



MINUTES

Full Board of Directors Meeting

June 20, 2022

6:00 pm

The meeting was held:

[Online via Zoom using this link](#)

MISSION: We exist to foster a diverse and equitable community of youth and adults striving together for academic, personal and civic excellence.

VISION: Inclusive excellence in public education.

The Board uses a series of qualifiers, where appropriate, to help clarify the nature of each presentation/report.

1. The decision has been made and updates are provided (Inform)
2. Input is needed to assist the board to make the best decision (Discussion/Input)
3. Brainstorming is needed to help identify all options (Brainstorm)
4. Input and/or decision is assigned to a Special Committee (Small Group)
5. The decision is ready for vote (Vote)

ATTENDANCE

Board Executive Committee:

Gwen Maurello, Board Chair

Marc Furton, Treasurer

Anna Rogers, Secretary

Board Members:

Annie Bielecki, Board Member

Drew Goltermann, Board Member

Kamrin Coffey, Board Member

Grace Nailing, Board Member

Meg Ramey, Education First

Kenny Smith, Board Member

Ambar Suero, Board Member

Highline Ex-Officio Members:

Chris Ferris, Highline Academy Executive Director

Brittany Joyce, Highline Director of Communications

Other:

Lindsay Wall, The Longhouse Group

Tim Farmer, Attorney, Miller Farmer Law

Jennifer Koeppe, Ratio Architects

Cody Brown, Farrington Construction Management

Rob Bradley, Farrington Construction Management

Ben Lombardo, Farrington Construction Management

Max McCloskey, Ratio Architects

Absent:

Sarah Verni-Lau, Highline Academy Southeast Principal

Vanessa Rodriguez, Highline Academy Northeast Assistant Principal

Teresa Fraiser, HR Director

Heather Knight, Project Manager

Stephanie Grossman, Board Member

Joe Whitfield, Vice Chair

<i>Topic</i>	<i>Presenter</i>	<i>Goals</i>	<i>Outcome</i>
Call to Order – Gwen Maurello – Call to Order (6:07 pm) • Quorum Establish • Agenda Confirm • Mission and Vision restated A quorum of the Board was established. The agenda was adopted with no changes. Marc Furton read aloud the mission and vision statement. He is a HASE parent and is proud of the school's academic accomplishments (Nation Blue Ribbon School, receiving a 5-year charter renewal). Marc is grateful for the school's dedication to helping all students succeed and ongoing commitment to the mission to create equity in education.			
Consent Agenda – Gwen Maurello – Governance – Vote (6:19 pm) • Minutes from June 13, 2022 meeting A motion was made by Gwen Maurello and seconded by Marc Furton to approve the consent agenda. The motion passed unanimously.			
See BOD Packet for: (6:20 pm) • Scaled Back Building Project Presentation • Plan of Finance and Projections Update • Chalkbeat Article Explaining Denver's Declining Enrollments			
Public Comment (6:21 pm) Brent Baribeau, HASE parent • Former Board member and Board President. Brent voiced his support for a 1-story addition as he believes it is more fiscally responsible. Sarah Verni-Lau, HASE Principal • She expressed her support for a 1-story addition because this adequately supports the space needed. She believes adding a 2-story addition would result in crippling debt and impact the school's ability to increase teacher salaries and elements of Highline's program that make it a highly sought after school in Denver. Given declining enrollment, she also believes adding a 2-story may be a financial risk.			
Building Corporation - Chris Ferris - Vote (6:24 pm) • Marc asked what the additional cost would be to support a 2-story in time if we proceed with a 1-story. Ben Lombardo said they have not taken this approach yet so the cost for this is not yet known. • Ben Lombardo said they need to understand what the financing model looks like. • Farrington handles all the hard costs. Ratio and other consultants account for the soft costs. • The school was initially looking at a model with hard costs at \$6M and softs costs at \$2M (including bond financing costs). • Lindsay Wall: The interest rates in the presentation include a 30 bps increase in rates from the prior time the Board met in the fall of 2021. The bond market is not exactly like the fed funds rate or prime rate where they move in lock step with the actions that the Fed takes, but the rates that the debt service currently reflect were quoted after the Fed's action last week. Nonetheless, we expect movement in both directions (up and down) to continue through the summer. • Ben Lombardo - you can capture the essence of your project (culture for students and teachers) with one story building. Because the market is so volatile we can only capture 50% of engineering. If you go for a \$6 million project, some of the programs and experiences may be compromised. • Chris said that we should be basing our budget for 50 students, not 65. This will provide a more sustainable approach given declining enrollment and not wanting to over forecast enrollment projections. • When we go to the bond market we will be judged based on both campuses, however we have to submit a budget per each campus for DPS reporting. • The budget is written with the assumption that there is a 3% PPR increase and 3% salary increase. Per Chris, if Polis is re-elected, it is safe to assume that PPR will stay at the same level since education is his			

administration priority.

- Tim - it is reasonable to expect a modest increase from one year to another.
- Gwen - what do you need from the Board? Chris - we need to vote on how much we want to invest in this project financially. When we started this project and completed the feasibility study in the fall of 2021, interest rates were lower and the debt service (DS) was projected to be much lower. However due to changes in the bond market, the DS numbers are now significantly higher. Our initial demand/need is for 5 classes, community spaces and bathrooms. There is also declining enrollment and we need to have a buffer on the middle school with elementary enrollment declining.
- Drew - how did we get the projection about the enrollment? Kinder used to have the largest waitlist and now we do not have a strong waitlist for round 1. Middle school is completely full and we have 65 kids on the waitlist. Our competition for kinder is very different. There are other elementary schools with a good reputation in the area yet Highline is the only small middle school. Chris feels more comfortable about middle school enrollment.
- Debt service will be 12% for HASE and even lower for the network. This is a healthy and safe ratio.
- What is doable at the lowest price range - there might be a compromise we have to make. Ratio added some elements to make the school stand out, however with limited funds there will be changes to the scope of what is included in the final project.
- The \$5.06M cost shared by Farrington included hard costs and general contractor soft costs.
- Lindsay Wall shared that making a decision on an exact dollar amount will put the school in a tight place. She advises that the Board vote to approve a 1-story or 2-story project instead based on what would be in the best interest of the school. Especially given the changes in the market - costs may change suddenly.
- Chris would like to see the Board vote to approve a range amount that the school would borrow to in order to come to a consensus. Tim Farmer said that in doing this, the school cannot exceed the parameters voted on.
- Marc said he would be comfortable approving up to \$5.6M for the project.
- Drew Goler mann wanted to clarify that if we proceed with a 1-story, would that be compromising the needs of the program or the original mission. Chris Ferris explained that at the beginning of this project, the initial scope was only for a 1-story as this would sufficiently meet the needs of the school. It was explained to the Building Corporation that a 2-story would not be that much more than a 1-story and the Master Plan was developed using a 2-story model. As we see now, the cost differential between a 1-story and 2-story is significant and would have a large fiscal impact on the program.
- Annie - can we build a 1-story building with the possibility to extend in the future? Ben - this is possible. Learning Experience (something that was built for another project that Farrington supported) was a great addition and was used as a differential from other schools. At \$5.6M, this gives Highline a good starting point. If the school does not use it all, the remainder can be used to improve the mechanical systems of the school. The current budget only includes fire alarm safety, but everything else will stay the same.
- Chris - HVAC has a longer life span (we are in year 12 out of 25) and it does not have to be done right now. Highline is planning to go after the BEST grant next fall. If we get that, it will be an additional project that we do not have to fund.
- A motion was made by Gwen Maurello and seconded by Marc Furton to authorize the representatives of the school (Chris Ferris and Heather Knight) to enter into a contract for a 1-story facility expansion for the Southeast campus building that would be funded up to \$7.2M including soft and hard costs.
- Roll call vote: Drew (yes), Kamrin (yes), Anna (yes), Annie (abstain), Ambar (yes) Grace (yes), Marc (yes), Kenny (absent), Meg (abstain), Gwen (yes), Stephanie (absent), Joe (absent). The motion passed unanimously.
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Old Business - Chris Ferris - Inform (6:26 pm)

None

Reminders/Announcements – Gwen Maurello – Inform (6:27 pm)

- Next BOD meeting: Board retreat on July 29, 2022

Adjournment – Gwen Maurello – Adjourn Meeting – Vote (6:27 pm)

With no further business up for discussion, a motion was made by Gwen Maurello and seconded by Kamrin Coffey to adjourn the meeting. The motion passed unanimously.