**MINUTES OF THE**

**CAPITAL TRUST AGENCY, INC.**

 The 210th meeting of the Capital Trust Agency, Inc., Gulf Breeze, Florida, was held at the Capital Trust Agency office at 315 Fairpoint Drive, Gulf Breeze, Florida and on Thursday, February 11, 2021 at 12:00 p.m.

 The following Board Members were present: Burt Snooks (Chairman), Gary Michaels (Vice-Chairman), Harry Wilder (Board Member), Chris Kemp (Assistant Secretary) and Tom Naile (Board Member). Deborah Roche (Board Member), Michael Stebbins (Counsel), and Kareem Spratling (Bond Counsel) were in attendance via Zoom. Also attending was Denis McKinnon (Executive Director) and Samantha Abell (City Manager).

**AGENDA ITEM:**

 Approval of Minutes: 1/14/2021

**DISCUSSION:**

No Discussion

**MOTION/ACTION:**

**Tom Naile made a motion to approve the 1/14/2021 minutes as presented. Harry Wilder seconded the motion. Vote for approval was 6-0.**

**AGENDA ITEM:**

 Inducement Resolution #04-21 – St. John’s Classical Academy

**DISCUSSION:**

St. John’s Classical Academy is requesting an expansion of their existing facilities, located in Fleming Island, Florida. The expansion will consist of an additional 36,000 square foot building, accommodating approximately 810 students in grades 8-12. Proceeds of the bonds will be used to refinance the existing debt from the 2017 tax exempt bonds.

 Denis McKinnon stated the debt service will be lower than the initial offering in 2017 due to lower interest rates currently available. Denis also stated that Vanguard will be the sole purchaser of the bonds.

 Deborah Roche recalled the successful visit she and Denis McKinnon took to the school in 2017. Deborah reported on the discussions she had with the President and the school principal regarding conflicting personal beliefs, the curriculum, and the safety and well being of the students. No identifiable conflicts were discovered. Deborah further stated that she was very impressed with the school.

 Harry Wilder asked if the bond offering would qualify for an investment grade rating. Denis McKinnon replied that a rating would not be required with a single purchaser of the bonds.

 Gary Michaels asked if the state reimbursement per student has changed. Gary noted the 2018-2019 student population increased 33% and revenue increased 57%; then the 2019-2020 student population reported no increase and yet revenue increased 24%. Denis McKinnon stated the state reimbursement, called FEFP continues to rise each year. Kareem stated that the separate jurisdictions within the state report different sales tax levies and a portion are then given to the local charter school and this may account for the disparity among the different revenue streams. Denis stated he would follow up on this and report back with the findings.

 Gary Michaels asked about the disclaimer at the end of the application. Denis stated the disclaimer was included in the investor presentation provided by Truist and is normal and customary. Kareem stated the disclaimer language is for the investors and not specifically for CTA.

 Gary Michaels asked if the denominations of $100,000 were customary. Denis McKinnon stated this is CTA’s policy to require $100,000 denominations in order to protect investors**.**

**MOTION/ACTION:**

**Deborah Roche made a motion to approve Resolution #04-21 as presented. Chris Kemp seconded the motion. Vote for approval was 6-0.**

**AGENDA ITEM:**

 Inducement Resolution #05-21 – AcadeMir Charter Schools West

**DISCUSSION:**

AcadeMir Charter Schools, located in Miami, Florida is requesting financing for the acquisition of land and existing facilities in order to accommodate approximately 151 additional students in grades K-5. The current wait list has over 200 students.

 Denis McKinnon stated the Mir family owns the land and is the management company for the school. The Mirs provide management services for 5 additional successful charter schools in the Miami area. Bryant Miller Olive will require a waiver from the family stating no conflict of interest exists. Kareem stated an independent appraisal will be required in order to verify the purchase price does not exceed market value.

 Deborah Roche asked if a site visit is planned for this property and the other AcadeMir schools. Denis McKinnon stated a visit has not yet been planned.

 Chris Kemp asked if the financials are just for this school or if they include financial information all 5 schools. Denis stated the financials are for this school only. When they return for potential financing on the other schools, the financials will also be isolated for the individual school.

 Gary Michaels asked if operating grants are included in the current financials. Denis McKinnon stated the grants are not included in expected revenues because they are not guaranteed each year.

 Gary Michaels asked if requiring two independent appraisals is necessary for a project of this size. Kareem stated it is possible to ask the borrower for two appraisals if that is what the CTA Board would like.

 Deborah Roche asked if it is common practice for the management company to own the land. Kareem Spratling stated it is quite common for the management company take an ownership interest in the project in order to attract a lender. Previously, lenders did not show strong interest in charter schools, wanting to see larger equity stakes in the project, making this arrangement far more common.

**MOTION/ACTION:**

**Harry Wilder made a motion to approve Resolution #05-21 as presented. Tom Naile seconded the motion. Vote for approval was 6-0.**

**AGENDA ITEM:**

 Award Resolution #06-21 Pineapple Cove at West Melbourne

**DISCUSSION:**

 Pineapple Cove at West Melbourne is located in Miami, Florida. The purpose of the bonds is to finance the expansion of the West Melbourne campus. The expansion includes an approximately 24,000 square foot building accommodating approximately 300 new students, a new 16,000 square foot gymnasium and roadway extension. This expansion will allow the school to add grades 9-12 to the existing K-8 curriculum.

 Denis McKinnon stated that this is the 4threquest from Pineapple Cove for financing. The first financing was in 2018 for the Melbourne campus. Then in 2019 CTA financed the bonds for the Palm Bay campus, and most recently, the CTA board approved the inducement of the Lockmar campus and now this request for the expansion of the original West Melbourne campus. Denis stated the waitlist is approximately 761 students.

 Burt Snooks commented that the 7.5% interest rate is strong. All agreed.

 Chris Kemp asked about the income statement for the school. Denis stated the financials are very strong and are included in the underwriter’s presentation from Truist.

**MOTION/ACTION:**

**Gary Michaels made a motion to approve Resolution 06-21 as presented. Tom Naile seconded the motion. Vote for approval was 6-0.**

**AGENDA ITEM:**

 CTA Educational and Charitable Giving Fund

**DISCUSSION:**

Samantha Abell stated that the operations audit, which concluded in September 2020, included a recommendation that city council and CTA would hold a workshop discussing the roles and responsibilities of the agency. One of the topics that should be covered in this workshop is CTA’s charitable giving policy and how much discretion the CTA board has over the funds generated by CTA.

A joint meeting between the City Council and CTA Board of Directors will be scheduled and will include this topic.

**MOTION/ACTION:**

**No Action Required.**

**AGENDA ITEM:**

 Pipeline Report

**DISCUSSION:**

 **No comments**

**MOTION/ACTION:**

**No Action Required.**

**AGENDA ITEM:**

 CTA & CTA CDE FYE 9/30/2020 Audits

**DISCUSSION:**

No comments

**MOTION/ACTION:**

**No Action Required.**

No other formal business of the board was taken and the meeting adjourned at approximately 2:30 pm.

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

Approved by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Burt Snooks, Chairman