



The Schools of McKeel Academy

*McKeel Academy of Technology
McKeel Academy Central
South McKeel Academy*

Finance Committee Meeting Minutes

Thursday, July 11, 2013

The Finance Committee meeting was called to order by Chair Mark Thompson at 9:30 a.m. at the Business Office. Committee members in attendance were: Mark Thompson, Taylor Caffey, Michael Peeples, and Phillip Walker. John Stargel participated via conference call. Staff present: Harold Maready, Alan Black, Julie Ramirez, Susan Black, and Olivia Hazell.

- **Rodda Construction Proposal for MEA Expansion**

Mark Thompson began the meeting by asking for questions or concerns about the Rodda Construction proposal.

The Committee members discussed the proposal, and are concerned about the proposal coming in at \$4.7 million, which could create caps on borrowing ability. The original amount presented was \$3.7 million.

Julie Ramirez stated timing is an issue as the final GMP will not be ready until July 17 or 24. The preliminary numbers from Rodda were high because it is easier to reduce the amount borrowed than to ask for more.

Alan Black discussed the contract process. This is a high estimate and we will need to negotiate certain cost factors. The subcontractors will submit bids to Rodda and we will decide who to use.

The Committee needs to make a selection of which bank to use in order to move forward.

- **MEA Projection with Debt Service**

Ms. Ramirez presented MEA Projection with debt service. 2013-2014 Preliminary budgets for all three schools are done and the numbers look good. Ms. Ramirez used the Community Southern terms in order to make these projections. The current note interest rate is 6.125% but would convert to 3.84% and interest only. Also during construction, any draws that are taken will be interest only. Rodda proposed \$57,000, which Ms. Ramirez felt was too conservative, so she used \$100,000. The net after the new construction loan and refinance of the existing loan is \$27,336. The projections for 2014-2015 are a net of \$64,348, which might be a bit aggressive.

- **Request for Proposals**

Fifth Third Bank's proposal was not competitive so it was eliminated.

Bank of Central Florida proposed a 3.4% fixed rate for 5 years, or a higher rate of 4.6% for a 10 year option.

Community Southern Bank's proposal has little to no debt service covenants, and the longest fixed term at the lowest rate (3.84% for 7 years, and the T-bill rate +278 basis points for the next 5 years). Community Southern Bank also holds the current mortgage on the downtown property so there would be lower closing costs or other costs associated with refinancing due to not having to "re-borrow" the existing \$1.3MM+ already owed.

After discussion, Committee members agreed that Community Southern Bank's proposal was the better proposal.

Taylor Caffey made a motion to accept the Community Southern Bank proposal with full Board approval. Phillip Walker 2nd the motion.

The motion was approved by the Committee unanimously.

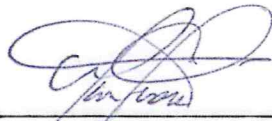
Superintendent Maready will have Olivia Hazell set up a conference call to allow the Finance Committee to make the privileged motion to the full Board on Monday.

- **Other Business**

Superintendent Maready will share more at the conference on our eligibility for potential future bond funding.

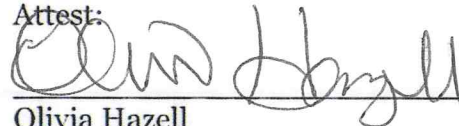
- **Adjournment**

There being no further business, the Finance Committee meeting was adjourned at 10:05 am.



Mark Thompson, Chair

Attest:



Olivia Hazell