Are we feeling ready to proceed?

BJ: I feel ready.

Ed: Appreciate Courtney going through the document and laying out the important points.

Garrick: Is there a timeline for when unused funds have to be used by?

Courtney: Generally must be spent within 3 years, project is expected to be complete within that time frame.

Stephen: Want to make sure new board members get a chance to ask any questions they may have, lots of information coming fast and furious.

Carol: Sorry for joining late, had a work situation come up and traffic.

Stephen: Basically, this authorization is the board saying this is the direction we want to go and gives authorization to the administrator and board chair to execute this process.

Carol: Why the bond route?

Stephen: Gives better oversight and transparency, slightly lower cost than traditional loan.

Carol: For parents questioning what is going to happen with sixth grade, how is that impacted?

Stephen: We cannot launch those without some kind of funding, so this is the first step down that road.

Garrick: How does bond affect timeline in the event that no one purchases the bond?

Courtney: David is having connection issues, but wanted to convey that bank loan would require 30% equity contribution while bond does not.

Garrick: Is uncertainty in the market a consideration?

Cammi: Expecting to go to market in mid-April, this should get us in a good position to market the debt.

Courtney: Piper Sandler as underwriter will sell the debt. They help give the school terms they expect the investors will be interested in with cash on hand and debt ratio considerations. They believe this will be of interest. If we needed to pivot to a bank loan, that would add a few months to the process.

Cammi: David wanted to state that this is a very standard process, nothing out of the ordinary.

David: Very standard, every charter school that borrows goes through this process. Tax exempt municipal bonds tend to provide the lowest cost of capital, by and large the best tool. OFA is a conduit issuer and will help support you through the tax exempt process, and likewise David and Courtney will continue to provide guidance. Want to give hats off to Stephen and Cammi for going through financial picture. School is in a very healthy position. As advisor, this financing will accomplish the goals he has been informed of.

Stephen motions to approve the authoring resolution as drafted. Garrick seconds motion.

(Terry joined at 6:42pm)

Cammi: Terry, any questions before the vote?

Terry: No, comfortable with it as written.

Vote: 7 yes / 0 no / 1 abstain. Motion passes.

6:45pm

Charter Amendment

Stephen: There is some language changes in charter agreement and bylaws needed to allow bond financing to proceed.

Courtney: Fourth amendment allows for district to pay directly to bond trustee to provide security to bondholders that they will be paid timely. Remainder of amounts due would be paid directly to school. Also updates age and grade range to K-8. Has language regarding direct employment of employees, that there is power under charter agreement to enter financing, clarifies school participates in PERS, employee records, licensure, background checks, and that district will no longer provide certain services. If there are any debt financing policies of SD that they don't apply to bond, and by entering agreement SD doesn't have liability for the debt repayment.

Fifth amendment states that since the school district will not be providing services, there will be a phased change in funding where SKSD will increase funding to 90% the first year and when school takes over all responsibilities in July 2026 funding will be increased to 95%.

Cammi: Questions?

Stephen: ADMW is money that goes to schools, currently school receives 85% but there are some other charter schools that have gone through a similar independence transition and receive the higher 95%, and for us it translates to around \$260,000 a year. It goes to groundskeeping, security, etc. for caring for a building. This phases in that increase as the school takes over additional duties.

Garrick: Is there a way to get to that faster?

Courtney: Contingent upon taking over all responsibilities.

Garrick: If we achieve that sooner, could we reach that 95% sooner than July 2026?

Courtney: Possible to have funding commence earlier, language states no sooner than taking over all responsibilities and no later than July 2026.

Cammi: If we vote this in, we are moving to that K-8 structure and will discuss how in next meeting. Looking forward to survey results. Having a town hall meeting on Wednesday evening, so if you have questions or concerns you wish to have heard, that is a good opportunity. On April 7 we will look at that feedback. If this doesn't go through, we will not be moving toward a middle school.

Stephen motions to accept Fourth Amendment to Charter as written. Carol seconds motion.

Vote: 7 yes / 0 no / 1 abstain. Motion passes.

Stephen motions to accept Fifth Amendment to Charter as written. Ed seconds motion.

Vote: 7 yes / 0 no / 1 abstain. Motion passes.

6:56pm

Bylaws and Articles of Incorporation Revision

Cammi: This is a time to review these, we will be voting next week.

Stephen: Are the bylaws in good shape or do they still need more work.

Courtney: Proposed updates are to the 2020 bylaws, update language and clarify the K-5 to K-8, fixes languages about employees delegated to district. If school wanted a completely new set of bylaws that could be a project, but likely wouldn't be ready by time for bond financing. Important to ensure school has authority to enter into bond financing.

Stephen: Does this lock us into our current bylaws?

Courtney: Certain covenants require not changing the way we operate and financial relationships, but typically acceptable to make some updates to your bylaws. Articles are a complete restatement.

Garrick: We're known as the Baker Charter School dba Valley Inquiry Charter School. Is that a difficult process to change that official name?

Cammi: We have some relationships and accounts where it takes time and effort.

Carol: Could we change it down the road?

Stephen: Might not be advisable right now but down the road we likely could.

7:03pm

Public comment

Cammi: Want to hear from everyone, but do have some things to still vote on so please don't take too much time.

Dr. Beth Wigham: Works at ODE, serves as education specialist. Supports implementation of policies and initiatives. Expressing support for expanding to K-8. Appreciates IB education, would like to see that level of quality expanded to middle school, maintaining schools values, educational approach, and caring with additional options such as STEAM. Would address need in area by providing an additional option for families. Appreciates transparency of school in expansion and giving opportunity to provide feedback. Most successful districts and schools follow certain strategic steps, taking a thoughtful approach. 1) Setting a clear vision and goals, how it is unique and aligns. 2) Establishing strong leadership to guide transition. 2) Engaging stakeholders, parents, teachers and students. 4) Developing a well-rounded academic and extracurricular plan. 5) Ensuring financial and facility readiness by securing funding. 6) Recruiting and training educators who will align with school culture. 7) Implementing feedback, establishing benchmarks and using as part of the improvement process. Already seeing some of this in place. Will be important to learn from past experiences.

With any new initiative, some will feel nervous and uncertain, and this is normal. Change brings questions, but concerns shouldn't stop progress, but should be opportunities for engagement and meaningful conversation, listening with purpose and making sure everyone feels heard. Concern 1: Some potential concerns may be over whether the school will maintain its quality during an expansion. Strong leadership, family engagement will still be important. Concern 2: Will there be enough demand for a middle school? Without the expansion, many parents may have to seek other options. Many students are on long waiting lists for other schools. Some in local public schools may benefit from transferring to VICS. Concern 3: Whether we have the resources necessary. We've heard tonight that investing now is a great strategic decision. Concern 4: How this will impact the elementary program. Goal is to enhance school, not take away. Can create mentorship opportunities. Careful planning can make sure elementary students retain same level of service. Concern 5: Change is hard, why not wait? Could mean missing out on a great opportunity and students who wish to remain. Schools can adapt to growth and supporting families with high quality education. It is meaningful, the right time, and the best investment. Many families are excited, and want to express thanks for time and commitment to the partnership with parents.

Cammi: Thank you, that was well-thought out and had lots of great points.

Krystal (chat): I'm super excited. Board, THANK YOU so much for all your work!!

7:16pm

Expansion / Construction Vote

Cammi: Tonight need to vote on intent in response to bids. Spoke with Blake, who said it would be in our best interest to go with our lowest bid, Andy Medcalf, with a cement foundation (as opposed to block foundation) as cost savings is only around \$20K and likely would spend more on upkeep and would require much more wood in our project. Asked for breakdown on demolition of existing portable. The \$16K for that is included in the \$1.493M bid. Dependent upon bond financing. Needs to be done tonight so we can pull permits and move forward.

Stephen: Andy Medcalf is well known in the area, no concerns there. Support the cement, especially for seismic performance.

Garrick: After looking through the proposals, nothing stood out as getting something tremendously better with more expensive bids, and agree on cement foundations.

Cammi: Andy Medcalf has done a number of projects for the school district, lined out a 4-month plan so we can be operational in Fall.

Garrick: Are there warrantees?

Cammi: Yes, those will be included in the contract.

Carol: Don't know much about construction, but have we looked at Better Business Bureau? When doing additions to home, always checked with them.

Stephen: Andy Medcalf Construction is licensed with CCB, nothing concerning in their history other than one bonding issue that we can make sure is in our agreement with them, no complaints.

BJ: They started in 1994 so they are not new in this industry.

Ed motions to approve the bid from Andy Medcalf Construction Co. Terry seconds motion.

Vote: 7 yes / 0 no / 1 abstain. Motion passes.

7:26pm **Next meeting info**

Next meeting: Special session April 7, 2025 at 6pm via Zoom.

Wednesday Town Hall at VICS in the library on April 2, 2025, time TBA. Childcare provided on site.

Next monthly meeting: April 14, 2025 at 6:30pm in-person at Valley Inquiry.

7:28pm **Meeting Adjourn**