



L.C. Fulenwider Campus

Governing Board

Meeting Minutes

Monday, May 4, 2020

6:00 – 8:00 pm

Oakwood Homes
4908 Tower Rd.

Board members in attendance by Zoom: Amy Schwartz, Jason McEldowney, Maura O'Neal, Noel Harryman, Mizraim Cordero, Chris Wildhagen, Tim Gallagher, and Kelly Leid

Absent board members: None

Staff members in attendance by Zoom: Jamie Prijatel, Candace Cheung, Kevin Denton

Opening Items

- Amy called the meeting to order and declared a quorum at 6:05pm.
- All board members were in attendance; Jason whom joined late
- Noel motioned to approve the 4/6/20 board meeting minutes; Kelly seconded it.
- Board members introduced themselves to Kevin Denton and shared good news updates.

Committee Updates

- Principal – Amy shared Kevin has participated in two to three STEAD meetings a week. Kevin provided a brief update.
- Parent and Community Outreach / Marketing and Promotion - Tim shared that he and Candace had a great meeting with Roberto Meza and agreed to stay connected regarding a future partnership with the STEAD school. Tim registered STEAD to participate in the Brighton Summer Festival (Festival). The Festival is a one day family event that attracts over 8,000 individuals. Currently, Reunion summer events are postponed; new dates TBD. No events will be cancelled. The farmers market may be moved to another location

to separate the farmers market from other events. The farmers market will put social distancing ques in place for public safety. If the rule remains that no more than 10 people may gather together in one place, then the Reunion events team will have to rethink when to hold the RedWhite and Blue Festival. The project team is talking to Kevin about creating videos to post on the website to introduce himself and share STEAD updates.

Tim asked a question: how is home building going? Kelly responded: It is considered to be a lagging indicator; Oakwood Homes (Oakwood) had its best first quarter in a long time. Oakwood revamped its business plan for 2020 and predicts it will still be a good year. The unknown is what 2021 will look like if people don't return to work and are unable to purchase homes. It should be noted that Oakwood thrives in tough times and the company is owned and backed by Berkshire Hathaway which puts them in a good financial situation as a company.

- Partnership Development, Capital Campaign (Fundraising) & Facilities – Amy shared we need to tie up our financing by the end of the month. The team knew it would be hard to fund the building given it is new construction, a high school, will grow one grade at a time, and use a project-based learning model; and now it is harder to fundraise because of COVID-19. The team has learned the next two years will be difficult to fundraise for the school. Dr. Fielder shared with Amy that The STEAD School should anticipate a 10% reduction in PPR. STEAD's goal is to reduce the operating budget so that the debt service ratio is at 15% of PPR; which is a best practice financial indicator. Amy proceeded to walk the board through three operating budget scenarios to increase revenue to finance the school facility.

Kelly shared that he challenged the design team to identify where we can save money on the design budget in order to reduce costs. He and the design team believe if they were to cut anymore from the design budget, the STEAD model would be changed. The team is still speaking with Vectra Bank as its lead lender and three potential sub-debt lenders. All of the lenders have said that STEAD is an exciting project and want to figure out how to have a role in the financing of the building. Kelly is 80% sure we can finance the building. However, there are elements that are not in our control that could prevent this from happening like the reduction of PPR by the State Education Department.

Amy shared the funding scenarios memo and walked the board through it. The momo had Vectra bank as a senior lender at \$13M; two sub-lenders (BuildingHope and CSFS) at \$1M each; RCF at \$2.75M; and a \$3.7M fundraising effort.

The facility financing plan is to build two buildings as the Phase 1 Plan; two buildings for Phase 2 Plan; and the fifth building will be funded through private fundraising.

Amy asked the group to read through the scenarios, discuss them, and decide which of the scenarios the board felt most comfortable implementing. The scenarios were informed by conversations with Alan Balzarek, a long time colleague, who recommended the year long school option using four tracks. Enrollment would increase from 165 students to 200 with a total of 800 students at full enrollment. Amy walked the board through the pros and cons of each scenario and shared the current debt service rate is at 20%. The group asked the below questions and comments shared about the scenarios:

Chris: What numbers make up a debt ratio?

Candace: Believes moving to a year round school will significantly change the model and we'd need to amend the STEAD charter?

Kevin: How do you get seat time hours in a split schedule?

Jason: The district considered the year-round school model in the past and parents had a lot of concerns about this model.

Kevin: 3A tops out at 618 students. If we have 165 students STEAD is at the low end of 4A.

Maura: Do we have a read on the market for homeschoolers; can we get 50 students? Kelly shared that we can survey the community. The homeschooling communities look for robust enrichment experiences for their children, which helps with their college applications. STEAD can offer enrichment experiences during Accelerator weeks.

Jason: The idea of having an extensive school community is intriguing. Is there any way to integrate them through distance learning and connect with students in the classroom. This can be a revenue driver as a facet of the overall STEAD model. This builds on the Cultivate Center's fee for service revenue model which would provide Monday enrichment activities for 27J four day a week students. He believes this is the best option. CSU Global can become a partner for students to access distance learning. Each homeschool student generates a .5 of PPR toward the STEAD school's operating budget and enhances STEAD's theme of bringing rural and urban communities together.

Noel: STEAD needs to have a board member who has a connection to the homeschool community. Noel has a connection to a homeschool family and will reach out to their parents to host a study group with the board about home schooling.

Tim: He believes split schedules don't work and that year round school and distance learning are both the way of the future. As time goes on, year round school will be a lot more popular with schools with diminished revenues.

Jason: Shared that year round school should be reviewed as an option and that Jeffco School District is already on a five track schedule.

Amy: Shared that Dr. Fielder is worried kids will not come back at all in 2020 and that a year round school is a challenge for students who want to play sports.

Kelly shared that another option for STEAD is to delay the opening or work with a commercial broker to find a temporary space for the school. Kelly is well appraised of available spaces in the area, though some more spaces may become available as local businesses close. Kelly sent a letter to the Superintendent asking Dr. Fielder to consider extending a \$1M line of credit to STEAD. Vectra bank has a funding condition that STEAD must have \$1M available to draw down if needed. The Superintendent shared he would have STEAD present their proposal to the 27J school board at their June board meeting for consideration. Kelly is not optimistic he can get this approved.

- Election - Jamie asked the board to send her any feedback on the board needs assessment and recommendations and the decision rights matrix.
- Non-Committee related - NA.

Closing Items

- Motion to adjourn the meeting by Amy at 8pm, Tim agreed, and Jason seconded the motion. The board unanimously approved to adjourn the meeting.