



MINUTES
IMAGINE SCHOOLS GOVERNING BOARD MEETING TYPE:

Regular Special

March 26, 2019

I. Call to Order:

II. Roll Call Quorum 2/3rd in attendance: **X**yes no

Board Member's Name	Position	Present	Absent
Renan Felix	President	X present	
Roger Goff	Member		
Nancy Morris	Member	X present	
Faith Christopher	Parent Liaison	X present	

Imagine Schools	Position	Present	Absent
Aimee Williams	Principal	X present	
Stefanie Lowery	RD	X present	
Christine Miller	Regional Finance	X present	
Jeannie Murphy	ISOL Admin	X present	
Other			
Imagine Schools			
Special Guests	Richard Moreno, Building Hope		
Guest Speakers			

- III. Notice of Public Posting of Meeting – Newsletter/Reader Board/Lobby Display**
- IV. Campus Purchase, Richard Moreno, Building Hope – Discuss different finance options, building valuations, purchase price**
- V. Campus Expansion Update – Karl Huber, Imagine Schools, VP – Schoolhouse Finance – Update status of discussions and settlement with the landlord related to expenses incurred by ISLOL related to the lanlord's scope of work on the facility expansion completed at the end of July, 2018 (letter from Karl Huber attached).**



VI. Approval of minutes, January 2019

Motion: Renan Felix
Support: Faith Christopher
Ayes: 5 Nays: 0

VII. Financials – Financial Analysis through February 2019

Motion: Renan Felix
Support: Faith Christopher
Ayes: 5 Nays: 0

VIII. Approval of new board members – Chris Huff and Robert Olsen

Motion: Renan Felix
Support: Nancy Morris
Ayes: 5 Nays: 0

IX. Lottery and Enrollment Update – 19-20 School Year (Jeannie Murphy)

X. State of the School – Leader Update

XI. Public Comment (limit to 3 minutes per person on any matter not listed on the agenda)

The board heard comment from _____ related to _____

XII. Next Meeting Tuesday, April 23, 2019 at 6:30 pm in the Media Center

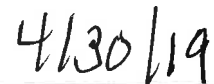
XIII. Meeting adjourned by Aimee Williams at 8:03 p.m.

Minutes Certification:

Proposed minutes respectfully submitted,



Recording Secretary

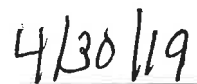


Date

Approved by the Board President

X 

Board President



Date

Imagine Schools at Land O Lakes
Financial Analysis through February 2019

FTE=802.62 FTE=830

	Actuals plus Projections	Preliminary Budget Approved 6/26/18	Variance	Comment	
REVENUES					
Fed, State & Local Revenue					
1	FEFP - FTE Generated Funds	5,337,846	5,558,223	(220,377)	Based on Mar 2019 FEFP Report
2	School Recognition Funds A+ Program	75,808	-	75,808	A+ Recognition Funds
	Charter Capital Outlay Funding (not local)				Based on Feb 2019 Charter Capital Outlay spreadsheet
3	Miscellaneous State Revenue (includes local gov't)	392,422	343,855	48,567	Education Facilities Security Grant, Teacher Supply Assistance
4		42,468	12,000	30,468	
5	<i>Sub-total Fed, State & Local Revenue</i>	5,848,544	5,914,078	(65,533)	
6	Supplemental Fee Revenue				
7					
8	Rental of Facilities Fees	66,589	86,000	(19,411)	Reduced projection based on trend
	Other Local Revenues				Insurance proceeds from flood, refund from contractor, fundraising, field trip collections
9		382,518	155,333	227,185	
10	<i>Sub-total Supplemental Fee Revenue</i>	449,108	241,333	207,775	
11	Imagine Contribution				
12					
13					
14	TOTAL REVENUES	6,297,652	6,155,411	142,241	
15	EXPENSES				
16					
17	Salaries & Benefits	3,435,017	3,395,703	39,314	Added Art, Athletic coach & AP, reduced instructional coach and SRO, decreased benefit renewal
18	<i>Sub-total Salaries & Benefits</i>	3,435,017	3,395,703	39,314	
19					
20	Facility Expenses (Rent)				
21	Rentals (Building Lease Payment)	1,048,057	1,031,964	16,093	Increase due to new building
22	<i>Sub-total Facility Expenses (Rent)</i>	1,048,057	1,031,964	16,093	
23					
24	Direct Educational Expenses				
	Direct Educational Expenses				Classroom supplies (non-capitalized FF&E), intervention assessment software, & other instructional software
25		129,524	61,150	68,374	
26	Textbooks	53,974	35,000	18,974	Under projected
	Food Service				
27		39,477	41,000	(1,523)	
	Other Supplies/Expenses				Instructional Support/Enrichment supplies (offset by Other Schools, Classes & Courses Rev)
28		56,477	36,900	19,577	
29	<i>Sub-total Direct Educational Expenses</i>	279,453	174,050	105,403	
30			174,050		
31	Facility Operating Expenses				
	Facility Operating Expenses				Under projected R&M offset by over projected Janitorial
32		258,382	255,858	2,525	
33	<i>Sub-total Facility Operating Expenses</i>	258,382	255,858	2,525	

Imagine Schools at Land O Lakes
Financial Analysis through February 2019

FTE=802.62 FTE=830

	Actuals plus Projections	Preliminary Budget Approved 6/26/18	Variance	Comment	
34					
35					
36	Imagine Fees				
36	Imagine Indirect & Start up Costs	717,632	738,249	(20,617)	Based on Mar 2019 FEFP Report
37	Sub-total Imagine Fees	717,632	738,249	(20,617)	
38					
39	General & Administrative				
40	Interest Expense	13,125	7,828	5,297	Financed new playground set
41	Depreciation Expense	144,625	119,475	25,150	Updated Depreciation Schedule
42	Insurance	120,905	95,000	25,905	Increase in WC and GL due to new building
43	Board Expenses	8,500	7,000	1,500	
44	Other G&A	118,839	77,221	41,618	Fundraising Exp (Offset by Fundraising Rev)
45	Sub-total General & Administrative	405,995	306,524	99,471	
46					
47	Other School Services				
48	Travel	26,303	19,175	7,128	NCI, Forum, coaches PD
49	Field Trips	33,005	-	33,005	Agrees to Field Trip Collections
50	Transportation	60,093	54,450	5,643	
51	PT/OT/Speech	31,637	30,500	1,137	
52	Other Contracted Services	161,157	114,290	46,867	SRO, offset by renegotiated janitorial contracts
53		312,195	218,415	93,779	
54					
55	TOTAL EXPENSES	6,456,731	6,120,763	335,968	
56					
57	Contingency		-	-	
58					
59	OPERATING SURPLUS (DEFICIT)	(159,079)	34,648	(193,726)	
60					
61	FUND BALANCE, PRIOR YEAR	431,341	431,341	-	
62					
63	Depreciation Expense	144,625	119,475	25,150	Updated Depreciation Schedule Flooring, Int/Ext painting, playground, Credenz, lateral file w/hutch, well, pump & motor, fire alarm equip, Well, pump & motor, and fire alarm equipment, IT wiring
64	Capital Purchases/Fixed Assets	(420,596)	(45,000)	(375,596)	Financing Playground
65	Debt Service (Principal) - Construction Note	15,403	(59,532)	74,935	
66	Debt Service (Principal) - Bus Note	-	-	-	
67	Debt Service (Principal) - Capital Advance Note	-	-	-	
68					
69	NET CHANGE IN FUND BALANCE	(419,646)	49,591		
70	PROJECTED YEAR END FUND BALANCE	11,695	480,932		

Dear Imagine Land O Lakes Board Members:

I wanted to provide you with a quick update on the status of discussions and settlement with the landlord related to expenses incurred by ISLOL related to the landlord's scope of work on the facility expansion completed at the end of July 2018.

1. As we discussed with you earlier, there was a number of expansion items for which the school paid during the construction process that were part of the landlord's scope and responsibility under the lease. After several months of negotiations the landlord agreed to complete several items (door seals and window tinting) and reimburse \$73,000 to ISLOL pending the execution of a settlement agreement;
2. However, as part of these discussions we raised concerns with the landlord regarding a number of issues with the facility roof and we engaged Thomas Gans, a local roofing consultant to evaluate both the condition of the roof as it related to the expansion. Mr. Gans provided a detailed report identifying a number of necessary repairs and also expressing his concern that there was insufficient additional roof drainage as a result of the changes to the roof caused by the expansion. Landlord's architect responded that he believed the drainage was adequate and we engaged Elizabeth Broadway, a Tampa structural engineer to do the necessary investigation and calculations to determine whether the roof drainage as constructed is adequate. Ms. Broadway completed her report a couple of weeks ago and confirmed that the current drainage is inadequate based upon the new roof design after the expansion. Landlord has submitted her report to his architect and structural engineer to reevaluate the drainage in the light of Ms. Broadway's findings.
3. In the meantime, Landlord has been unwilling to finalize a settlement agreement until the roof issues have been resolved, but due to the school's cashflow needs has agreed to allow the school to withhold \$60,000 from its rent payments in anticipation of the settlement. So at this point the school is waiting on \$13,000 of the agreed upon settlement amount.
4. We expect to have a response from the facility architect/engineer in the next week or so. But I expect that resolution of this issue will require further discussions between Mr. Gans and Ms. Broadway and the facility architect/engineer and general contractor. My expectation is that these professionals will come to an agreement on a solution that meets accepted engineering standards and building codes and that landlord will agree to have the general contractor (through a qualified roofing subcontractor) make the necessary modifications to the roof. We will also seek reimbursement from the landlord for the cost of our roofing and engineering consulting services.
5. This process will probably take a couple of months, but assuming the board proceeds with the purchase of the facility, I would expect that landlord will be motivated to complete all pending items associated with the expansion; so that they can successfully close on the sale of the facility.

Please feel free to contact me if you have any questions or concerns.

Best regards,

Karl Huber
Vice President
Schoolhouse Finance, LLC
941-587-6109

Purchase Price: \$ 15,623,301 \$ 15,065,326 \$ 14,545,832

Lease Year	Period	Base Rent	Monthly Installment
5	July 1, 2018 - June 30, 2019	\$1,054,573	\$87,881
6	July 1, 2019 - June 30, 2020	\$1,086,210	\$90,518
7	July 1, 2020 - June 30, 2021	\$1,118,796	\$93,233
8	July 1, 2021 - June 30, 2022	\$1,152,360	\$96,030
9	July 1, 2022 - June 30, 2023	\$1,186,931	\$98,911
10	July 1, 2023 - June 30, 2024	\$1,222,539	\$101,878
11	July 1, 2024 - June 30, 2025	\$1,259,215	\$104,935
12	July 1, 2025 - June 30, 2026	\$1,296,992	\$108,083
13	July 1, 2026 - June 30, 2027	\$1,335,901	\$111,325
14	July 1, 2027 - June 30, 2028	\$1,375,978	\$114,665
15	July 1, 2028 - June 30, 2029	\$1,417,258	\$118,105
16	July 1, 2029 - June 30, 2030	\$1,459,775	\$121,648
17	July 1, 2030 - June 30, 2031	\$1,503,569	\$125,297
18	July 1, 2031 - June 30, 2032	\$1,548,676	\$129,056
19	July 1, 2032 - June 30, 2033	\$1,595,136	\$132,928
20	July 1, 2033 - June 30, 2034	\$1,642,990	\$136,916
21	July 1, 2034 - June 30, 2035	\$1,692,280	\$141,023
22	July 1, 2035 - June 30, 2036	\$1,743,048	\$145,254
23	July 1, 2036 - June 30, 2037	\$1,795,310	\$149,612
24	July 1, 2037 - June 30, 2038	\$1,849,200	\$154,100
25	July 1, 2038 - June 30, 2039	\$1,904,676	\$158,723
26	July 1, 2039 - June 30, 2040	\$1,961,816	\$163,485
27	July 1, 2040 - June 30, 2041	\$2,020,671	\$168,389
28	July 1, 2041 - June 30, 2042	\$2,081,291	\$173,441
29	July 1, 2042 - June 30, 2043	\$2,143,729	\$178,644
30	July 1, 2043 - June 30, 2044	\$2,208,041	\$184,003

GROSS ANNUAL SAVINGS			
6.75 Cap	7.00 Cap	7.25 Cap	
-\$86,432	-\$45,682	-\$7,742	
-\$54,795	-\$14,045	\$23,895	
-\$22,209	\$18,541	\$56,481	
\$11,355	\$52,105	\$90,045	
\$45,926	\$86,676	\$124,616	
\$81,534	\$122,284	\$160,224	
\$118,210	\$158,960	\$196,900	
\$155,986	\$196,737	\$234,676	
\$194,896	\$235,646	\$273,586	
\$234,973	\$275,723	\$313,663	
\$276,252	\$317,003	\$354,942	
\$318,770	\$359,520	\$397,460	
\$362,563	\$403,314	\$441,253	
\$407,671	\$448,421	\$486,361	
\$454,131	\$494,881	\$532,821	
\$501,985	\$542,735	\$580,675	
\$551,275	\$592,025	\$629,965	
\$602,043	\$642,793	\$680,733	
\$654,334	\$695,085	\$733,024	
\$708,195	\$748,945	\$786,885	
\$763,671	\$804,421	\$842,361	
\$820,811	\$861,561	\$899,501	
\$879,665	\$920,416	\$958,355	
\$940,285	\$981,036	\$1,018,975	
\$1,002,724	\$1,043,474	\$1,081,414	
\$1,067,036	\$1,107,786	\$1,145,726	
NPV	\$4,345,435	\$4,931,226	\$5,476,618