



## **Building Committee – 1.30.17**

Chair - Beth Wilson – present

Treasurer - Brian Siekmann - present

Secretary - Jody Luck – present

Deana Siekmann - WLS Director – present

1. Call to Order – 5.:30 pm
2. Roll Call/ - confirmed
3. Financial Report Review- will review quarterly (April, July, October, and January) – reviewed Quarter 2 (December) financials
4. IRS 990 Approval – Brian motioned and Beth seconded, motion passed to approve the 990.
5. Building Improvements
  - A. Discuss any FY18 improvements – discussed options for collecting data and process for future
6. Other Items - none
  - A. Bond Rating Cease Resolution – resolution to no longer require WLS BC and WLS to have a bond rating – Jody moved and Brian seconded, motion passed to approve the resolution.

### **STANDARD AND POORS RATING UPDATE**

Dick Ward, from Dougherty Markets as the firm the negotiated the bond sale in 2011, has suggested that WLS move to a ‘non rated’ bond agreement. The attached document outlines the new rating structure. Nationally, the trend is to offer higher ratings for schools with huge enrollments and waiting lists. In MN, most charter schools charter schools are below the threshold of ‘adequate’ which is an enrollment of 1,000 – 2,000 students with a waiting list that exceeds 50% of enrollment. There are other factors as well such as state statutory oversight of charter schools, stability of authorizing and funding processes, academic quality characteristics, management and governance assessments, financial profile including debt burden and liquidity/financial flexibility that suggest that WLS will incur a lowered rating in this annual assessment. Mr. Ward has had conversations with the investor to convey the changes in the rating environment. Mr. Ward also communicated that a rating change (which is imminent) would result in the value of the bonds decreasing. Since the bonds are held by a single investment group and the bond is not very large in scale, the investor indicated that the bond not having a rating would not have a negative impact on the bond transaction. Dick Ward will provide more information to me before the Board Meeting on 1.30.17.

7. Scheduling
  - A. Next WLS BC Meeting: February 27, 2017, 5:30 pm