



Board Meeting Minutes

Desert Sky Montessori

Virtual Meeting

August 24, 2022

Jessica Loukonen called the meeting to order at 5:46pm.

Present: Jessica Loukonen, Cara Nowak, Kevin McKennon, Daisy Sexton, John Eskew

Also present: Bill Alsdurf Jr, Heather Phillips, Deli Thordarson

Absent: Dave Trexler

BUSINESS

- A. Bill Alsdurf Jr: Budget and Facilities Update and Discussion
 - a. Currently ending the second week all staff have been present on campus; had one-on-one discussions with all staff: morale seems high, classrooms are being set up, feels like a supportive and positive place; enrollment looks good
 - b. Cannot report a positive outcome on the moving budget; thinks the majority of what DSM is doing with the building is necessary for it to be ready for the students
 - i. General Contracting: overage estimated at \$15,870.40
 - 1. Since DSM moved into the property the day after Realms moved out, no walk-throughs were done between the landlord, Toby Wiltse, and Realms or the landlord and DSM
 - a. There was a hurry for DSM to move in as Wendlek Contracting only had a span of 2 weeks to complete the work they had agreed to do
 - 2. Wendlek's work focused on the boys' bathroom—specifically reinforcing and replacing the flooring—part of which was unexpected when the contract was drawn up
 - 3. The overage is for DSM to get the remainder of the work finished and to accomplish other things in a timely manner that were not previously budgeted for (ie painting, refinishing the floors throughout the building, etc)
 - ii. Plumbing: overage estimated at \$15,768.24
 - 1. Severson Plumbing was initially willing to take over the plumbing from where Wendlek stopped, but declined when they realized the boys' bathroom was not up to code with ADA [Americans with Disabilities Act] regulations
 - 2. Overage was to cover permitting and the work that still needed completion

- iii. Electrical: overage estimated at \$135.44
 - 1. Installed an outlet for the irrigation system
- iv. Moving Expenses: overage estimated at \$9,306.75
 - 1. Originally planned to have parents help move things from the Pods into the classrooms; the space was not ready to be moved into on the date this work-party was arranged—the parents helped with other projects instead—so a moving service was used
- v. Permitting Costs: overage estimated at \$302.99
- vi. Landscaping: overage estimated at \$3,025.00
 - 1. Has only approved \$2,200 at the current campus; will look into whether the rest was spent on DSM's former campuses
- vii. Cleaning: overage estimated at \$4,000
 - 1. The new property needed to be deep-cleaned before the students' arrival; this cleaning was not included in the original budget
- viii. Waste Removal: overage estimated at \$591.97
 - 1. Use and removal of the dumpsters
- ix. Shelving and Countertops: overage estimated at \$2,000
 - 1. Committed to this at the end of July
- x. Pathway to the Playground: overage estimated at \$2,000
 - 1. Unsafe situation present; pathway needed grading and gravel added to it
- xi. Wood Chips: overage estimated at \$1,000
 - 1. Added underneath play structures for safety
- xii. Rewiring Door: overage estimated at \$2,250
 - 1. Door was wired for safety in controlling access to the building
- c. Some of these estimated overages have been lessened by budget cuts in other places, but DSM is still looking at a fair amount of additional costs; Toby Wiltse seems willing to add any building upgrades to our current loan amount if DSM would require it: this would take DSM's monthly debt service from \$1,537.84 to \$2,544.76
 - i. BLP's [Bend-La Pine's] CFO [Chief Financial Officer] Brad Henry does not think that DSM borrowing additional funds will be a problem, but would like to know what the monthly payments will be
- d. Daisy Sexton: concerning the first two line items' [general contracting and plumbing] costs, wonders if it would be reasonable to expect Realms to help with these, as DSM seems to have paid for these types of things on both ends of this move (ie where we moved from and getting the new property back into original condition)
 - i. Bill Alsdurf Jr: is willing to ask our landlord about this, but doubts if DSM, as new tenants, can ask that of the previous tenants
 - ii. John Eskew: thinks this is a good point, but also thinks we missed the opportunity to have Realms help with any of the costs; wonders if some of this is actually our landlord's responsibility: perhaps he could help with a lower interest rate or a better loan; does not think DSM should have been approved to move into a building that is not ADA compliant
 - 1. Bill Alsdurf Jr: landlord has told him that the bathrooms were initially ADA compliant but were changed by Realms; does think a walk-through should have been performed before DSM moved in

- e. Kevin McKennon: the first two line items are Wendlek driven, as they occurred when the job they were hired to do was left unfinished; would like to confirm that they were hired to work for only two weeks and were guaranteed a certain payment from DSM
 - i. Bill Alsdurf Jr: DSM does not owe Wendlek any further payments; Bill Alsdurf Jr is in the process of filing a formal complaint against them; DSM decided against going with Severson after the initial estimates because their estimate was so much higher than Wendlek's estimate, probably partly due to the permitting they were anticipating
 - ii. John Eskew: the bathroom was more intensive and therefore more costly than anticipated also
- f. Bill Alsdurf Jr: it did cost \$8,000 to refinish the floors; painting the walls also cost money; doesn't know if that was a miscommunication with Realms or an oversight
 - i. Daisy Sexton: wonders if it would be worth it to have a conversation with the Head of Realms about all of the painting, patching of walls, and floor maintenance that needed to be done once they moved out
 - 1. Bill Alsdurf Jr: would be happy to have that conversation with the Head of Realms, Roger White
 - 2. Heather Phillips: thinks Bill Alsdurf Jr could also reach out to the Head of Facilities at BLP
- g. Bill Alsdurf Jr: thinks we have two options: DSM could borrow the amount of money as planned and then cover the rest of the costs from our reserves, or the overages could be rolled into the existing loan
 - i. John Eskew: thinks that it would have been the landlord's responsibility to get the building in legally fit shape before renting it out
 - 1. Bill Alsdurf Jr: has had this conversation with our landlord: he does not think it is his responsibility to pay for any of this; Bill Alsdurf Jr has read the lease many times, and thinks that it may be DSM's responsibility as of our move-in date
 - ii. Bill Alsdurf Jr: would like the board to make a decision on whether to ask for a larger loan from our landlord or to pay the overages from our reserves
 - 1. John Eskew: would lean toward getting a loan from the landlord with the ability for DSM to pre-pay
 - 2. Bill Alsdurf Jr: the amount of money relating to getting the building ready for DSM to move in is over \$106,000, so asking our landlord to borrow less than that seems specific enough; DSM could then keep the reserve money in reserve
- h. Daisy Sexton: does not personally know or have a relationship with Toby Wiltse; worries that he may not be as keen to help recover costs for DSM's move-in if he knows we are willing to take a loan from him to cover the amount instead
 - i. Bill Alsdurf Jr: feels comfortable having both of these conversations with him; thinks our landlord is a good guy and has DSM's best interests at heart; thinks our landlord will reach out to BLP to ask about recovering some of the costs if we want for him to
 - 1. John Eskew: would like for Bill Alsdurf Jr to ask our landlord about extending an interest-only option to DSM
 - 2. Daisy Sexton: would like for Bill Alsdurf Jr to take into account the ADA compliance piece during the discussion with Toby Wiltse

2022.08.24.01 John Eskew moves to begin discussions with Toby Wiltse to first see what he and/or Realms would be willing to pay for to cover the condition of the building when DSM moved in and second to proceed forward with negotiation a loan for general contractors, plumbing, and fencing costs not to exceed \$100,000. Jessica Loukonen seconds. Beginning discussions with Toby Wiltse to first see what he and/or Realms would be willing to pay for to cover the condition of the building when DSM moved in and second to proceed forward with negotiation a loan for general contractors, plumbing, and fencing costs not to exceed \$100,000 is approved by unanimous vote.

- i. Kevin McKennon: points out that the board needs to approve the new moving budget
 - i. Bill Alsdurf Jr: notes that the amounts presented are his best estimate according to the conversations he has had with the individuals doing the work
 - ii. Jessica Loukonen: thinks voting to approve \$255,000 would give DSM some wiggle room, considering all of the things that have gone overbudget this far

2022.08.24.02 Jessica Loukonen moves to change the moving budget to \$255,000. John Eskew seconds. The moving budget is changed to \$255,000 by unanimous vote.

- j. Jessica Loukonen: requests Bill Alsdurf Jr informs the board each Friday about how things are going with the budget
- k. Kevin McKennon: thinks the board should have a discussion about what was missed and what could be learned for the next time
- l. Daisy Sexton: from her experience fundraising within this community, knows that it can be difficult to raise money; appreciates Bill Alsdurf Jr being willing to do anything that he can in order to recoup expenses

ADJOURNMENT

The meeting was adjourned at 7:15pm.

Recorded by: Cara Nowak

Minutes approved at 9/21/2022 Board Meeting