

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

The 26th meeting of the Capital Trust Authority, Inc., Gulf Breeze, Florida, was held at 315 Fairpoint Dr, Gulf Breeze, Florida and on Thursday, August 29, 2024 at 9:00 a.m.

The following Board Members were present: Chris Kemp (Chairman), Deborah Roche (Assistant Secretary), Christy Larkins (Board Member), Harry Wilder (Board Member), Burt Snooks (Board Member), Bobby Potomski (Board Member), and Mayor Cherry Fitch (Board Member). Also attending were Denis McKinnon (Executive Director) and Connie Beargie (Office Administrator). Attending via teleconference was Brooke Gonzalez (BMO Bond Counsel). Special guest was Scott Rolfs (Ziegler) and Richard Moreno (Building Hope).

**AGENDA ITEM:**

Capital Trust Authority Minutes from 7/9/2024

**DISCUSSION:**

No discussion.

**MOTION/ACTION:**

**Harry Wilder made a motion to approve the minutes as presented. Mayor Cherry Fitch seconded. Vote for approval was 7-0.**

**AGENDA ITEM:**

Award Resolution 34-24 – The Classical Academy of Sarasota

**DISCUSSION:**

Classical Academy of Sarasota is an existing, private independent school focused on classical philosophy education. In addition, the school participates in 11 varsity sport programs and various electives including choir, theatre, archery and military studies.

Denis McKinnon introduced Scott Rolfs from Ziegler as underwriter of the bonds. Mr. Rolfs stated Ziegler is a specialty investment bank with concentration in private schools, senior living and healthcare. Mr. Rolfs introduced the project and stated the bond proceeds will be used to finance the project's first phase, which includes the purchase of the existing facilities and the

construction of site improvements. The second phase is expected to be introduced in the Spring of 2025 and will include a new education facility, a gymnasium, athletic fields and a parking lot.

Christy Larkins asked for clarification of the purpose for the additional 1 million in reserve funds. Scott Rolfs replied the request for the reserve funds are for the purchase of a smaller building currently under an 8-year lease to a non-profit pre-school.

Chris Kemp asked if there are any unanswered questions from inducement. Denis McKinnon replied the only question was the plan for the 2 modular building structures and the plan is to sell both and pay off the subordinate debt with the proceeds.

### **MOTION/ACTION:**

**Christy Larkins made a motion to approve Resolution 34-24 as presented. Bobby Potomski seconded. Vote for approval was 7-0.**

### **AGENDA ITEM:**

Inducement Resolution 35-24 – Whole Family Health Center

### **DISCUSSION:**

Whole Family Health Center is a 501c3 non-profit located in Vero Beach, Florida. The purpose of the bonds is to finance the acquisition and improvements of a medical office facility. This is a direct bank placement with SouthState Bank.

Denis McKinnon stated the borrower has 36 health providers including Internal Medicine, Adult Medicine, Pediatrics, Infectious Diseases and Behavioral Health. Bobby Potomski asked for information on FQHC. Denis McKinnon replied FQHC stands for Federally Qualified Health Center. This designation allows health centers to provide services in underserved communities.

Christy Larkins asked for an explanation of a swap agreement. Denis McKinnon replied that swap agreements hedge or swap a fixed interest rate to a floating rate with the expectation that it will result in a more favorable interest rate and principal payment.

Christy Larkins asked for additional information about the audit recommendations. Denis stated that most of the audit recommendations have been resolved, however, he will ask for clarification of the remaining recommendations.

Chris Kemp commented that SouthState Bank is a sophisticated bank and will be performing proper due diligence prior to the issuance of these bonds. Chris asked what would happen if they discovered alarming issues with the audit. Denis McKinnon replied that we would not return to the board for a final approval. Brooke Gonzalez further stated that if BMO found objectionable risks within the project, they would not allow the project to come before the board for final approval.

**MOTION/ACTION:**

**Deborah Roche made a motion to approve Resolution 35-24 as presented. Bobby Potomski seconded. Vote for approval was 7-0.**

**AGENDA ITEM:**

Inducement Resolution 33-24 – Jewish School of Miami

**DISCUSSION:**

The Jewish Academy is an existing private school located in Miami, Florida. The school currently serves 269 students in grades K-12.

Denis McKinnon stated that BMO will be extensively researching the school for all religious teachings in order to determine if they qualify for tax exempt bonds. Richard Moreno stated the school is open to all students and they participate in the voucher system.

Christy Larkins asked about the 2021-2022 property purchase. Richard Moreno replied there is a 9 million note from an angel investor to build out the additional floors. Phase 1 will be for the purchase of the building and improvements to the first 2 floors. Phase 2 will be for the buildout of the additional floors.

Burt Snooks asked if the project meets public purpose if it is religious in nature. Brooke Gonzalez stated the project includes a valid 501c3 determination letter; however, religious use cannot be financed and BMO will be scrutinizing the project for evidence of any violations to the Internal Revenue Code as it relates to tax exempt financing. Chris Kemp asked if the school offers religious studies at lunch or during any other school function. Brook Gonzalez replied that BMO is preparing a spreadsheet of all school activities and this information will be included in their final determination letter. Brooke further stated if any secular findings are discovered, the project will not, cannot close.

**MOTION/ACTION:**

**No motion taken at this time. The CTA Board is waiting to hear back from BMO's due diligence process before voting to induce the project.**

No other formal business of the board was taken and the meeting adjourned at approximately 10:15am.

Minutes submitted by: \_\_\_\_\_ Connie Beargie, Office Administrator

Approved by: Chris Kemp Chris Kemp, Chairman