

APPROVED



Rochester Academy Charter School

Minutes

Board Meeting

Date and Time

Friday December 16, 2016 at 6:00 PM

Location

Latta Rd

Trustees Present

M. Gedemenli, M. Guler, W. Middleton, Y. Bilgic

Trustees Absent

D. Calder, J. Santos

Guests Present

D. Ozcan, M. Demirtas

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

M. Gedemenli called a meeting of the board of trustees of Rochester Academy Charter School to order on Friday Dec 16, 2016 at 6:09 PM.

C. Approve Minutes

M. Guler made a motion to approve minutes from the Board Meeting on 11-18-16 Board Meeting on 11-18-16.

Y. Bilgic seconded the motion.

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

D. RACS Introduction

Board Candidate Kijana Crawford from the Department of Sociology and Anthropology at RIT introduced herself to the Board.

II. Finance, Facilities & Audit

A. Mortgage presentation by ESL bank rep

Mark Walcott from ESL made a presentation for our offer to purchase the Latta Road school site.

Mr. Walcott explained the process of taking out a loan to purchase the building.

Explained the Proposal Term Sheet and what is entailed.

Not for profit organization.

Owner Occupied commercial property-at least 51% occupied by owner.

Special Use property.

Fifteen year term, we will still be paying substantially less in mortgage payments than we currently are in rent.

Fixed rate --will be set prior to closing-no rate lock.

No pre-payment penalty.

The property is the collateral.

The school is responsible for all taxes.

The property must be appraised.

We must supply annual financial data/audit.

We must maintain a Debt Service Coverage Ratio of 1.20x.

All fees will be paid by RACS.

Discussion, questions, and answers regarding the process and possibility of a line of credit.

B. Mortgage Presentation by Pathfinder Bank Rep

Telephone conference Call with Pathfinder Bank representative.

Terra Science will serve as guarantor for the first year of the loan, with the option of revisiting the arrangement every year.

20 Year term, rate will reset every five years (adjustable rate mortgage every five years).

Appraisal has been done-Terra can share that information with us.

C. MORTGAGE PRESENTATION ABOUT FIVE STAR BANK

Bank Reps not available to talk with us.

Information provided by bank for comparison.

D.

School Purchasing and Mortgage Process / Comparison of 3 Term sheets

Discussion among the Board over the three options.

M. Guler made a motion to move forward with ESL as our first choice for securing a mortgage, with Pathfinder as second choices.

Y. Bilgic seconded the motion.

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

E. Financials

Expense Ratios are in good form-all expenses are as budgeted and only few slightly under or over the budgeted amount.

F. Citizens Escrow overage transfer to Citizens Main Account

The finance committee recommends that our various accounts at Chase Bank closed per board approval while ago. And Chase Escrow were transferred to Citizens Escrow, after Chase accounts closing. It now needs a transfer over \$75K in Citizens Escrow to Citizens Main Account prior starting the mortgage.

M. Guler made a motion to transfer over \$75K in Citizens Escrow to Citizens Main Account prior starting the mortgage.

Y. Bilgic seconded the motion.

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

G. WATER QUALITY TESTING

Demir got estimates for water testing from 3 different organizations.

Monroe county offers testing for free or for a minimal fee.

M. Guler made a motion to Contract with Monroe County to test our water for lead.

Y. Bilgic seconded the motion.

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

H. Holiday Gift Cards for Staff

Holiday Gift Cards of \$200 for staff are a tradition at RACS (actual paid through payroll)

This is already included in the budget.

M. Guler made a motion to approve the expenditure for "gift cards" for staff.

Y. Bilgic seconded the motion.

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

I. LINE OF CREDIT APPROVAL

A board vote is required for the pursuit of a line of credit-we had previously discussed a \$500K maximum line of credit.

The recommendation is to apply for a line of credit as part of our mortgage.

M. Guler made a motion to apply for a \$500K line of credit.

Y. Bilgic seconded the motion.

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

J. CONSTRUCTION PAYMENT STATUS

Our attorney has finalized the document for the construction cost overruns that we voted on at the last meeting-the document is as we discussed.

K. BUDGET REVISION

Some minor adjustments to the budget-realigning budget items so that there will be no effect on fund surplus.

M. Guler made a motion to approve budget adjustments.

Y. Bilgic seconded the motion.

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

III. Academic Excellence

A. Teacher Observation Policy

This is the written teacher observation policy prepared by teachers and administrators using our current practice on teacher observation and evaluation.

Uses Highly Effective, Effective, Developing, Ineffective

Y. Bilgic made a motion to approve the new policy on Teaching Evaluation to improve teaching effectiveness.

M. Guler seconded the motion.

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

B. Director's Report

Total enrollment is down to 352 students-our budget threshold is 355.

Most of the decline is due to students moving out of state.

The Fire Department has made some suggestions to amend our safety plan (we sent it out to them for evaluation).

Emergency response cards are posted in all rooms.

IV. Community Outreach/Development

A. Community Outreach Plan

Joann is out-no report.

V. Governance

A. New Board Member Recruitment Process

We are implementing our board recruitment plan.

Dr. Crawford is attending today's meeting as a potential member.

VI. Other Business

A. New Hires/Resignations

One resignation, we are in the process of replacing, but the final day will be the end of the month.

VII. 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 8:00 PM.

Respectfully Submitted,
W. Middleton