APPROVED

Ethos Classical Charter School

Minutes

Board of Directors Monthly Meeting

Date and Time
Wednesday June 16, 2021 at 6:30 PM

Location
Until deemed appropriate with respect to COVID-19 related safety precautions, the Board of Directors meetings will be held over videoconference.

- https://us02web.zoom.us/j/84256697713?pwd=cUR6OFNHYlh1Vm1aQlZxNEhsU21JUT09
- Meeting ID: 842 5669 7713
- Password: 221264
- One tap mobile
- +16465588656,,84256697713#,,,,0#,,221264# US (New York)
- +13017158592,,84256697713#,,,,0#,,221264# US (Germantown)

Due to social distancing recommendations with respect to the COVID-19 pandemic, the Ethos Classical Board of Directors will hold its meetings of the Board of Directors virtually until such time as it is reasonably to return to meeting in person.

Directors Present
B. Hines (remote), E. Raines (remote), J. Virostko (remote), M. Moore (remote), P. Moody (remote), T. Mitchell (remote)

Directors Absent
A. Lamborghini, C. Ulrich Tarnoff, K. Graney

Ex Officio Members Present
E. Castillo Leon (remote)

Guests Present
Amity Farrar (POWER 10) (remote), Cameron Quick (Owner's Representative, Construction Project) (remote), D. Cembrola (remote), D. Mack (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

M. Moore called a meeting of the board of directors of Ethos Classical Charter School to order on Wednesday Jun 16, 2021 at 6:34 PM.

C. Public Comment

There being no members of the public who joined, there was no comment.

D. Approve Minutes

T. Mitchell made a motion to approve the minutes from Board of Directors Monthly Meeting on 05-19-21.
B. Hines seconded the motion.
The board **VOTED** unanimously to approve the motion.

II. Presentation: Capital Campaign

A. Introduction and Overvie

- A. Farrar of Power 10 introduced herself, and kicked off our capital campaign discussion.
- The first phase will be the feasibility study, the process of which was reviewed in detail.
- If determined to be feasible, there are three phases to the campaign itself, which can be 10 or 11 months long.

III. Management Report

A.

Finance

- Facilities Financing: E. Castillo Leon reported on the progress of the construction financing; adapted term sheet includes a final phase that includes the 3rd floor of new building, which is a total maximum of $14m for the loan.
- Existing Facility Purchase: E. Castillo Leon reviewed the terms of the purchase agreement with CSDC, who originally purchased our property and improved the building. Purchase price of $3.5m.
- Monthly Financial Update: D. Cembrola reported on the May financials, including revenues of $335k in revenue, expenses of $264k, and ending cash totalling $500k.
- SY22 Budget: D. Cembrola reported on changes to the proposed and reviewed SY22 budget based on changes related to the construction and financing work the operations team has negotiated. This resulted in $192k in projected income rather than $300k in projected income as we are paying interest on the $14m beginning in FY23 rather than in FY24 or FY25. B. Hines expanded on the rationale behind the changes, which should have a favorable outcome in outyears.

B. Facilities

- C. Quick joined in the capacity of our Owner's Representative, and presented on our construction update.
- Change in our general contractor; former contractor exited project. Choosing between two finalists on 6/17/2021.
- Update on construction project, which will complete the project fully 6 months early; anticipation of some cost savings.

C. LEA

- E. Castillo Leon reported that all end of year school data has been submitted to GADOE
- E. Castillo Leon reported that we have requested an amendment to our school charter to reflect a full K-5 school grade levels and a maximum of 648 students (from K-4, 540 students)

D. Recruitment (Staff & Scholar)

- E. Castillo Leon reported full pool, fully hired on staff and teachers
- D. Mack reported that scholar recruitment is strong; total of 360 of 340 are enrolled, with focus on waitlists to manage any summer shifts.

E. Program: Operations

F. Program: Academics

- E. Castillo Leon reported that we have 63 scholars enrolled in our summer program, held June-July
- E. Castillo Leon reported Step data, and detailed the SY22 strategic plan for academic priority areas

IV. Board Committee Reports

A. Finance

- B. Hines reports the Finance Committee will be recommending approval of the budget, it is comprehensive, aligned with our goals, and emphasis on the staffing structure that will allow us to reach academic goals. Also noted appreciation for staff and board for the flexibility to amend the budget to accommodate funding and construction cost changes that came in recently due to the nature of that project.
- B. Hines reports the Finance Committee will be recommending a not to exceed $14m loan to align with expected construction costs.
- B. Hines reports the Finance Committee will be recommending the sales agreement with CSDC for approval

B. Governance

C. Academic

V. Voting Matters

A. SY22 Budget

B. Hines made a motion to to approve the presented SY22 budget for adoption.
E. Raines seconded the motion.

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The board **VOTED** unanimously to approve the motion.

B. CSDC Purchase and Sale Agreement

T. Mitchell made a motion to approve the purchase and sale agreement as presented.
J. Virostko seconded the motion.
The board **VOTED** unanimously to approve the motion.

C. FR / LIIF Term Sheet

B. Hines made a motion to the Board amend the previous $12m not to exceed term sheet to $14m as presented.
T. Mitchell seconded the motion.
The board **VOTED** unanimously to approve the motion.

VI. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:14 PM.

Respectfully Submitted,
M. Moore

Documents used during the meeting

- ECS - May Financial Update - 06102021.pdf
- Ethos - May Financials - 06102021.xlsm
- Ethos - MYP - 06142021.xlsm
- Purchase and Sale Agreement - Ethos Classical (KH655629-2x9D7F4).docx
- Compare - PSA - Ethos Classical (v1-v2) (KH655656x9D7F4)[1].docx
- 6.9.2021_Ethos Classical Term Sheet_RF and LIIF[1].pdf