



THE CLASSICAL ACADEMY

BOARD OF DIRECTORS SPECIAL MEETING

(THE TCA COMMUNITY IS ALWAYS WELCOME TO ATTEND)

THURSDAY, SEPTEMBER 4, 2014, 8:00-8:30 P.M.

NORTH CAMPUS – FRONT RANGE ROOM (SECONDARY)

The Classical Academy exists to assist parents in their mission to develop exemplary citizens, equipped with analytical thinking skills, virtuous character, and a passion for learning, all built upon a solid foundation of knowledge.

MINUTES

Presentation/Question Time

- I. Call to Order (8:00 p.m.)
 - Dr. Woody called the meeting to order at 8:01 pm.
- II. Pledge of Allegiance / Roll Call 5 min
 - Attendees:
 - TCA Board: Mr. Carter, Mr. Dubois, Dr. Harrington, Mr. LaValley (on the phone; somewhere over the Aleutian Islands), Dr. Woody, Mr. Ramsdell (excused), Dr. Sojourner
 - TCA Administration: Mr. VanGambleare.
 - Building Corp Board: Mr. Bender, Mr. Mueller, Mrs. Roy, Mrs. Ruth.
 - TCA Legal Counsel (Under Office of Brad Miller): Mr. Sparks
 - TCA Financial Advisor: Mr. Caldwell
 - Davidson Company (Investment Banker, Sold Bonds): Mr. Duran
 - Kutac and Rock (Attorney for Kutak Rock advising CECFA, Legal Counsel for Building Corp.): Ms. Parrot
 - Notary (Integrity Bank): Mrs. Lawrence
- III. Approval of Agenda 5 min
 - Dr. Woody moved to approve the agenda with 2nd by Mr. Carter.
 - TCA Board: By unanimous voice vote the agenda was approved.
 - Building Corp Board: By unanimous voice vote the agenda was approved.
- IV. Bond Refinancing Resolution 20 min

Action: VanGambleare

Motion: to approve resolution to refinance TCA Bonds

Rationale: to review the refinancing of TCA Bonds

 - Motion:
 - TCA Board: Mr. Carter moved to approve the Resolution for Authorization of Plan of Finance (See Attachment 1) and was 2nd by Dr. Harrington.
 - Note, signed copies will be found in the TCA Finance office after Sept 16.
 - Building Corp Board: Mr. Bender moved to approve the Resolution for Authorization of Plan of Finance (See Attachment 2) and was 2nd by Mrs. Ruth.
 - Note, signed copies can be found in the TCA Finance office after Sept 16.
 - Discussion Topics:
 - TCA Legal Counsel (Mr. Sparks) reviewed the documents and stated that they were accurate and appropriate and did not conflict with TCA Bylaws or other statues or laws.
 - Financial Advisor (Mr. Caldwell) stated that all the documents are in the approved standards format used in the refinancing and sale of bonds.
 - One question dealt with authorizing, empowering and directing the officer's of the TCA Board (individually) to be able to execute any instruments and take any actions required to implement said

Project. Did the Board need to act as one. Clarification revealed that this was not a decision making authorization and only a process (get things done) during the process of completing the refinancing of the bonds

- General Information (Russ Caldwell)
 - Bond closing in on Sept 16.
 - By signing the resolutions and associated documents, the gears are set in motion to complete the refinancing of the bonds.
 - This has been an 18 month project (reviewing and gauging market trends)
 - Mr. VanGamble and his team worked diligently to prepare the necessary documents to make this happen
 - We viewed a favorable trend in a vacillating bond market and decided to act (we received the right credit rating) and recommended to TCA and Building Corp to act.
 - Benefits of refinancing:
 - Overall, makes \$6.1 million dollars available for construction
 - Interest rate at 3.96%
 - This is one of the lowest interest rates he has seen in his career
 - TCA's bond rating (BBB) combined with the state of Colorado's rating (A) allowed us to get a low interest rate
 - TCA's Bond rating is very good
 - There is only one charter school in the state that has a higher bond rating than TCA (BBB+)
 - Note: they refinanced their bonds a month earlier but their interest rate was over 4.0%
 - There are only four charter schools nationwide with a better bond rating (BBB+) and 35 charter schools nationwide that have the same bond rating as TCA
 - Rating is due in part to having a 30 year contract with the district rather than the usual 3-5 year contracts that most charter schools sign
 - The cost of issuance is one of the lowest he has seen at 1.3% versus an average of 4.0%
 - Additional savings of \$80,000 per year on interest payments
 - By refinancing the 2003 bonds TCA saves \$2.5 million in interest payments
 - The Intercept Program and the State Enhancement Program (only 3 states offer this program) helped in creating a favorable atmosphere to refinance bonds
 - Intercept Program-Automatically withholds PPR to pay for bonds (eliminates middleman)
 - State Enhancement Program-Replenishes the bond reserve fund if it should drop too low
- Vote:
 - TCA Board: By unanimous roll call vote the TCA Board approved the resolution. (Mr. Carter; Aye, Mr. Dubois; Aye, Dr. Harrington; Aye, Mr. LaValley; Aye, Dr. Woody; Aye)
 - Building Corp Board: By unanimous roll call vote the Building Corp Board approved the resolution. (Mr. Bender; Aye, Mr. Mueller; Aye, Mrs. Roy; Aye, Mrs. Ruth; Aye)

V. Adjournment (8:30 p.m.)

- Motion:
 - TCA Board: Mr. Carter moved to adjourn the meeting and was 2nd by Mr. Dubois.
 - Building Corp Board: Mr. Bender moved to adjourn the meeting and was 2nd by Mrs. Roy.
- Discussion: None
- Vote:
 - TCA Board: By unanimous voice vote the meeting was adjourned at 8:53 pm.
 - Building Corp Board: By unanimous voice vote the meeting was adjourned at 8:53 pm.
- Note: Following the meeting the TCA Board and Building Corp Board signed the documents associated with the refinancing and sale of the bonds.

Attachments:

1. Resolution of the Classical Academy (Authorization of Plan of Finance)

2. Resolution The Board of Directors of TCA Building Corporation a Colorado Nonprofit Corporation (Authorization of Plan of Finance)

3. Colorado School Refunding and Improvement Revenue Bonds, Series 2014 Information Package



Chris Carter
TCA Board Secretary

Approved by TCA Board w/amendments (September 8, 2014)