

[FINAL - Last updated: 6/15/22 at 10:00 p.m.]

**Monocacy Montessori Communities, Incorporated (MMCI) Board of Trustees  
(BOT) - Tuesday, June 14, 2022 @ 7:00 p.m.**

**Virtual Meeting: [meet.google.com/kpt-cmdi-svt](https://meet.google.com/kpt-cmdi-svt)  
Join by phone: (US) +1 413-338-4624 (PIN: 289475614)**

**Special Meeting Agenda**

1. Call To Order 7:00 p.m.

Tara called the meeting to order and began recording at 7:01pm.

2. Welcome/Introductions 7:02 - 7:05 p.m.

Members Present (listed alphabetically):

- Molly Carlson, CCM Parent Trustee, Facilities Chair
- Julie Clark, CCM Parent Trustee
- Nichole Dowlearn, MVM Parent Trustee
- Tara Dunsmore, BOT President
- Michael Beth Edwards, CCM VP
- Elise Goodwin, MVM Parent Trustee
- Jeff Koehler, Treasurer
- Ellie Landru, MVM VP, Facilities Chair
- Kathleen Lutrell, Friend of Ed
- Jennifer Mayo, CCM Parent Trustee
- Meggan Sombat, Interim BOT Secretary
- Amy Sullivan, BOT Assistant Treasurer
  
- Diego Alvarez (Treasurer Elect, non-voting member)
- Nikki Burgee (CCM GC Chair, non-voting member)
- Amy Dorman, MVM Principal
- Marilyn Horan, CCM Principal
- Jen Kuhn, (MVM GC Chair, non-voting member)

### 3. Closed Session

7:10 p.m - 7:30 p.m

To consider the acquisition of real property for a public purpose and matters directly related thereto.

Tara reminded members that at our last meeting we agreed on a selling price without seller financing for Property A for MVMPCS. The seller agreed to our counter proposal, and now it is time to make a decision so we can get the zoning and approval process started. She said when we come back into the open session, we can talk about the property and name the location.

**MOTION: Tara moved to move into closed session to consider the acquisition of real property for a public purpose and matters directly related thereto.**

Julie Clark seconded.

**BOT members voted in the chat and the MOTION PASSED with 10 Aye.**

Closed session began at 7:08pm and ended at 7:20pm.

*Closed session minutes redacted.*

### 4. Discussion/Vote

7:30 p.m. - 8:00 p.m.

Contract for purchase of property - MVM (Tara Dunsmore/ Ellie Landru)

[Redacted Contract for Review](#)

[Estimated Financing Terms](#)

*\*Please note: the address of the property has been edited in minutes to reflect the correct street number: 915 Toll House Avenue.*

Tara said that MVM has been exploring multiple properties for purchase, and the MVM Facilities Committee and MVM GC has decided they are interested in purchasing **915 Toll House Avenue**. The location is ideal and this property has the most potential. The redacted contract and spreadsheet with rough numbers for financing are attached (linked above).

Tara said that we've had meetings with multiple financial advisors this week so we can get moving on financing immediately. The most important piece right now is that by entering into the purchase and sale agreement, MVM would be committing \$10,000, which is refundable if MVM decides not to move forward. During the 90 days, we will consult with architects and get cost estimates, file the zoning amendment, and have financial advisors put together a package to send to lenders. At the end of the 90 days we would have an idea of exactly how much we need and how much we're qualified for from lenders.

Additionally, after we have this vote, we are not committed. At the end of the 90 day due diligence period, we would take info that we've gathered, and vote again to move forward into the next phase. This is through December, and then we would review all information and vote again before we go to closing.

Michael Beth said that if we were going to roll money into a vote, the options are going to be varied, and financing needs to be its own topic of conversation.

Tara agreed and said that once the financial advisor makes recommendations, we would vote again before taking on the debt. Another thing that we are talking about with advisors is how this purchase impacts and connects with CCM's purchase. A financial advisor explained that if the projects continue on a similar timeline, financing could be combined into one debt, which would be ideal. Or, if projects are farther than 6 months apart, we would want to find a bank who would give us a pre approval guarantee for both loan amounts. This agreement would protect both schools, and this is a priority for MMCI. Ellie added that neither school would be subsidizing the other, and this will continue to be made clear to financial institutions as we meet with them.

Michael Beth reiterated that we are collecting a ton of data, and that will need its own conversation, once we have the information needed.

Tara said that even the selection of a financial advisor will be its own vote; likely an EVOTE within the next 2 weeks.

Michael Beth said that it is good that we are poised to act, because the process will move fast, and Tara agreed.

Ellie added that we have 5 financial institutions that we are currently meeting with and considering. .

Ashley Lynn, MVM parent, asked if we are allowed to put in a zoning change on a property that we don't own yet?

Tara said that our attorney assures us that we can. Any person who lives in the city can request a zoning change and sign the application. Tara lives in Frederick and will file for MMCI. It will either be a text amendment or an overlay. A text Amendment is not property specific. It is a request that public schools be allowed in a particular zone. If they reject that and ask us to request an overlay for one property, then we will go for that. We are hopeful for the text amendment.

Molly encouraged Tara to check in with the MMCI level group, because there is some expertise at CCM. And Tara agreed that they will discuss at the next Facilities meeting. Molly said that it sounds like the zoning change is possible according to our Attorney, and Tara agreed.

Molly said that CCM has included other costs in their budget, such as maintenance, and we've come to the agreement that the schools look at this differently. Molly suspects that

this will be resolved when MVM presents their budget. She is sure it will include the other pieces that we would want to see before we vote again.

Tara said that MVM already budgets separately for those things, such as maintenance, because they are not included in their current lease. She thinks that there is a chance we need to take this back to the community to approve the change in line item accounting for the budget (regarding the 17% Facilities cap).

Molly said her other question was about MMCI's borrowing capacity for future projects, which has been addressed.

Molly asked what architects or project management companies we're considering.

Tara said we are planning to move forward with Building Hope for project management, pending their agreement to work with us on Toll House. Now that we are doing two projects and MVM is paying for their project manager, each GC can vote for their preferred project manager.

Molly said that the BOT would still need to vote to approve the choice, and Tara agreed.

Tara said that we are on a time crunch and the MVM GC has already voted for the test fit. We should know about the project manager by the end of June, and our next BOT Meeting.

Molly asked if MMCI should give a green light based on the amount?

Tara asked what is the specific threshold for the GC and MMCI to sign off?

Jeff said that it is over 5,000 for the GC, and over 10,000 the GC and BOT, depending on the account.

Tara said that we may come back to the BOT with multiple EVOTES related to these due diligence items.

**ACTION ITEM (Ellie/Meggan) - Gather info on the threshold amounts, GC votes, and initiate BOT EVOTE for the test fit/ MEP eval, and any others that are needed ASAP.**

Tara mentioned that we are coming into budgeting season, and it is timely to make sure that the MVM GC is aware that the responsibility for preparing a 5 year budget projection falls to the GC, and that process needs to start happening soon, because lenders will need to see this information.

Even before we get the PPA numbers in July, and know how much our monthly payments will be, we need to be developing our ideal projected budget for what we can afford with the high school incorporated.

With bond financing, there is more flexibility in graduating our payments and we should look into that as we are building the high school.

**ACTION ITEM (Ellie) - Follow up with Jen Kuhn and Rachel Schooley for budget projections, and**

**ACTION ITEM (Ellie) - Follow up on scheduling a meeting with MVM budget team and Amy Sullivan and Amy O'Connor to work with the existing high school budget**

Meggan asked about the action item and the deadline or timeframe should be. Ellie and Tara said asap.

**Deadline - ASAP, rolling deadline, update ahead of our next BOT Meeting on 6/29, update with PPA in July.**

Jeff mentioned in the chat that we do vote on the 1 year budget with the 5 year projections.

Ashley Lynn said in the chat that the Hiring Committee needs staff timing and funding re: 5 year. This is a request for the MVM GC.

Marilyn reminded as the budget process is started, staff will be receiving a 7.14% raise.

Michael Beth stated that the financial advisor needs our best estimates to go on.

Tara agreed and said we do have the high school budget already created, and we need to update the projections for this year. **Tara said that she would like to see another draft of the 5 year projections within 30 days for sure. We will need info from both schools in the next month.**

**ACTION ITEM (Michael Beth) - Updated Budget Projections for CCM**

Ellie wants to clarify that MVM has been working on setting up a work session for the budget, so this is in season and already started. It is in process.

Jen agreed, and said the budget updates are ongoing and the MVM Budget Chair, Rachel is on top of it.

**ACTION ITEM (Tara) - Add to personal calendar: MVM GC Meeting, tentatively scheduled for July 11.**

Tara reminded Jen Kuhn and the MVM GC that Amy O'Connor, our MMCI Bookkeeper, is a support for the budget process.

Molly said that Amy has been a great support for CCM too, and Tara agreed.

Ellie mentioned that there was a discussion in the chat regarding PPA and a new formulation, and that the PPA formulation is not transparent.

Tara is currently working to set up a meeting with MAPCS on this topic.

Molly added some points to include in the motion in the chat.

**MOTION: Tara moved to approve the Purchase and Sale agreement for 915 Toll House Avenue as presented, with the understanding that the BOT will have the opportunity to vote again at the end of the 90 day due diligence period, and again at the end of the entitlement period, pending information related to detailed financial estimates, information on zoning, an MVM budget that includes total facilities costs (mortgage, renovation, and maintenance etc.) and documentation to show that MMCI's borrowing capacity will be limited to the point that it will not negatively impact CCM's ability to also finance a future purchase and/or renovation.**

Seconded by Ellie.

## DISCUSSION:

Jeff asked if the MVM total facilities costs indicated in the language of the motion is along the lines of CCM's 17%.

Tara clarified that those things are not included in the mortgage, but need to be taken into consideration. There are added expenses to being an owner as opposed to leasing.

Jeff asked about property taxes, and Tara answered that we are a non-profit and taxes do not apply.

Amy Sullivan said that we need to include capital projects in the budget.

Molly and Tara agreed, and Tara said that will depend on how much we put out up front vs. how much we finance. Both schools have significant savings, so it needs to be decided what will happen with savings and financing projects.

Kathleen said that we will likely be required to establish a reserve. This is generally set at 1.1% of the mortgage amount, to be held in savings at all times.

Tara asked for additional questions.

Diego asked about the 10K in the first 90 days in the due diligence period, and if we foresee additional expenses within 90 days?

Tara said yes, those are expenses that the school is responsible for. These include Architect (10-12K for test fit and MEP evaluation), zoning eval 4K (GC expenses), etc. MMCI will cover attorney fees, the financial advisor, appraisal fees.

Amy Sullivan brought up caps in the MMCI Procurement policy that will bring MMCI involvement with votes.

**ACTION ITEM (Tara) - Follow up with Amy O'Connor to create Facilities Projects budgets for both MVM and CCM.**

Tara said this would allow us to vote on the whole budget and would be more expedient. Jeff said that he thinks the BOT votes over 10K, so the BOT will need to be ready to vote quickly.

Tara said that we already have the architect and MEP eval approved by the MVM GC, and we need to get that approved by the BOT.

**ACTION ITEM (Ellie/ Meggan) - See above.**

Kathleen mentioned that there will probably be unanticipated expenses from the application for zoning, for items such as proving that we are not impacting public facilities, etc.

Tara agreed and said that our Attorney is creating a list of those expenses for us, and costs are dependent on which way the zoning goes.

Tara restated the motion.

**Members voted in the chat. MOTION PASSED with 11 Aye.**

Jen Kuhn said that this is an amazing moment, and that we still have a lot to do, but we have never been this far in this journey. She said thank you to all of the facility committee volunteers over the years. So much work has gone into this behind the scenes. She is optimistic and hopes this is the start of the next chapter!

Tara agreed and said that she has good feelings that CCM is soon to be in the same place as MVM, which will be wonderful. Next year is MMCI's 20th year.

Jen agreed that we are at an incredible point, and we have so much to celebrate!

**MOTION: Tara moved to adjourn the meeting.**

Ellie seconded. **MOTION PASSED with 11 Aye.**

Meeting adjourned at 8:15pm

Tara asked Jen to send out a communication with the news to the MVM community. Jen will do that this evening. Ellie also posted in the MVM Facebook group.

#### Announcements:

1. Upcoming MMCI Business Meetings (usually held at 7PM the FINAL Wednesday of each month): *meetings will be virtual until further notice*
  - June 29, 2022
  - July 27, 2022
  - August 31, 2022
2. Minutes and Agendas may be found online at <http://mmcimd.org/calendar/>