



COLLEGE PREP IN A SMALL SCHOOL ENVIRONMENT

PEAK TO PEAK

CHARTER SCHOOL

BOARD OF DIRECTORS MEETING MINUTES

MAY 7, 2014, 5:00 PM

DOVE HOUSE

The Peak to Peak community will inspire students to fulfill their academic dreams for college, to develop their creative passions and athletic talents, and to become responsible citizens.

Board Members Present: Melissa Christensen, Brad Elliott, Elizabeth Gable, Scott Hudson, Kyle Mathews, Phil Mehalko, Suzanne Ovelman, Kelly Reeser, Greg Richards, Sam Todd, Lisa Walther, Thomas Willetto.

5:00 pm– Meeting was called to order by Mr. Willetto.

5:05 pm– Finance and Budget Committee Recommendations (Brad Elliott):

The Finance and Budget Committee (FBC) met on Monday, May 5, 2014, for its third quarterly meeting of the year. At this meeting, several financial issues were discussed and five recommendations were formed by the FBC members. Mr. Elliott presented these five recommendations to the Board.

1. Refinancing of Existing Peak to Peak Bonds: Russ Caldwell, financial advisor; and Eric Duran, investment banker with D.A. Davidson, provided detailed information and a proposed timeline for refinancing Peak to Peak's existing bonds. Current municipal bond rates are favorable enough to save Peak to Peak approximately \$100,000 in annual debt service with an aggregate approximate net present value of total savings of \$1,300,000.

This is significant so the FBC recommends moving forward with refinancing, assuming rates continue to hold close to their current levels. The only fee for which Peak to Peak would be liable, in the event that bond rates would increase and make refinancing unpractical is the \$30,000 bond rating fee from Standard & Poor's. All other fees associated with the proposed bond issue are contingent upon successful bond issue completion.

Motion by Mr. Richards to refinance the Existing Peak to Peak Bonds, second by Mr. Hudson; the motion passed 7-0.

2. 2013-2014 Budget Surplus Spending Priorities: Sam Todd and Louise Peng are projecting that the 2013-14 fiscal year will finish with a budget surplus in excess of

\$300,000. The FBC recommends the surplus funds be used in the following prioritized manner:

1. \$160,000 transferred to cash financial reserves to maintain the board approved KPI of “110 days cash on hand.”
2. \$50,000 used for asphalt repair, crack filling, and seal coating on campus driveways and parking lots.
3. \$20,000 transferred as ‘seed money’ to establish an endowment fund for Peak to Peak. The FBC further recommends that a matching amount be sought from the P2P community. The combination of these activities will ensure that a matching grant of \$10,000 will be received from the Community First Foundation, which the FBC recommends serve as the fiduciary partner for the endowment funds.

3. 2014-2015 Preliminary Budget Approval: The FBC recommended that the board approve the 2014-2015 preliminary budget in its current form, with the following assumptions:

Revenues

- PPR goes from \$6777 to \$6924 per student
- Capital Construction goes from \$92.50 to \$170 per student
- Bond payments go down from \$1,566,706 to \$1,464,706, annually

Expenses

- Establish a replacement reserve contribution of \$100,000 each year (based on the projected savings from bond refinancing)
- Increase contribution to financial reserves from \$30,000 to \$60,000 per year
- \$2/hour increase in pay for hourly support staff except custodians and BAASC
- 4% increase for admin, custodians and BAASC
- 2% increase in teacher pay scales (steps provide an additional 2% increase)
- \$25,000 increase in teacher bonus pool
- 15% increase in athletic coach pay
- Leave over \$160K in budget surplus to be held in reserve pending the outcome of the BVSD bond issue; in the event P2P needs to take on additional debt service to complete campus build out.

There was a question regarding the potential affect on the budget of any possible addition of a Master’s Plus salary scale. It was noted that if this were adopted, the resulting changes would not affect the 2014-15 budget.

Motion by Ms. Walther to approve the Preliminary 2014-2015 budget, second by Mr. Mehalko, the motion passed 7-0.

4. Establishment of an Endowment Fund

The FBC is recommending that an endowment fund be established through Friends of Peak to Peak. The seed money of \$20,000 to start the endowment would come from the 2013-14 budget surplus. Donated funds to the endowment would be used to grow the fund, and interest earnings would be used to fund college scholarships for Peak to Peak students in need. The parameters for the scholarships would need to be established by a separate committee.

The FBC is also recommending the Community First Foundation to serve as the fiduciary partner for Peak to Peak in the establishment of the endowment fund. Community First currently works in this capacity for more than 80 prominent non-profits in the Denver metro area. They would be responsible for investing monies and managing risk for the endowment. In addition, they offer a matching gift to get an endowment started of \$10,000 for the first \$20,000 deposited in the endowment. They also offer very low merchant fees (2%) for credit card transactions.

5. Establish a Part Time position (.49FTE) focused on leading our Major Gift Initiative

The FBC is recommending that Peak to Peak hire a Major Gifts Manager. This position would serve on a contract basis, assuming the salary is funded from private donations. There is significant interest from the P2P donor community to provide private funding for this new position. There was a question regarding how we would determine the appropriate use of the funds and the proceeds related to the Major Gifts. Mr. Elliott explained that we would need to establish a committee to spearhead those efforts and help determine how the gifts and proceeds were to be used.

5:12 pm– Preliminary Budget and Revised Fee List (Sam Todd):

Sam Todd presented the board with recommended changes to the previously approved student fees for the calendar year 2014-2015. Peak to Peak has decided to transition away from the PLAN (10th) and EXPLORE (6th & 8th) tests to the ASPIRE test for next year, and the fee for these tests is \$25. Additionally, it was decided to add the spring field trip monies for 9th and 10th grade counseling trips to student fees in the fall, instead of collecting cash from students during the school year. This is an additional \$6.50 fee for the spring field trip for 9th and 10th students.

Motion by Ms. Gable to approve the additional fees, seconded by Mr. Elliott, the motion passed 7-0.

5:15 pm-Board Remained in Session but Moved to Annual Meeting

6:00 pm-Adjourn

Respectfully submitted,

Lisa Walther

For the Peak to Peak Board of Directors