

APPROVED



Gestalt Community Schools

Minutes

GCS Board Meeting

Date and Time

Thursday October 25, 2018 at 8:30 AM

Location

Power Center Academy - Southeast, 8220 Shelby Drive, Memphis, TN 38125 - Zoom Conferencing

Directors Present

A. Evans Blackwell, D. Selberg (remote), D. Williams (remote), K. Satterthwaite, K. Walker Burt (remote), P. Ray (remote), S. Branch, Y. Lewis

Directors Absent

H. Coleman, S. Elswick, T. Williams

Guests Present

A. Butler, B. Turner, Christie Gilmore, G. Rucker, M. McFarland, N. Rogers

I. Opening Items**A. Record Attendance and Guests**

Ashante Evans-Blackwell was on the phone from 8:35am until 8:59 am when she arrived at the meeting.

Sonji Branch was on the phone from 8:35am until 8:57 am when she arrived at the meeting.

David Selburg - on phone for entire call

Dodd Williams - on phone for entire call
Patti Ray entered phone call at approx 9:09am.

B. Call the Meeting to Order

A. Evans Blackwell called a meeting of the board of directors of Gestalt Community Schools to order on Thursday Oct 25, 2018 at 8:35 AM.
Ms Blackwell was on the phone when she opened the meeting.

C. Approve Minutes

D. Selberg made a motion to approve minutes from the GCS Board Meeting on 08-23-18 with changes GCS Board Meeting on 08-23-18.
K. Satterthwaite seconded the motion.
The board **VOTED** unanimously to approve the motion.
One change to minutes - Katie Satterthwaite was on the phone during the meeting.

D. Board Membership Update

Ashante Evans-Blackwell spoke with Sonji Branch and she is unable to fulfil her board obligations. She would like to resign from Board and join the Governance Committee. Yetta Lewis stated that we should review our membership and attendance guidelines for the Board, Bobbie Turner will be added to the Academic Committee.

M. McFarland arrived.

II. Finance Update (GCS Network)

A. Finance Report

B. Turner arrived.

We ended Q1 with 1.3 mil in cash.

Income statement - operating revenue \$350,000 less than budgeted --- (BEP was down in Aug, Sept, but Oct true up is higher than the Aug & Sept and we will receive those additional funds, Capital Outlay, delay in title I revenue, timing of CSP & facilities grant -- the money will come in, just later than expected)

Expenditures down \$710,000 less than forecasted - due to school leaders buy in for budget and purchasing

Balance Sheet - Cash and Cash equivalents; we are in a good position, we can pay bills.

\$400,000 cash increase shown is because we drew this on Regions line of credit. US bank accounts had enough to meet our financial needs in Sept, but there was a restriction that we did not realize and we could not actually use the funds in the account.

We drew this money out of the Regions line of credit, but it has already been paid back and Oct will show balance sheet will show this.

CSP - There was \$2.7 million that we might lose because we did not open Crosstown High nor did we create the autistic program that we had planned. However, we submitted

a CSP amendment and it was approved, and the grant period was extended 1 year to cover SY 19-20, so we will recoup these funds.

Mendenhall Loan - 3 lenders - Pinnacle Bank - \$6 mil at 5.25%, Hope Credit Union - 1 mil @ 5.25%, Boston Community, now Blue Hub - - \$7mil @ 20 yr amortization schedule with a 5 year term. We will need to refinance on or before the 5th year. There is no prepayment penalty, and no origination fee for Pinnacle & Hope; Blue Hub has a 1% origination fee. Oct 31 closing date, may be extended to November 7th.

Blue Hub wanted the Regions line of credit canceled; the line is secured on a UCC, and they want to secure the assets, we did not feel comfortable with that, so the attorney is wanting them to only encumber the assets directly related to Mendenhall Mall project.

B. Mendenhall Construction

A. Butler arrived.

Resolution for Mendenhall Mall Construction Loan

Ability to move forward with borrowing

Katie Motion to approve resolution as drafted; Dodd seconded -- no opposes, no abstentions, motion carries

Mendenhall Construction Project.

After a competitive bid process, Montgomery Martin was selected as the General Contractor for the Mendenhall Construction Project

The schedule is 289 days; they have started with some remediation around asbestos - it is imperative that we start as soon as possible and stay on time. Project is \$17,284,742 including cost of property (that has already been incurred)

\$103,000 in contingency, General Contractor is caring somewhere around 3% contingency (approx. \$500,000). Telecommunications and some of the other soft costs are built into the Proforma. David Selburg request that we confirm our contingency cost with our Developer. A signed contract is needed prior to closing on Oct 31. Katie motioned that we approve the contract, Yetta seconded, no opposes, no abstentions, motion carried.

K. Satterthwaite made a motion to accept the Mendenhall Mall Construction Loan Resolution.

D. Williams seconded the motion.

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

K. Satterthwaite made a motion to sign the Construction Contract.

Y. Lewis seconded the motion.

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

III. Development Strategy - Executive Session

A. Mendenhall Property Management and Development

Executive Session after Board Meeting closed. Discussion by Executive Team with Christy Gilmore Consulting. Executive Session was approximately 45 minutes long.

IV. Closing Items

A. Adjourn Meeting

Board meeting was closed prior to Executive Session.

K. Walker Burt made a motion to adjourn the meeting and enter executive session.

A. Evans Blackwell seconded the motion.

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

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:17 AM.

Respectfully Submitted,

G. Rucker