



Board Minutes

FY17 BUDGET APPROVAL

Utah Military Academy – Hill Field

Thursday May 26, 2016

GoToMeeting (conference code)

****OPEN TO THE PUBLIC****

1500 - 1700 hours

Dial: (408) 650-3123

Code: 200-492-965

GoToMeeting Code: 200-492-965

Call to Order Chuck Williams (1506)

No Quorum

Present: Curt Oda, Chuck Williams, Matt Throckmorton

Not Present: Sherrain Reber, Mike McCauley

Guests: Merlynn Newbold, Vicky McCall, Lincoln Fillmore, Tracy Dewey, Kit Workman.

Curt Introduces Potential New Board Members: Vicky McCall, and Merlynn Newbold

1. Review of Minutes (1520)
 - a. No vote of approval.
2. Review of Financials (1522)
 - a. Tracy Dewey reviews cash on hand has dropped a bit due to:
 1. New budget, & USOE slow on Federal dispersion
 2. Fed Reimbursement should get here on Tuesday May 31
 - b. Getting Air Force Flag, should be receiving 35k to help with uniforms, and ROTC Salaries.
 - c. Matt reviews the budget (1529)
 1. Lincoln states that budget consists of very conservative numbers.

Camp Williams Facility Bids

3. Hogan-High Mark (1534)
 - a. Mark Skousen, Blake Davis, Aaron Metcalf introduce themselves.
 - b. Will use a Real Estate Investment Trust (RIT)
 1. Can phase into capacity
 2. Will use a ceiling threshold, 20% of budget.
 3. Approx. \$160/sq. ft.
 4. Sublease 5-7, 10 years. To buy (will entertain a 3 yr. budget)
 5. 7% fee, donated to project – cost 25% (Yr. 5), cost 20% (Yr. 7)
 6. RIT uses a letter of understanding
 7. Has a guaranteed max price

4. Boyer and Company (1618)
 - a. Brent Boyer and Mike Glauser
 - b. Boyer and Comp. has done 7-10 Charter schools.
 - c. All Equity is in house
 - d. Endeavor Hall is 1st UT project.
 - e. 49k feet, 28 classroom
 - f. Real Difference is in soft cost.
 - g. 9.75% Cap Rate to set lease rate
 - h. Purchase Price is cost plus 20% at 3 years.
 1. 2-3 yrs. 120%, 4-5 yrs. 125%, 6-10 130%
 - i. Can do phased, 2nd phase
 - j. Call with questions (218) 936-4950
5. Sherrain Reber enters Board Meeting, Quorum Present. (1645)
 - a. Curt moves to approve minutes, Chuck seconds.
 1. Minutes Approved
 - b. Curt moves to approve budget, chuck seconds
 1. Budget Approved
 - c. Curt moves to approve new board members, Sherrain seconds
 1. Merlynn Newbold, and Vicky McCall approved as board members
Effective Immediately
6. Boyer and Company Cont. (1650)
 - a. Boyer is involved in Hill AFB Family housing
 - b. Option can include long term – replicating Camp Williams on Hill Field.
 - c. Take 5 years, right next to Hill Elementary on Base.
7. American Charter Development via Conference Line (1655)
 - a. Taft Morley presents, Mike Morley on phone as well.
 - b. ACD began building Charter Schools in 2004
 - c. Tax exempt bonds, EB-5-Fundings
 - d. 8.75% Cap Rate
 - e. Purchase after yr. 3
 - f. ACD worked with Mr. Throckmorton on AeA
 - g. Building approximately 45k – 50k sq. ft. (24 Classrooms)
 - h. Financing sources – 1031 exchange
 - i. 10-15 schools a year
 - j. Never done a 30 yr. lease, in working with a nonprofit we can qualify early – can do 30 yr. amortized lease vertex.
8. Vicky McCall leaves (1720)
9. American Charter Development cont. (1720)
 - a. Payments will start on Sept. 1, save 2 mos. in the first year.
 - b. Capitalize first two years
 - c. Willing to look at ideas such as capitalizing lease, (move savings into purchase)
10. American Charter Development finishes presentation (1726)

11. Concerns:

- a. Main concern is High mark.
- b. Highmark bonds to Hogan, rather than to UMA.

12. Merlynn and Vicky to schedule Board Training.

Adjourn

1734 Chuck Adjourns, Merlynn seconds.

Motions:

Motion to approve minutes

Motion to approve Budget

Motion to approve new Board members, Merlynn and Vicky

Actions:

Minutes approved

Budget Approved

New Board Members Merlynn Newbold, and Vicky McCall approved.