



**Regular Meeting of the  
Board of Directors of Citizens of the World Kansas City**

**Location:** Virtual Meeting via Zoom

**Date:** Thursday, November 21<sup>st</sup>, 2024, 6:00pm

**Proposed Minutes**

**1. Call to Order**

Ms. Finocchario called the meeting to order at 6:03 p.m.

Ms. Finocchario welcomed the members of the public in attendance and gave an overview of the meeting order.

**2. Roll Call by Board Chair**

Ms. Finocchario called roll as follows:

Present:

Hon. Ardie Bland  
Ms. Sophia Bond  
Mr. James Brown  
Mrs. Angela DeWilde (6:05pm)  
Ms. Brandi Finocchario  
Dr. Asiya Foster  
Dr. Sarah Hicks  
Mr. Jim MacDonald  
Ms. Selina Rios

Absent:

Mrs. Lydia Butler  
Mr. Roosevelt Lyons

Ms. Finocchario determined that with 8 of 11 (later 9 of 11) Board Members present, a quorum is established for purposes of holding the meeting and voting.

### 3. Review & Consideration of Proposed Agenda *[Board Action]*

The Board did not have any comments regarding the proposed agenda.

*Hon. Bland moved to approve the agenda as presented and Mr. MacDonald provided a second to the motion. The motion was unanimously approved with none abstaining.*

### 4. Public Comments

Ms. Finocchario introduced herself, thanked the public, and provided an overview of the public comment process and guidelines. Ms. Finocchario then invited public comment; no public comment was made.

### 5. Consent Agenda *[Board Action]*

- a. Review & Consideration of minutes from the October 24<sup>th</sup>, 2024 regular meeting of the Board
- b. Review & Consideration of minutes from the November 7<sup>th</sup>, 2024 special meeting of the Board
- c. School Dashboard
- d. Strategic Plan Dashboard
- e. Board & Committee Calendar
- f. Staffing Report
- g. Events Calendar

Ms. Finocchario presented the Consent Agenda and asked the Board if any member wanted to remove any item from the Consent Agenda in order to further discuss and/or solely vote on that item; no member did.

*Hon. Bland moved to approve the Consent Agenda as proposed and Dr. Hicks provided a second. The motion was unanimously approved with none abstaining.*

Mrs. DeWilde joined at 6:05pm

### 6. Board Committee Business & Reports

- a. **Executive Committee** (Ms. Brandi Finocchario) *[Information/Discussion]*
  - i. Update on Board Policy Manual

Dr. Miles shared that she plans to present the updated Board Policy Manual at the December meeting for approval.

- ii. Discussion on Additional Board Member Recruitment

Dr. Miles reminded the Board that Dr. Hicks and Dr. Foster will roll off the Board in March. The Committee would like to add Board perspectives from K-12 Education and Human Resources and asked the Board to connect her and/or the Committee with any recommendations.

- b. **Educational Equity Committee** (Dr. Asiya Foster)
  - i. No November meeting/update (rescheduled to December)

Dr. Foster affirmed the Committee did not meet in November and looks forward to meeting in December.

c. **Facilities Committee** (Dr. Danielle Miles)

- i. Presentation from LevelField Partners, including an update on purchasing 3435 Broadway

Dr. Miles welcomed Mr. Rossley and Mr. Endom from LevelField to the meeting.

1. Present Project Updates

Mr. Rossley gave a quick overview on the following aspects of the project:

- a. Broadway Acquisition: LevelField has continued discussions with IFF regarding the Broadway purchase option. They reviewed the terms of a Letter of Intent with the Facility Committee at its November meeting and will discuss more in detail this evening.
- b. Broadway Remediation: With IFF's consent, LevelField began working closely with McCown-Gordon on the planned remediation project (to be completed during Summer 2025). In partnership with the Citizens' leadership team, the focus of these efforts were to confirm and refine the planned scope of work and solidify preliminary project pricing. McCown-Gordon submitted the remediation permit set to the City this week.
- c. Broadway Renovation & Expansion: LevelField has continued working with school leadership and MultiStudio to push forward conceptual design efforts for the expansion and renovation of the Broadway facility, as well as working with McCown-Gordon to develop conceptual pricing estimates for those project scopes.
- d. Project Financing: LevelField has continued preparing for their financing outreach, including initial discussions with EFF. Additionally, they are getting up to speed on the potential Kansas City General Obligation (GO) Bond offering and how those proceeds would intersect with the overall project plan and budget (i.e. site acquisition timing, appropriate use of bond funds, procurement requirements, and impact on project budget and overall affordability).

2. Present Conceptual Project Budgets

Mr. Rossley presented conceptual project budgets – one not including GO Bond revenue and one inclusive of it.

The "No Bond" scenario budget is as follows, with "Hard Costs" including Expansion (\$5.4m), Remediation of Existing Conditions (\$2m), and Renovation of Existing Space (\$1m). Additionally, the equity contribution is an early assumption and not necessarily required.

<b>**DRAFT -- FOR DISCUSSION PURPOSES ONLY**</b>	
<b>Broadway K-8</b>	
Acquisition Costs	\$5.07MM
Hard Costs	\$8.40MM
Soft Costs	\$1.00MM
FF&E	\$0.23MM
Contingencies	\$1.18MM
<b>Project Costs</b>	<b>\$15.88MM</b>
Capitalized Interest	\$0.26MM
Debt Service Reserve	\$0.33MM
Transaction Costs	\$0.47MM
<b>Total Project Budget</b>	<b>\$16.93MM</b>
Senior / Subordinate Debt	\$16.53MM
Equity	\$0.40MM
<b>Total Project Sources</b>	<b>\$16.93MM</b>
<b>Cost per Seat</b>	<b>\$30,400</b>

The "Bond" scenario budget is as follows, noting the bond funds would enable Citizens to increase the renovation scope from \$1m to \$1.95m, eliminate the assumed equity contribution, and reduce the assumed total debt burden by ~\$2.56m.

<b>**DRAFT -- FOR DISCUSSION PURPOSES ONLY**</b>	
<b>Broadway K-8</b>	
Acquisition Costs	\$5.07MM
Hard Costs	\$9.35MM
Soft Costs	\$1.02MM
FF&E	\$0.23MM
Contingencies	\$1.30MM
<b>Project Costs</b>	<b>\$16.97MM</b>
Capitalized Interest	\$0.25MM
Debt Service Reserve	\$0.28MM
Transaction Costs	\$0.43MM
<b>Total Project Budget</b>	<b>\$17.92MM</b>
Senior / Subordinate Debt	\$13.97MM
Equity	\$3.95MM
<b>Total Project Sources</b>	<b>\$17.92MM</b>
<b>Cost per Seat</b>	<b>\$32,200</b>

Mr. Endom noted that the school can not assume that the GO Bond will pass; there needs to be a plan if it passes and a plan if it does not.

### 3. Present Preliminary Project Schedule & Milestones

Mr. Rossley shared that in order to mobilize on remediation work in June 2025 and expansion work in August 2025, they continue to press forward on the design development process to allow sufficient time for the City permitting process. The primary steps in that process include selecting the project team (architect & general contractor) and collaborating with that team on the full design development efforts leading to the submission of construction documents to the City.

In parallel, they are working with potential lenders to secure project financing. Depending on lender feedback and the potential GO Bond requirements, closing on the acquisition of the building may need to be accelerated to occur before full project financing can be secured, thereby necessitating two separate financings (one for the acquisition and one for project financing).

He shared a high-level timeframe, including:

- Construction Permit for Remediation received: March/April 2025
- Broadway Acquisition: April-June 2025
- Construction Permit for Expansion project received: June/July 2025
- Remediation Project Work: June-August 2025
- Expansion Project Work: August 2025-May 2026
- Renovation Project Work: June-July 2026
- Completion of Updated Broadway Building: August 2026

Mr. Rossley also presented visual conceptual interior/exterior designs of the expansion project.

### 4. Discuss Broadway Site Acquisition Efforts

Mr. Rossley reported that LevelField has worked with IFF to secure a draft Letter of Intent that outlines the key terms under which Citizens would agree to enter into a Purchase & Sale Agreement for the Broadway building. The draft LOI reflects a purchase price of \$5.07m (IFF's book value per the terms of the lease), a due diligence period of 90 days, \$25k of an earnest money deposit, and a 30-day closing window.

Mr. Endom further detailed that LevelField presented to IFF that there was some Board/Committee resistance to pay the purchase price as is, given the conditions of the building and needed remediation. They also did some digging on the sources of IFF's initial funding and if there were any restrictions on the equity they received. IFF is coming back to LevelField with a full accounting of their and LevelField will then counter back with a price.

There was no further Board discussion.

## 5. Discuss Project Team Assemblage

Mr. Rossley confirmed that LevelField/Citizens received a proposal for full design work from MultiStudio – the proposed fee is \$495k, which incorporates their services as well as Civil Engineering, Structural Engineering, Mechanical Engineering, and Plumbing Engineering services for the entirety of the project design and construction inclusive of the Schematic Design, Design Development, Construction Documents, Bidding, and Construction Administration.

Mr. Rossley also confirmed that LevelField/Citizens launched a Request for Proposal for general contractor services and anticipate responses from three firms. Proposals are due and interviews will be held in the first weeks of December with a selection made no later than December 16<sup>th</sup>. LevelField plans to present the recommended general contractor and their proposed terms to the Board for review at the December meeting.

## 6. Discuss Pre-Construction Cash Flow Requirements

Mr. Rossley presented LevelField's initial estimates on cash needed from Citizens over about the next six months. This is based on current project scopes, assuming a May closing, and adhering to the presented timeline. They will ask selected vendors to defer payment as much as possible until the school closes on financing, but deploying \$648k-\$748k until financing closes will be needed.

LevelField will work with school leadership and Ed-Ops to incorporate these spending assumptions into a detailed monthly cash flow forecast, which will be reviewed at the December Finance Committee meeting. Additionally, they will discuss possible funding sources, including existing cash (which could remain in as project equity or be reimbursed out with loan proceeds), a line of credit, or a predevelopment loan.

The needed payments would be for site work (plan and cost review), traffic study, geotechnical report, design/engineering, required fees, legal, and project management.

Mr. MacDonald asked questions regarding legal fees and broker fees; Mr. Endom answered both.

Mr. Rossley concluded by giving an overview of their next steps (to be updated and presented at the December Board Meeting), which include:

- Work with IFF to finalize the key terms of the Broadway building acquisition Letter of Intent
- Present the recommended General Contractor and their proposed terms to the Board for review and approval
- Discuss the outcome of our December Finance Committee meeting during which we plan to review a detailed monthly cash flow forecast and discuss possible funding sources.
- Continue discussions with lenders (including the Equitable Facilities Fund) to affirm financing options and further refine affordability
- Align on project greenlighting criteria (i.e. design, project budget, financing) and continue evaluating the project's affordability and feasibility.

Lastly, the Facilities Committee asked the Board for two authorizations:

*First, Authorize Dr. Miles to sign the Letter of Intent (that outlines the key terms under which Citizens would agree to enter into a PSA with IFF to pursue the acquisition of the Broadway building) once all negotiation efforts have been exhausted and so long as the purchase price does not exceed what is contemplated in the current Letter of Intent.*

Dr. Hicks asked if the school signs the LOI, is there any subsequent negotiating power? Mr. Endom clarified that the Committee is not asking for Dr. Miles to sign the LOI today; rather, it's asking the Board to give her the authority to sign it once it is collectively determined that negotiations have gotten to the best possible place.

Mr. MacDonald asked a question about the current negotiations; Dr. Miles answered.

Mr. Durphy recommended setting a maximum purchase price in the motion. He clarified that signing an LOI is non-binding, but a PSA is binding. An additional Board action would be needed to sign the PSA.

*Dr. Hicks moved to approve the motion above with a Not To Exceed price of \$5.07 million and Mr. Brown provided a second. The motion was unanimously approved with none abstaining.*

Secondly, the Committee requested authorization to proceed with MultiStudio.

*Ms. Rios moved to approve MultiStudio's proposed terms and delegate the contract approval to the Facility Committee and/or Dr. Miles; Ms. Bond provided a second. The motion was unanimously approved with none abstaining.*

**d. Finance & Operations Committee** (Mrs. Lydia Butler)

**i. Update on Employee Retention Credit (ERC)**

Mr. Brennan reported that the school received disappointing news regarding the Employee Retention Credit (ERC) credit that was applied for last year. The IRS' response was that the school is not eligible due to a lack of a direct government shutdown order. The Finance Committee, and Mrs. Butler in particular, is interested in working with KPM to pursue an appeal and school staff will do so. While the Board removed the ERC from the 23-24 budget with the intention to place it in the 24-25 budget, it was not formally entered as a line item, therefore there is no change to the school's full-year budget forecast.

**ii. Update on Facilities Project Cash Flow Needs**

Mr. Brennan shared that the Finance Committee had an initial discussion on the proposed construction cash flow needs; the Committee was initially amenable to covering the cash needs from the school's cash reserves, then being reimbursed once financing is approved. Mr. Brennan confirmed that MCPSC is fine with cash temporarily decreasing below 60 days as long as it is temporary and is restored before year end. However, the Committee only discussed a total of \$100-\$150k; there may be an appetite to pursue short-term funding to cover this cash need and he looks forward to Committee discussion in December.

- iii. Review & Consideration of Monthly Financials (October 2024), including Check Register [Board Action]

Mr. Brennan presented the October Financial Report and highlighted page 7's Balance Sheet, showing a current Cash Balance over \$2.1m, with a projected year-end balance of just over \$2m, a slight increase from last month.

He walked through Page 8's Income Statement, highlighting:

- Year-to-date revenue of \$2.3m, against a budget of \$1.8m.
- Year-to-date expenses of \$2.3m, against a budget of \$2.3m.
- Net Income of (-\$19k), against a budget of (-\$496k).
- Forecasted year-end revenue of \$6.7m, against a budget of \$6.3m.
- Forecasted year-end expenses of \$6.85m, against a budget of \$6.9m.
- Forecasted year-end Net Income of (-\$161k) against a budget of (-\$566k).
- A projected 107 days of cash on hand position, slightly increasing from last month.

Mr. Brennan noted that on the revenue side, the school continues to be stronger than budgeted due to higher enrollment and a higher-than-budgeted per-pupil (ADA) state payment. The school held steady from last month's ADA budget of \$12,850, but Ed-Ops believes there is continued potential for additional upside. Expenses continue to trending in line with the budget and the school's Net Income has remained above budget, even slightly improving from last month.

Lastly, he stated that the Finance Committee did not note anything as out of order on the Check Register or Accounts Payable.

*Mr. MacDonald moved to approve the October Financial Report and Check Register as proposed and Ms. Rios provided a second. The motion was unanimously approved with none abstaining.*

- e. **Brand Identity Committee** (Mrs. Angela DeWilde)
- i. Update on Committee Discussions

Mrs. DeWilde reported that the Committee is still in "Good Faith Negotiation" with CWCS. They received the requested deliverables from CWCS on October 22 and had a Committee meeting on November 6. They then had a third Good Faith Negotiation meeting on November 18 with counsel from both organizations, CWCKC Board, Dr. Miles and Mrs. Furlong.

Overall, the deliverables were discussed and negotiations are ongoing. Mrs. DeWilde requested further Board discussion to be deferred to Closed Session.

- 7. Executive Director's Report** (Dr. Danielle Miles) [Information/Discussion]
- i. 2025-2026 Enrollment Update (Mrs. Katy Lineberry)

Mrs. Lineberry shared that the 2025-26 application period opened on November 9, coinciding with the City School Fair. Now through March 1 is Open Enrollment; applications received during this period will be eligible for the lottery, according to the lottery preferences. She reminded Board the school will continue to then receive applications first-come, first-serve after then.



Mrs. Lineberry shared the application data received to date and also reminded the Board that Citizens has about 30 PK students at Operation Breakthrough; she is hopeful that the vast majority continue on with Citizens in Kindergarten, so the season is off to a good start.

## 8. Closed Session

Pursuant to § 610.021 (1) RSMo, the Board Committee will enter into closed session to discuss matters related to Legal Discussion.

### a. Roll Call Vote to Enter *[Board Action]*

Ms. Finocchario invited Dr. Miles, Mr. Brennan, and Mr. Durphy into closed session.

*Dr. Miles moved to enter Closed Session and Dr. Hicks provided a second. The motion was unanimously approved via roll call, as follows:*

Hon. Ardie Bland	Aye
Ms. Sophia Bond	Aye
Mr. James Brown	Aye
Mrs. Angela DeWilde	Aye
Ms. Brandi Finocchario	Aye
Dr. Asiya Foster	Aye
Dr. Sarah Hicks	Aye
Mr. Jim MacDonald	Aye
Ms. Selina Rios	Aye

## 9. Return from Closed Session; report on any action taken as required.

Ms. Finocchario welcomed members of the public back into Open Session and reported that discussion related to (1) Legal Discussion. No actions were taken that require reporting.

## 10. Adjourn *[Board Action]*

*Dr. Foster moved to adjourn and Ms. Bond provided a second. The motion was unanimously approved with none abstaining. The meeting was adjourned at 7:40 pm.*

[/rb]