

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

The 17th meeting of the Capital Trust Authority, Inc., Gulf Breeze, Florida, was held at 315 Fairpoint Dr, Gulf Breeze, Florida and on Thursday, December 7, 2023 at 9:00 a.m.

The following Board Members were present: Chris Kemp (Chairman), Gary Michaels (Vice-Chairman), Bob Cleveland (Secretary), Deborah Roche (Assistant Secretary), Christy Larkins (Board Member), Mayor Cherry Fitch (Board Member), Bobby Potomski (Board Member) and Samantha Abell (City Manager). Also attending was Denis McKinnon (Executive Director), and Connie Beargie (Office Administrator). Attending via teleconference was Kareem Spratling (BMO Bond Counsel), Brooke Gonzalez (BMO Bond Counsel) and special guest John Buck (Buck Financial Advisors).

AGENDA ITEM:

Capital Trust Authority Minutes from 11/16/2023

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 23-23 – IDEA Public School

DISCUSSION:

IPS Enterprises (IDEA Public Schools) is a 501c3 non-profit entity currently serving schools in Louisiana, Florida, Texas and Ohio. The proposed financing is for the construction and acquisition of 4 existing charter schools located in Jacksonville and Tampa, Florida.

Denis McKinnon stated the 2023 financials are included in the board packet as requested by the board. John Buck with Buck Financial Advisors stated the current financials were delayed due to the sheer volume of the total organization.

Denis McKinnon stated the investor presentation included in the packet provides a comprehensive overview of the school, including recent historical and as well as long term plans

and goals. Denis stated the school is very proud of their 99.3% graduation rate and 80% first generation college student attendees. Surrounding schools are historically low performing schools.

John Buck with Buck Financial Advisors stated the school pivoted from a K-12 school to a K-8 school due to delays with the ground up approval and the existing adaptive reuse rehab approval. The State grant was running out causing the focus to pivot to fewer sections in each grade level. John Buck also stated construction costs increased which forced them to divest properties and reduce classes and grade levels.

Bob Cleveland asked what the plan is for the \$6 million in the sources and uses used for working capital. John Buck replied that 2 million is in the cost of land and the remaining funds will be allocated to Jacksonville & Tampa based on enrollment numbers. In addition, there is a revolving fund allocated to program funds based on capacity. The state of Florida will be completely paid by the operating schools.

Bob Cleveland asked if this financing is cross-collateralized. John Buck replied that it is cross collateralized and guaranteed by the borrower under a master lease agreement.

MOTION/ACTION:

Christy Larkins made a motion to approve Resolution 23-23 as presented. Deborah Roche seconded. Vote for approval was 7-0.

AGENDA ITEM:

Award Resolution 24-23 – Kids Community College Charter School

DISCUSSION:

Kids Community College is an existing charter school facility with four charter schools located in Riverview, Florida. Approval for the bonds was granted in May of 2023, however, the school became uncomfortable with the rising interest rate environment and renegotiated the bonds with a private bank.

Christy Larkins asked if restructuring the project with a private bank is beneficial to the borrower. Denis McKinnon replied that it is better as their cash flow will increase by \$400,000 per year and they can refinance in 3 to 5 years.

Bob Cleveland asked if these are 30-year bonds. Kareem Spratling replied that rather than a 30-year term, the bonds will mature in 3 years, however, they have an option to extend the term for an additional 2 years.

MOTION/ACTION:

Mayor Cherry Fitch made a motion to approve Resolution 24-23 as presented. Bobby Potomski seconded. Vote for approval was 7-0.

AGENDA ITEM:

Pipeline Report

DISCUSSION:

Denis McKinnon provided a brief overview of current and potential projects.

Bobby Potomski asked how many projects are normally closed in a given year. Denis McKinnon replied that in 2016 CTA closed 1-2 projects, in 2017 it increased to 5-6 projects, and in 2018 19-20 projects were closed.

Christy Larkins asked if Quincy is happy with our partnership so far. Denis McKinnon replied that he attended a recent City Council Meeting and they indicated they are pleased with the arrangement. Kareem Spratling stated that they appreciate the streamlined process that was approved under the new and improved Capital Trust Authority.

MOTION/ACTION:

No Action Required.

NEW BUSINESS:

Public Records Requests

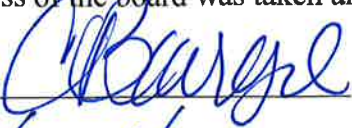
DISCUSSION:


Denis McKinnon stated that we have a public records request from Morgan & Morgan. The request also asks for any and all communication for the past three years from Denis McKinnon and anything related to Gulf Breeze, Century or Quincy.

MOTION/ACTION:

No Action Required.

No other formal business of the board was taken and the meeting adjourned at approximately 9:35am.

Minutes submitted by:  Connie Beargie, Office Administrator

Approved by:  Chris Kemp, Chairman