

January 12, 2017 WACS Board Minutes

The WACS Board would like to welcome students, parents, staff and community members. In order to facilitate an efficient meeting, if you would like to offer comments please limit your remarks to the public comment period of the agenda.

Present – Monica, Terrell, Hannah, Peter, Cobb, Katrina, Julius, Chuck

Absent – John, Kim

- I. Call to Order/Adoption of October Minutes (7:00-7:05)
 - A. Motion Terrell, second Julius, unanimous approval.

- II. Principal's Report (7:05-7:10) – Delana Reeves and Pete Settlemayer
 - A. Dashboard
 1. 2017-18 registration pace strongest so far
 - B. 2018 School starting Aug 1, 2017 (full calendar approved next month)
 1. Motion Hannah, second Julius, unanimous approval
 - C. Summer 2017 learning program opened to West Highlands students
 - D. Curriculum nights Jan 25-26
 - E. Sat, Feb 11 open house

- III. Committee Reports (7:10-7:15)
 - A. Finance Committee
 1. \$56k under budget Dec '16 due to \$43k monthly increase QBE funding
 2. \$158k Dec '16 capital fund donations
 3. \$494k cash on hand + \$470k reserve; forecasting \$473k Jul '17 EOY + reserve
 - B. Governance Update
 1. Strategic Planning Update: March 18th (location TBD)
 2. Staff Policies to be reviewed next month:
 - Employee Leave Policy (June 2015)
 - Hiring Policy (March 2016)
 - Procurement Policy (March 2013)
 - Capital Assets Accounting, Federal Funds Fiscal Compliance, and Payroll Policies (June 2016)

- IV. Facility Financing Presentations:
 - A. BB&T Bond Financing (7:15-8:00) – Burt Newsome, Blake Dober
 1. BB&T top charter school bond underwriter ~\$500M 2016, mostly below investment-grade \$5-\$115M.
 2. Rates have climbed 1%, investors wanting larger investments; current \$10MM CA deal is challenging to sell (WACS could be too).

3. Other potential challenges are lack of first renewal completed and small school size.
 4. Pool of ~ 60 total investors, potentially 40 interested in WACS.
 5. 14-week process before trustee receives funds (we still have to request draws) and we begin paying interest.
 6. Could be considered as a down-the-road buy model for Turner-Agassi Develop/Lease model.
- B. Turner-Agassi Develop/Lease (8-8:45) – Alex Shawe
1. Bridge to ownership with increasing rent over time, purchase options in year 4 and 5, and deferred early rent added to purchase price.
 2. Less impacted by bond market.
 3. Option 1 \$14 MM full build ~ \$1.1 MM annual rent.
 4. Option 2 \$6.2 MM 2-story 45k sq ft building with only 27k finished fully, then partially finish 18k sq ft and use for multi-purpose space / recreation, temp parking on gym site.
 - Later build 18k sq ft gym plus finish 45k sq ft building.
 - Modularity potentially unattractive to investors/Turner-Agassi.
 - Suggested that high fixed cost of small bond transaction, owner's rep cost premium, and other unique aspects of Westside's small project would make turnkey premium (higher interest rate) similar to bond financing cost.
 5. Option 3 build (2) 1-story instead of (1) 2-story building

- V. Board, Facilities Committee Discussion of Financing Options (8:45-9:15)
- A. Will APS approve assignment of ground lease to Turner-Agassi? (Pete to get update with APS)
 - B. Turner-Agassi premium viewed as significant.
 - C. Cobb will call Turner-Agassi references.
 - D. Desire to see costs as a percent of our budget by year for both models. Hannah, William to research APS/state stated guidelines.
 - E. Special Board Meeting Tuesday, Jan 31st for decision 6-8pm.

VI. Public Comment (9:15-9:20) – none

VII. Adjourn (9:20 pm)