



Finance Advisory Committee Meeting Minutes Friday, May 24th, 2019 at 7:30am Conference Room

Members Present: John Wells, Mick Souder, Stan Johnson, Andy Burns, Samantha Gallagher, Cheryl Weiscamp, Liane Jollon, Tim Zink, Allison A, Stephanie Moran, John Gillam, Nancy Stubbs, Dan Snowberger, Art Chase.

Guests Present: Heather Houk (Juniper Board president), Michelle Sainio (Juniper Accountant), Douglas Field (Juniper Accountant).

I. Call to Order – The meeting began at 7:35am with Cheryl leading the meeting.

II. New Business

Juniper Projections and Financials.

A. Introduction

- The Juniper School has reached their physical capacity and are no longer capable of growth in the existing building. The district also plans to expand Big Picture High School's programs to provide better educational opportunities for their students and can no longer house The Juniper School. All parties are in agreement that the ideal opportunity for growth is for The Juniper School to establish themselves in a new building.

B. Project and lease presentation by The Juniper School.

- TJS had looked into renting/buying modulars but it was going to cost around \$1M and longer wait to move in for a temporary fix. It was more cost efficient to renovate a leased building.
- Juniper has found a new building and signed a lease agreement with a 3 year term and the option for a year extension. However, the building is not approved for occupancy and requires renovations prior to TJS's move in. They are still in the negotiations/planning phase with the contractors and are not scheduled to move in to the new building until at least the end of August.
- TJS signed two different leases:
- FAC members mentioned that TJS check into property tax reduction for non-profit/school to help cut down costs.
- Timeline for construction: TJS is still waiting on permits and plan approvals. After TJS's renovation requirements meeting with the Fire Marshall today at 3:00pm, they will have a better estimate for the time line. District staff will also be attending this meeting.
- The ultimate plan is to be up and running in the fall. If the new buildings are ready by the start of the school year, TJS will still take in the kids as more of a day camp until renovations are completed.

C. TJS Loan request

- TJS is asking for a \$400,000 loan for improvements/renovation to their leased building. Heather reassured the FAC members that none of this money would be

used for school supplies, salaries, admin costs, rent, etc. 9-R has presented the terms that the loan have a 1.5% interest rate and the paid back term be set at 5 years max.

- The long-term goal for TJS is to establish a permanent location and apply for the USDA loan in the amount of around \$4M. No timeframe has been established for this massive project yet.
- Mick presented questions that the Board had regarding TJS's loan request.

D. FAC discussion/concerns/input

1. The Board will need to assess if the temporary residence of TJS will justify the \$400,000 loan. The Board has asked for input from the FAC to establish if this is a good financial investment and how to present this to the Board and the community in order to use the District's funds in this manner.
2. Rather than a lump payment loan, FAC suggested structuring it as a "drawn down loan" in hopes that TJS does not need the full \$400,000.

E. FAC terms. Upon TJS meeting the following terms and conditions, Art Chase motioned to approve TJS loan recommendation to the board. John Gillam second the motion and the quorum was established as a yes. Tim Zink abstained as a conflict of interest in this matter.

1. Early payoff: Any fund balance in excess of 15% unassigned (including TABOR, or 12% without TABOR), will be transferred to 9-R as an additional loan payment for early payoff.
2. Loan interest: An interest rate of 1.5% will be established for the full term of the loan.
3. Loan amount: A maximum disbursement of \$400,000 to The Juniper School will be allowed. A ratio of 80/20 was brought up for suggestion.
4. Loan type: FAC recommended structuring the loan in a drawdown fashion. This would mean that TJS would submit pay requests with backup that 9-R would then pay to TJS. This would establish smaller disbursements as funds are needed, but not as a line of credit against 9-R.

F. Adjournment – Cheryl adjourned the meeting at 9:18am.