

Minutes of the Meeting of the Board of the High School for Recording Arts Building Committee: April 19th, 2017 at 11:00 AM.

Attendees: Members: Paula Anderson and Dr. Wayne Jennings, as well as David Ellis, Tony Simmons and Matthew Brown.

- I. Minutes of Review of last meeting reviewing Actions Taken by the Building Committee. Anderson moved that the list of actions taken, which the committee was told by legal counsel John Cairns, was the minimum legal necessity for this board, be accepted. Jennings seconded. Anderson opened the motion for discussion. There was no discussion. The list of previous motions taken by this board, as advised by legal counsel John Cairns, was voted upon and unanimously accepted.
- II. Possibility of pursuing legal action against Property Tax classification as a for-profit business for the previous year was discussed. All attendees participated in this discussion weighing costs in pursuing legal action versus possibility of recouping the over \$200,000.00 of property taxes weighed against HSRA, which was a surprise to both the HSRA school board and to the HSRA building company. Neither legal counsel John Cairns nor bond specialist Dick Ward alerted the HSRA board nor the HSRA Building Company Board that this was a possibility, so this had a great impact on HSRA's general fund and fund balance, a fact which needed to be uploaded to EMMA by Hughes to explain why we fell shyly short of making our cash-on-hand covenant.
- III. A motion was made by Anderson that the costs of pursuing a challenge to this change of classification from for-profit (as help by Inland Real Estate) to non-profit, without any assurance of success, as well as any willingness by legal counsel to take on this case on a contingency basis, was not worth the possible losses to the general Fund. Jennings seconded the motion. Discussion ensued, and the consensus seemed to be that it was not worth the risk and that this one-time cost, though unfortunate and preventable, needed to be absorbed and that we should move forward knowing that our tax status as a non-profit was assured for the next year. The vote was made and was in favor of the motion.
- IV. An agreement was made that the HSRA Building Company should meet at least annually, and a date was made for November 8 at 9:00, 2017.
- V. There was no other business.
- VI. The meeting was adjourned by Anderson at 11:55 AM.

--minutes respectfully submitted by Paula Anderson