

Academie Lafayette  
Board of Director's Meeting  
Special Call Meeting  
Wednesday, December 3, 2008

**MINUTES**

**Board Members Present:**

Dave Cozad, President  
Michael Zeller, Vice President  
Kirk Farmer  
Melissa Thomas  
Pam Gard  
Herb Hardwick

**Board Members Absent:**

Harriet Charno  
Brian Hendrickson

**Staff Present:**

Eric Nelis, Principal  
Eric Roskam, Vice President  
Rachael Gordon

**Guests:**

Craig Scranton  
Brad Cahoon  
Annie Moren

Meeting opened by Dave Cozad. He informed the group that this meeting was scheduled to discuss different options for pursuing financing for the building expansion. Dave Cozad then turned the discussion over to Kirk Farmer.

Kirk Farmer updated the group on the fact that we are trying to finance the building expansion. He mentioned that we had gone to S&P to get a rating that would enable the school to obtain bonds as part of the financing. He mentioned that the rating we received was a rating lower than we wanted and stated that we are appealing the rating given by Standard & Poor's. He gave an explanation of how we would argue the fact that we would be able to service the debt. Also, he mentioned that there are two options we are looking at: 1) reduce the amount of the bond offering, so there is less money at risk, and 2) convince them that the risk of default is less than their current assessment.

Lengthy discussion followed.

Dave Cozad asked for a consensus from the group that we pursue the appeal to get a higher rating from Standard and Poor's and those members present agreed to move forward with the appeal. Kirk Farmer then reminded the group that we are in good financial condition to move forward with the financing plan.

Dave Cozad asked if we would pursue **issuing bonds** if we do not get **an investment grade rating from S&P**. Kirk commented that he is not looking favorably at a **non-investment grade bond issuance** due to the current interest rates and mentioned that waiting **could** provide a better economical climate.

Craig Scranton was asked when we would need to break ground to have the expansion completed by the start of the 2009-2010 school year and his response was, February. He then discussed the effect inflation would have on purchasing building materials, etc. Kirk asked about getting additional estimates on the cost of the expansion project and Craig Scranton agreed to obtain the additional estimates. Also, the question was raised as to how long it would take to get permits and Craig responded that we could possibly get a permit in March.

Eric Nelis discussed some options to accommodate the additional classrooms needed until the additions would be completed (in approx. Oct.). Other options were discussed such as increasing the size of two (2) classrooms, adding a trailer on site, etc. Dave Cozad asked how we could utilize the current space until the expansion was completed and Eric Nelis gave some alternatives for additional classroom space. Discussion followed regarding an off-site location for pre-k and kindergarten. Discussion also held regarding what the maximum number of students in the school will be. Annie Moren mentioned that she sees this as being more of a neighborhood school versus a school to include all students in the set boundaries. She mentioned that by keeping it a neighborhood school it would allow neighborhood families more of an opportunity to attend that have been planning for their children to attend Academie Lafayette since moving into the neighborhood.

Herb Hardwick brought up for discussion the question of how we can keep pace with the salary structure maintaining high quality teachers if we continue to add students and will we have the finances to maintain competitive salaries.

Dave stated that for a short term, three (3) classrooms could be set up in the existing facility. Kirk then suggested that if we do not get the financing we are currently seeking that we could go after a construction loan.

Kirk Farmer then mentioned that Craig Scranton would like to proceed with soil boring and asked for a motion to give him permission to move forward.

### **Motion**

Herb Hardwick moved to allow Craig Scranton's company to proceed with soil borings. Melissa Thomas seconded. Motion carried.

Craig Scranton then mentioned that J.E. Dunn would negotiate their fees in advance and then bid sub-contractors into the process to do the work for each phase. The advantage would be to have a construction manager on board and the company would be one that we are familiar with. It was suggested and discussed that the projects be bid out to more than one company with regard to qualification and cost.

Dave Cozad then suggested that the board meeting be rescheduled to Tuesday, Dec. 16<sup>th</sup>. Melissa Thomas then suggested that the lottery drawing be done by zip codes and was told that we would need to follow the plan as provided to potential parents.

Meeting adjourned at 7:47 p.m.

Respectfully submitted by,

Carlos McClain