

These Minutes are Pending Board Approval

George Washington Academy

Thursday, October 24, 2024

7:30 p.m.

Board Meeting Minutes

Location: George Washington Academy
2277 South 3000 East
St. George, Utah
Learning Lab

Review of State Evaluations and Student Data was held at 7:00 p.m. prior to the Board Meeting.

The Board meeting convened at 7:40 p.m.

Board Welcome: Shannon Greer, President

Roll Call: Shannon Greer, President

Prayer: Josh Serrano

Pledge of Allegiance: Shannon Greer

Board Members Present: Amanda Mortenson, Austin Reber, Brady Pearce, Deborah Odenwalder, Laura Pressley, Laura Snelson, Kevin Peterson. Casey Unrein and Shannon Greer via Zoom.

Not Present: Blake Clark

Others Present: Spencer Adams, Jenna Ayers, Steven Erickson, Lexis Toia, Hannah Gillespie, Debbie Kauvaka, Josh Serrano, Chance Manzanares and Shelbi Kelly.

Review of Goals:

- Expanding student Leadership opportunities for ALL students
- Ensure ALL students are learning at High Levels
- Focus on Employee Mental Health with Better and Quicker Access

Approval of Minutes:

Deborah made a motion to approve the September 26, 2024 Board Meeting Minutes as outlined in the board packet. Laura Snelson seconded the motion. The motion passed unanimously. All present voted in favor: Amanda Mortenson, Austin Reber, Brady Pearce, Deborah Odenwalder, Laura Pressley, Laura Snelson. Casey Unrein and Shannon Greer via Zoom. (Kevin was absent for the vote)

Amanda made a motion to approve the October 10, 2024 Board meeting minutes as outlined in the board packet. Austin seconded the motion. The motion passed unanimously. All present voted in favor: Amanda Mortenson, Austin Reber, Brady Pearce, Deborah Odenwalder, Laura Pressley, Laura Snelson. Casey Unrein and Shannon Greer via Zoom. (Kevin was absent for the vote)

Public Opportunity to Address the Board:

Josh Serrano wanted to know if and when the first graders would be able to use the math center. Christine explained that they are currently serving only 3-7 grades. Currently if younger kids want to get help at the center they can join the after school program but parents would be required to pay out of pocket. Christine said she would love to talk to Josh and his daughter's teacher to explore how they can best help her.

Sarah Reynolds who joined via zoom wanted to know if IXL was available throughout the summer, she also expressed concern that her child was having a hard time accessing at home. Christine confirmed that it is available throughout the school year and the summer and that if she came into the school tomorrow she would help her get the access she needs.

Set time for adjournment Amanda set time for adjournment for 9:00 pm.

Teacher Reports:

Hannah Gillespie gave a report on first grade. She read an email from Natalie Reynolds, she said our kids are making great growth in reading. In our current history at time rotation, which is focused on digraph sounds, all classes have grown at least 1% if not more. This may not sound like much, but this means that the majority of our students have surpassed the developing and approaching group and have moved on to grade level or extension groups. Math data, currently they are at 60% on or above grade level for computation in math. For a celebration, they received an email from the second grade teachers at the beginning of the year informing them, the first grade teachers, of all the growth that their students made last year. The email from the second grade teachers said that when they went over the B.O.Y. Acadience data for both reading and math and they are blown away by how prepared the students are for second grade. Students scored 73% in reading, and that's after the summer slump. They are right on benchmark for both computation and concepts and application in math.

Lexi Toia reported on fourth grade. She said that their fact fluency grew 19% in the first quarter. They also celebrated their day of stars, which highlights students' independent reading. They got to choose a favorite character and present their character in an Oscar award ceremony. Ms. Lambs sixth grade science class got a test class average of 85% for their gravity and orbits assessment. Three out of the four classes scored an average of 92%, they celebrated with an ice cream party. Fifth grade just looked at the post test data for module four, which is expression. This year they pivoted from last year and cut out lessons that weren't essential and spent extra time on those lessons that were more essential. Our pre test score came in at 41% and we just took our post test and the average was 79%. They have noticed that fifth graders are struggling with fact fluency so they have been focusing on fact fluency. If fluency isn't there the rest of the year will be a struggle in math. They started a fun way to get the kids excited to memorize, they are doing multiplication ninjas. It's kinda like karate, every time they pass off a number 1-12

they get a rubber band to put on their pencil, kind of like a belt. With 12's being a black belt. It's been really motivating for the kids.

Administration Report:

Christine Giles gave the report. She said that right now attendance is at 95% and that tardies are at 89%. Having the different routes for parents to take at drop off has helped with these numbers. Enrollment is at 1,018. This fluctuates, but Debbie has done a great job keeping the number steady. Shannon mentioned she has gotten emails from the state about some of the reports. She wants to make sure they are getting submitted. Chrisine asked for the email to be forwarded to her and Blake and that she would make sure they are done.

Financial Report:

Spencer Adams gave the report. As of the end of September, officially a quarter of the way through the fiscal year, everything is looking great. A couple of things to keep in mind. We hit the October 1 date, which is significant for the financials because there is a good amount of state revenue that gets based off of those October 1 numbers, not as much as in years past but still some. We budgeted off 1,000 students and came in at 1,016, all indications show that the state revenue forecast should increase by quite a bit when its all trued up which generally happens usually on the November allotment. Local and State revenue is pretty much right on track, slightly ahead of schedule. A lot of it's due to, first off, the interest on investments. We came into the year pretty conservative. Not knowing what the rates would do. Then the state revenue, there are a couple of those line items that we get funded 100% or 75% just at the beginning of the year. It makes that trend a little high earlier. Federal revenue, we do see the lunch program starts to trickle in.

The expenses, everything is looking great. There is just one major category in red. As a reminder its only alarming if we don't know whats hitting that or if there are unanticipated events. The admin does a great job of keeping track of these budgers. Overall we are in a great position at this point. The ratios are still looking good. Slightly below the \$250,000. But again keep in mind that those trued-up numbers for the state revenue haven't hit yet so that's going to bolster that up a little bit. Should be finalizing last years audit here shortly. Getting it submitted to the state.

Casey asked if the sweep account has gone into effect and if its working. Spencer said yes he gets emails each day indicating the balance. Its coming in at the 3,000 level. Shannon asked if the reports have been submitter, or will be by the end of the month and Spencer confirmed they would.

Committee Reports (3 min each):

- **Policies Committee** – Nothing to report.
- **Finance Committee** – Nothing to report.
- **Audit Committee** - Casey mentioned that the audit is about finalized. No material deficiencies.
- **Benefits Committee** – Kevin said that everything has been finalized for the health, vision, dental and life insurance policies. It will appear in next months board packet for

approval. It started at 20% increase but got it down to 11.6%. The 11.6% increase still falls within the budget

- **Curriculum Committee** – Nothing to report.
- **Outreach Committee** – Nothing to report.
- **Technology Committee** - Nothing to report.
- **LAND Trust Committee** – Nothing to report.
- **PTO Committee** – Austin said that the fall fest went smoothly, They made \$3,000 over their budget. 30% came from one family who wrote a large check as a donation. Shelbi, make sure to write a thank you note. Shannon wants the PTO to let the board know how they can help and be involved with events.
- **Board Development Committee** – Nothing to report.
- **Campus Management Committee** – Nothing to report.

Discussion and/or Action Items:

None.

Sponsorships:

Shelbi reported that the plaques in the front for the sponsors are up. Thank you cards are being delivered by hand to the sponsors. There have been a few businesses who expressed interest in sponsoring next year. The raffle made money this year.

GWA Expansion: Shannon Greer Erin Preston

Shannon brought up the proposal numbers that the administration team and those who are part of that conversation put together. The total being 1,050 year 1 followed by 1080 year 2, 1,110 year 3, 1,140 year 4 and 1,170 year 5 with more growth potential further down the line. Currently the school is chartered for 1,075. It's going to take us to year 2 to need the expansion but we need to take care of it ahead of time before we actually need it.

Read the rubric for what the state needs and what the proposal says please review and make sure everything the state is asking for evidence is found in the proposal.

Shannon turned the time over to Erin Preston who has done a lot of support work on the attorney side for George Washington Academy. She has experience building schools.. She is here to share the process and some of the pitfalls. We pride ourselves in team effort, doing things right, following the rules and being on time.

Erin said she is a lawyer with 30 years of experience. She grew up in a construction company family. Realized there were a lot of problems with contracts from other charter schools. She has worked with new schools, expansions, remodels, and bonds. She is here to talk about getting contracts and financing right.

10-15 years ago you could get a bond for 3%-4% interest rate which are pretty good terms. She asked what our terms would be. Kevin said the rate we were given is 4.65% for 35 years with no foreseen penalties for paying off early. She asked if that was with refinancing of the existing school as well. Kevin said that they are separate with collateral being from their own buildings.

First consideration is that you never take more than 25% of your funding for a facility. Kevin said that the first 2 years they will be between 22%-23% because of prepayments. Kevin said there will be 1.6 million in prepaid interest David's expenses and escrow. After year 2 it will go down to 22%. Erin said 4.6% is a great percentage she asked how long that is locked in and how much of our cashflow that would eat up. Kevin said we don't know exactly because we don't have final numbers on construction. We have 360 days of cash available, we think we can spend roughly 2-3 million dollars still maintaining the current covenants on the current bond and be able to add the additional bonds as well. Erin mentioned that GWA has always been a very financially strong, sound school. Cash on hand is critical to maintain. It will help us attain financing. She spoke to the idea of advancing our students through the school and growing gradually rather than looking to add a significant amount upfront. She spoke of the Spectrum Academy following a similar model. She said that the benefit of this is that the current GWA students are already familiar with the school's model and it doesn't take a lot to get adjusted for new students in a gradual way. The problem is that we may have some cash problems at first because we have more school to pay for without as many students.

Erin said there are different methods to finance a school. Pre-bonding is what we are looking at. This particular method is their way to have more control over construction and architecture. But it also front loads a lot of things, spending money upfront. Finding a developer to do developer financing is hard right now.

Erin brought up other issues for pre-bonding. Once we get our financing is when we start paying interest. Traditional construction versus charter school construction. As one of the finest charter schools they will want to have us expand. There shouldn't be any problem on getting approved. Especially since we aren't expanding grades. Another benefit is that we have the land already. We need to see if that can be used as collateral and upfront financing. She sees every square inch of a build as how many classrooms, how many special ed classrooms, how many offices every fifty thousand is a teacher. Charter construction is a shorter timeline. You don't want your financing way out there. If it's warranted, great. Erin said her shortest build was a new build at 5 months 3 weeks from shovel to doors open. She said you don't need 18 months of construction time that you hear about a lot. When you have the school board, administration, faculty, and everyone working together you get to listen to each other and get ideas for how to make the best school. Erin asked how many special Ed the school has. Christine said 13%, which is under state average. Erin talked about how districts can receive funding for up to 14.4% but that charters don't have a cap. Erin said that GWA is the only school that she works with that doesn't have special ed closer to 25% in one form or another. We can anticipate the number to go up so to make sure we have the facilities for it. Planning on zoning - We are building to an E occupancy, E being education. It's the second most stringent code to build for. There will be a lot of permits and a lot of specialists required to check beforehand. Everything will get done, then we send everything to the state of education and they will give us the building permit. There will be no impact fees if you go through the state. Generally there are the same architects and builders for charter or traditional. Something to consider is CAT 5 wiring, things like WIFI hubs. Shannon mentioned we wanted to have something similar to a library, not like the traditional one we have in the main building but one with resources. Erin showed a few pictures of different rooms that are multifunctional. Something to consider is making sure that each space we use has multiple functions. Erin said that there is an increasing autism population in our state. They are triggered by different things. The pictures are showing upscaled lighting so that it doesn't flicker and cause seizures. Smells, colors, contrasts, anything that evokes sensory responses they didn't want in

the school that is being pictures. This is where we need to think about our student population, what do they need? Part of the building can be left empty so that we can grow into it in the future. Remote connectivity is important, internet is important, safety is important. There's a few things that are always going to be stable, but we just aren't conducting school the same way we were 10 years ago. First thing is to create a construction timeline. We already have the site, but design, finance, contracts, permits, all go into planning. 75% of the work is done before the shovel hits the ground. We need to decide how to set up the construction model. If you're not doing developer financing, that means that you're in control of your money much more than you would be otherwise so you can have more competitive bidding processes. You can take advantage of the costs where you have construction partners that may not be as busy. Standard of interest and qualifications is an SOIQ. Basically if you are doing an independent selection of architects, you can't consider money. You have them come up with examples of their work and you rank them. Then you open the price if you don't like the price they are out and you move on to the second ranked candidate. This can be problematic.

At this point Shannon entertained a motion to continue the conversation. Kevin made a motion to continue, Brady seconded the motion. All present voted in favor: Amanda Mortenson, Kevin Peterson, Austin Reber, Brady Pearce, Deborah Odenwalder, Laura Pressley, Laura Snelson. Casey Unrein and Shannon Greer via Zoom.

Erin lost connectivity to the internet so the conversation went on without her. She will join us at 7 p.m. for the next meeting.

Casey commented that he valued the talk about SOIQ because it didn't seem like there was any way to value the architect when we didn't even know what our budget was. Brady asked where we are with the architects. Shannon said that we spoke with 3 architects. All of them came back with great information, one of them came with some basic maps of where we can put the building, where we can put it to utilize the space that we have to provide the best parking location that architect group was really very beneficial in helping us to imagine what this might look like. We met with two contracting companies. Both of them gave us some good insight, shared some things that the architect had. Shannon believes that the time spent with both give a good indication of what the process of working with them will be like. We have not identified who we want to work with because we need to go through this formal process. Shannon went on to say that the RFP process has given us the opportunity to really begin engaging with the contractors in a formal way. One of the things that we began the conversation thinking that we would identify an architect, and contractor and work with them in a triangle type relationship. After the meeting both contractors recommended identifying the contractor and letting the contractor identify the architect. That has a more linear relationship with, the contractors feel that would streamline and make the process faster.

Kevin said that at one of the meetings they recommended getting a CMGC, construction manager general contractor. They would help with expediting the process where we were trying to get everything done in 18 months. Basically having one individual that's taking care of all the engineering, the architect would focus on the architect but how we are going to utilize the space and the functionality. One thing Erin brought up is although we don't have to go through a permitting process through the city, we still have to go through a utility and easement

process. We need to make sure the sewer line meets capacity. We may need to bring in a new water line in order to have enough water pressure. So are the processes that the construction manager will lay out for us. We will stay in our wheelhouse of saying what we want, the construction manager will make sure it gets done the right way. Two of the architects that the committee met with, one in particular is masterful at planning and designing projects. The problem is that they are fairly set in their ways of what they think these projects should look like. One of the things the admin team and the committee is fairly adamant about is that we don't want a new building not looking like the old building. We don't want two completely different buildings that look like they are from two different planets. Aesthetically and exterior and material-wise we want there to be some consistency there. Kevin said that as we are all volunteers, we need to find professionals who want to be the general contractor and will let us have input in terms of what we are doing. It's not up to the admin, their job is to educate children. What we are trying to create for aloof us is an accountability factor that says, general contractor, here's the plan. That outlet is not in the right spot, that's not a change order, that's ok you and that's accountability from there. Architect, you recommended this, No, this your architect, this needs to be here. Both contractors are willing to do it that way.

Shannon said that the contractors and even the architects thought that the 18 months was a very quick timeline. She asked Kevin and Casey to talk about why the timeline should be moved to 2027 from a financial standpoint.

Kevin said, we are looking at the pre-bond option. He gave a hypothetical situation to explain the current process. We need a \$10 million building. Between the costs and construction costs and interest expense, and David, that's going to be \$10 million construction, \$2 million interest expense, \$2 million fees, prepaid insurance, all these costs that go into it. \$10 million turns into \$14 million. One of the things Erin is concerned about, is that we would start incurring interest of \$14 million on day one, even if you haven't used any of it yet. We have had some good conversations about a hybrid approach where we would use cash that we have available. We can stay within bond recovery covenants and do everything we need to do and still spend roughly \$2 - \$3 million without incurring any kind of covenant restrictions or any of our bond restrictions being in jeopardy at any point in time. So probably to do soils reports and the architect and some of those things, we use the cash out up front. Then we just postpone the ability to then go get the financing. There is a form that is approved through the state of Utah that allows you to fill out what's called a reimbursement form. And you can apply for a reimbursement form right from the get-go. David says if you think you're going to be at \$14 million ask for \$18 million. Once you set that, it goes through the board and is approved and we can't exceed that amount of the project. Then we can go spend that additional cash, we can do whatever. When we pull the bonds just like you didn't, whatever portion we want it to be, then that going forward would go. Roughly a \$10 million bond after year one, because year one is very expensive, because it's all fee front-end loaded, it's roughly \$575,000-\$600,000 of additional expense is what we are looking at. That's the idea.

Another concern comes from the electrical world. There are a lot of electrical components that have lead times of 18-22 months. Transformers in particular are very hard to get a hold of. Nobody wants to tell us they can do a job then have a hard time getting the components. Austin confirmed the issue and said that Hurricane City has been waiting for 14 months on a transformer for a project. Deborah asked why we shouldn't just sit on the land longer, save up so we can reduce the percentage, as well as wait out the shortages. Brady said it's not going to get

any cheaper. Deborah asked about putting some of the gap from our budget towards a building fund and save that for a few years to reduce that percentage of how much we're getting lending for versus paying out with limiting the impact on our day-to-day functions. She said she doesn't want to see that we limit our cash flow and our budget to the point where our current school is hindered. Shannon said that they have been saving for this day for the past 8-9 years, they have been budgeting but that one thing we need to take into account is that we are at capacity. We need to have more space for the students that we have in the building to be able to continue the great educational opportunities that we have. So while right now we are juggling we need to build so we can put the kids that we have in spaces. We are juggling right now costs getting worse, versus interest rates, versus the ability to educate kids that we currently have. Casey said he thinks we can broaden the conversation of maybe having a smaller building instead of the big one we are talking about. But that is a juggling act that we're playing, in a variety of different committees and conversations. In order to build enough we need to attract more students in order to pay for it. Kevin said it doesn't matter if we delay things. If interest rates get worse, then all the savings that we think were going to save by delaying that are going to end up there. I know what the project's going to cost now, I know what the financing is today, I have no idea what's going to be in the future. Amanda said that one of the contractors said he built 2 buildings on Riverside Road two years apart and the second building was 40% more than the first. So the interest would gain on saving our money is not going to outrun inflation right now. Casey said that the reimbursement resolution that Kevin was mentioning, it is something that probably will, based on the way this process is coming along, be a board item in the next two-three months. Any money spent prior to the resolution being passed cannot be reimbursed. Christine asked what the enrollment is going to need to look like starting next year to get the annual funds. Shannon said that the proposal that admin gave the board is a place to start. Shannon went on to talk about how we have the ability to have more kindergartners, if we can do that we can retain them, the retention is a higher percentage. The concern is where are we going to put them. Possibly portable on the back playground, possibly adding one student to each class. Ultimately, the board will not decide where the students will go, that is up to the administration to decide which teachers can handle extra and what space they can use. Casey said that the school is constantly bringing in large numbers of new students to each grade level. He attributed this to the attractiveness of the school. He also said that each grade level has an 85%-90% retention rate. This means that there are about 15 new students per grade level each year. One of the conversations has been to have a student/teacher ratio of 25. Casey showed 3 different tables that he created. One has the current school makeup with 5 classes in K-5 and 4 classes in 6th and 7th. The average class size was 26.5. Kindergarten had 27.8 but the ratio goes down a bit as we go to different grades. Another table shows a conservative proposal of adding 1 class per grade with 11 new students per class. The average class size was 23.8. The proposed maximum table had 2 new classes being added with 38 students and the class average being 24.3. Retention has gotten higher from kindergarten to first grade over the years. Casey's analysis on that is because kindergarten is more universal now so they are coming to GWA as a school of choice rather than out of necessity. Shannon asked that the admin team confirm that the projected numbers that were brought up at the beginning of this portion of the meeting were the correct projections. They confirmed that they were. Kevin wanted to reassure all of the admin team that the numbers that the board are giving are projections, not ultimatums or expectations. He said nobody will lose their job if these numbers are not met. He said that just because we are throwing out projections doesn't mean that we anticipate or expect not meeting these and that we

would be in financial ruin if they weren't met. We will never put ourselves in such a poor predicament. This will not be placed on the admin team or the teachers, we will not proceed unless there is a viable plan. Kevin said he recognizes that there will be bumps in the road but he doesn't want that to cause analysis paralysis. This is not bulletproof. What it is, is good people trying to do the right thing for the right reason. Chrisine said that the admin analyzed the numbers and spoke with teachers. The teachers feel more comfortable having 28 students in the classroom instead of 25 if they can have an assistant at KN1. Casey showed another table with adding 3 new classes and bringing in an additional 169 students. He mentioned that if we do a big push the first year or two, it would get easier from there because it would be about retention and maintaining after that. Kevin said he didn't want to sugar coat it, the first two years will be hard. There will be some growing pains, but 2 years of difficulty for 20 more years of educating kids is worth it. Shannon went on to talk about the importance of being intentional in our goals. She said that we are going to need to change the way we have been doing things because we want to grow and not just get the same results. Shannons goal is to submit by Tuesday, if we don't meet the deadline we need to way a whole year. By submitting the proposal we are committing to the numbers not the dollar amount. There is the option to push it back a year, that would give us enough time to get the configuration we want. Shannon went on to say these numbers, they will base and they will judge us by how close we hit our numbers. As long as we can finance what we're doing, there are going to be less concerns about what those numbers look like. For example, for the last 10 years we have been chartered at 1,075. Because 10 years ago we crunched some numbers and figured that if every kindergartenthat started in our building stayed with us through 8th grade we would have to water some of them out. So we increased that number so that we would have the ability to keep as many students as we wanted to be here. We have since grown with things like mathnasium and the reading center has grown. We no longer have space to grow. We are bursting at the seams and will not hit that 1,075 mark without jepordizing students and faculty. The state has never come back and said we are under-enrolling. They have always seen our numbers and they've seen that we've budgeted correctly and that we've stayed under budget. With that being said, these numbers, they're going to want to see. They're going to want to see how we intentionally plan to grow. But at the end of the day, as long as we are meeting our financial responsibilities and all of the requirements, if we are 50 students short, and highest we ever get is to 1,140 I don't think they're going to have much to say. We absolutely need to make sure we are staying within our budget, which we have always done. Shannon then asked if anyone has any concerns about submitting the proposal next week. Amanda asked, If we go ahead and apply to the state now and get approved but let's say we decide to start construction not until 2027, will we be penalized? Shannon confirmed they will expect full transparency, and we will be in communication with them if something comes up. As long as we aren't spending money inappropriately or taking funding for growing then not growing I don't think they will have a problem. Casey then asked the admin team if going on year 5 if it's six classes per grade level. Christine mentioned all the developments going in around the school. Kevin said that most of the demographic is coming from all over, it's not a neighborhood school, people are committed to the school and having their kids get the best education and are willing to travel. Kevin did some quick math and said that last year they were able to save \$573,673 more than they anticipated saving, this year they are on track to saving a high amount again. Without changing a single thing, thats enough money to make the bond payment. He has high hopes in money for education and grants that can be received. We have created a great problem, what happens when a family comes and they have three kids but we are

only able to take two? We don't have the space. Nobody wants to take out a huge loan, but it's what needs to be done if we want to grow.

Shannon confirmed that the proposal will be submitted by November 1. The board and the admin team will need to be present at the State Charter School Board on January 16 generally between 10-4. Christine was delegated to reserve the bus. They usually allocate 30-45 minutes for questions. From now until January we will focus on the budget for this project. There will be a continued conversation about whether an attorney needs to review the RFP or which documents need to be reviewed. Not having an attorney review will save money.

Housekeeping items, Christmas party is December 2. It was requested that the November 21 meeting be moved to November 14. The December board meeting will just be preparing for the January meeting.

Closed Meeting – None

Reconvene — Take all appropriate action in relation to closed session items.

Next Meeting: The next regular Board Meeting will be held on November 14 at 7:30 p.m.

Amanda motioned to adjourn the meeting. Adjournment at 10:13.

Minutes written by Shelbi Kelly.