

**MINUTES OF THE  
CAPITAL TRUST AUTHORITY, INC.**

The 12th meeting of the Capital Trust Authority, Inc., Gulf Breeze, Florida, was held at 315 Fairpoint Dr, Gulf Breeze, Florida and on Thursday, July 20, 2023 at 9:00 a.m.

The following Board Members were present: Chris Kemp (Chairman), Gary Michaels (Vice-Chairman), Deborah Roche (Assistant Secretary), Burt Snooks (Board Member), Cherry Fitch (Board Member), Christy Larkins (Board Member), and Bobby Potomski (Board Member). Also attending was Denis McKinnon (Executive Director), Connie Beargie (Office Administrator), and Samantha Abell (City Manager). Attending via teleconference were Kareem Spratling (BMO Bond Counsel), and Brooke Gonzalez (BMO Bond Counsel). Special Guests attending via teleconference was Karen Seder (Kids Community College) and Richard Moreno (Building Faith).

**NEW BUSINESS:**

Chris Kemp welcomed Mayor Cherry Fitch to the Capital Trust Authority Board. Chris Kemp also acknowledged Councilman Tom Naile's retirement from the board and expressed appreciation for his 2+ years of service on the board and all agreed with a hardy round of applause for Councilman Tom Naile's contribution.

**AGENDA ITEM:**

Capital Trust Authority Minutes from 5/25/2023

**DISCUSSION:**

No discussion.

**MOTION/ACTION:**

**Gary Michaels made a motion to approve the minutes as presented. Christy Larkins seconded. Vote for approval was 7-0.**

**AGENDA ITEM:**

Award Resolution 13-23 – Kids Community College Charter Schools (KCCCS)

**DISCUSSION:**

Kids Community College Charter School, located in Riverview, Florida, currently operates four charter schools, with a total of 495 student stations. The purpose of the financing is to purchase two of the existing facilities, including the land, acquisition costs. The borrower currently leases the facilities.

Denis McKinnon stated these two schools are the two schools not purchased with the previous 2021 Wonderful Foundations financing.

Chris Kemp asked if there is a plan for improving the current grades. Karen Seder, K-8 Campus Director with KCCCS, stated adding the High School component decreased average scores, however, new programs are in place to increase scores and replicate the success in K-8.

Gary Michaels asked why the enrollment numbers in grades 3-4 are increasing, yet grades 4-5 remain steady; why did they not increase in size. Karen Seder replied that the enrollment in each classroom is affected by the distribution between campuses.

Cherry Fitch asked what is the average class size. Karen Seder replied the elementary size is 18 and middle school is 22.5.

Chris Kemp asked if similar regions are experiencing a similar downturn in average grades. Karen Seder replied that area schools are negatively impacted by COVID-19, lack of housing and homelessness.

Cherry Fitch asked if the schools provide transportation/busing. Karen Seder replied that they have a shuttle that operates approximately 10-12 miles south of campus, and approximately 20 students ride the shuttle between campuses. Karen added that if additional need for transportation is identified, they would be open to adding additional shuttle routes in order to meet community needs.

**MOTION/ACTION:**

**Deborah Roche made a motion to approve Award Resolution 13-23 as presented. Gary Michaels seconded. Vote for approval was 7-0.**

**AGENDA ITEM:**

Inducement Resolution 10-23 – Independent Classical Academy

**DISCUSSION:**

Independence Classical Academy is an existing charter school with 534 students in grades K-8, located in Ft. Pierce, Florida. The proposed financing is for the acquisition of the currently leased facilities, construction of approximately 145 new student stations at the existing site, and acquisition of adjacent land for future expansion plans.

Bobby Potomski asked about the grading system the Academy has adopted. Richard Moreno stated the school using Florida's new 'progress monitoring' grading system which allows for quick results rather than relying on end of the year testing.

Chris Kemp asked what happens when a school receives an F grading. Denis McKinnon replied that the charter could be revoked when the school receives an F grading two years in a row and if the school is performing worse than area schools. Richard Moreno added that if the school can demonstrate improvements, they can appeal the process with an annual review of the school. Richard Moreno also stated it is normal for new schools to have lower scores as students move in from other schools.

Gary Michaels asked for clarification on the term "student stations". Richard Moreno replied it is an industry term for new or added students.

#### MOTION/ACTION:

**Bobby Potomski made a motion to approve Resolution 10-23 as presented. Christy Larkins seconded. Vote for approval was 7-0.**

#### AGENDA ITEM:

Inducement Resolution 11-23 – Gladiolus Academy

#### DISCUSSION:

The Optima Classical Academy at Gladiolus project is a proposed new charter school to be located in Ft. Myers, Florida and is expected to serve 879 students in grades K-8. The financing includes the land acquisition, construction and equipping of a 72,130 square foot educational facility to include classrooms, an administration wing, a multi-purpose lunchroom and auditorium space, recreation fields, traffic queuing lanes and parking.

Denis McKinnon stated the borrower, Classical Education Network (CEN), has come to CTA in the past with Treasure Coast Classical Academy. Treasure Coast is a successful school that has performed as agreed.

Chris Kemp asked about the school curriculum. Richard Moreno stated they have adopted the classical education curriculum, also used by Pineapple Cove, St. John's Classical Academy, and Treasure Coast.

Christy Larkins asked about the 2022 tax series bonds referenced on the term sheet. Denis McKinnon replied that is a typo and should read 2023 series bonds.

**MOTION/ACTION:**

**Cherry Fitch made a motion to approve Resolution 11-23 as presented. Christy Larkins seconded. Vote for approval was 7-0.**

**AGENDA ITEM:**

Award Resolution 12-23 - Imagine School at West Pasco

**DISCUSSION:**

The Imagine School at West Pasco project is a proposed new construction, land acquisition, and equipping of a K-8 charter school to be located in New Port Richey, Florida. CTA issued the bonds for the borrower to finance the Imagine School at Land O'Lakes, also located in New Port Richey, Florida.

Denis McKinnon stated the West Pasco school is expected to replicate the success of Land O'Lakes school. Denis also stated the Bonds will be issued on parity with the 2020 bonds.

Chris Kemp asked if the new bonds will be rated or unrated. Kareem Spratling stated this will be unrated with a limited offering, not investment grade rating. Richard Moreno stated the cost to get a rating is high and this will be a public offering; the underwriter will reach out to the original bond holders who usually buy the new bonds because it is a known credit to them.

**MOTION/ACTION:**

**Gary Michaels made a motion to approve Resolution 12-23 as presented. Deborah Roche seconded. Vote for approval was 7-0.**

**AGENDA ITEM:**

Capital Trust Authority Budget FYE 9-30-2024

**DISCUSSION:**

Denis McKinnon presented the proposed budget for the fiscal year 9/30/2024.

Gary Michaels asked why the Authority does not carry any of the overhead expenses. Denis McKinnon replied that the overhead split is determined by a policy adopted by the City Council stating any organization that carries at least 80% of the revenue will also be responsible for 100% of the overhead. Until the Authority closes more issues, CTA will continue to carry overhead expenses.

**MOTION/ACTION:**

**Cherry Fitch made a motion to approve the proposed budget for FYE 9/30/2024 as presented. Deborah Roche seconded. Vote for approval was 6-0 (Bobby Potomski left the meeting prior to a vote).**

No other formal business of the board was taken and the meeting adjourned at approximately 10:50am.

Minutes submitted by:  Connie Beargie, Office Administrator

Approved by:  Gary Michaels, Vice Chairman