

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
ARISTOI CLASSICAL ACADEMY, INC.**

**October 16, 2023**

A Regular Meeting of the Board of Directors of Aristoi Classical Academy, Inc., charter holder for Aristoi Classical Academy ("School") was held on **Monday, October 16, 2023, at 5:30 p.m., at the school, 5610 Morton Road, Katy, TX 77493-1971 in classroom F1.**

1. Call to order and establishment of a quorum. L. Botond called the meeting to order at 5:32 pm. Also present were W. Clark, A. Cox, B. Havlik, A. Hovis, C. Gillespie, M. Watson, A. Amboree, M. Pertuso, K. Locheed, and J. Creech. D. Light was unable to attend.
2. Hearing of citizens. – Mrs. Amber Shippam, parent from Cypress campus, sought to express a concern regarding a school employee. L. Botond explained that complaints regarding personnel would need to be heard in closed session and that the board would arrange for that opportunity if desired. Mrs. Shippam then requested the opportunity to discuss her concern with the board at a later time.
3. Approve Consent Agenda: - **Motion to Approve Consent Agenda: A. Hovis, Second: C. Gillespie, APPROVED: Unanimously**
  - a. Minutes for September 18, 2023, Regular Board Meeting
  - b. Superintendent's Report
  - c. Financial Update from Business Office
  - d. Report from Budget Finance Committee
4. Discuss and consider updates on capital campaign from Andrew Robison of Petrus Development, who will be joining via videoconference. Andrew Robison was unable to attend, so the update was presented by the new Director of Development, Dr. Klugewicz. Mr. Robison has started meeting with large donors who participated in the feasibility study. There is a Meet and Greet scheduled for November 10. The Gala, "New Horizons", will be announced for April. The goal is still to raise \$500,000 by December and \$4 million by August 31, 2024. The planned disbursement of those funds is \$2 million for Katy Campus, \$1 million for Cypress, and \$1 million for Greater Houston Campus.
5. Discuss and consider updates to the Aristoi Expansion Plan and Financing, including update on 2016 bond covenant regarding debt service coverage ratio, FY 2023 budget, and hear from Masterson Advisors regarding next steps and considerations for current expansion. Drew Masterson with Masterson Advisors was in attendance. After a recent review of the 2022-2023 budget, there was a deficit that brought Aristoi's debt service coverage ratio too low, which would be a violation of a bond covenant. Identified causes of the deficit included the high cost of numerous repairs and remediation to the Katy Grammar

campus and the portables at Katy Logic and Rhetoric, unbudgeted positions on the payroll, and a lower than expected attendance factor for the school year. Although historically 96.5% was used for attendance revenue calculations, last year 98% was used with the hope that attendance would support early estimates. The current year's budget was discussed as well. Due to lower than expected enrollment, the 2023-2024 budget was not going to be balanced. Immediate corrective actions will include implementing a hiring freeze and sharing duties among current employees. Administration and the financial advisors will need to reach out to the current bond holder to discuss the debt service ratio covenant. The board and administration will work through steps and any necessary policy changes to prevent budget shortfalls going forward. In addition, the school should list every over expenditure from last year's budget. If the bond holder doesn't waive the shortfall in debt service coverage, the covenant will require a consultant to do an independent review. This could affect the timeline for the Expansion Plan. For issuance of new bonds, Aristoi would be required to show a 12-month period with adequate DSCR of 1.2% or higher; however, to refinance existing bonds the delay would be around 4 months.

6. Discuss, consider, and approve delegation of authority to board members who will serve on the administrative construction committee.  
L. Botond proposed B. Havlik and A. Hovis serve as board delegates on the construction committee, due to their ability to be in attendance at construction meetings and experience with construction.  
**Motion to Delegate Authority to Andrew Hovis and Barbara Havlik, as Board Members who will serve on the Administrative Construction Committee : L. Botond, Second: W. Clark, APPROVED: Unanimously**
7. Discuss, consider, and approve the Reimbursement Resolution related to bond issue for Morton Road Expansion.  
**Motion to Approve the Reimbursement Resolution Related to Bond Issue for Morton Road Expansion: A. Hovis, Second: L. Botond, APPROVED: Unanimously**
8. Discuss, consider, and approve a waiver for professional development.  
**Motion to Approve Professional Development Waiver for the Symposium: C. Gillespie, Second: B. Havlik, APPROVED: Unanimously**
9. Discuss and consider an update on the Cypress Campus, including but not limited to enrollment, facilities, renovations, leadership team and faculty.  
M. Pertuso reports that Cypress has 442 students currently enrolled. There are currently open positions for a Special Education Aide and a Part- Time Counselor. Planning is underway for the inaugural ninth grade class and options for campus expansion or being explored. Mr. Pertuso has also begun work on the master schedule for the 2024-2025 Academic Year.
10. Discuss and consider an update on the Katy Grammar School, including but not limited to enrollment, facilities, renovations, leadership team and faculty.

K. Locheed reports that they are currently fully staffed. She has begun meeting with all team leads monthly to check-in and is also reading The House on Pooh Corner with them. There is a classical book fair coming up. Parent-Teacher conferences will be taking place soon with all K-5 parents and only when necessary for 6<sup>th</sup> grade and up. There are 437 students enrolled and offers going out to students on the waiting list to fill any vacant seats.

11. Discuss and consider an update on the Katy Upper School (Logic and Rhetoric Schools), including but not limited to enrollment, facilities, renovations, leadership team and faculty.

K. Locheed reports that there are 658 students enrolled and they are almost fully staffed. Mrs. Locheed has also started working on the master schedule for 2024-2025 Academic Year. They just had the Homecoming BBQ, that went well and the Brookwood Service Day was also reinstated after a hiatus due to COVID. The students and residents all seemed to enjoy the day.

12. Discuss and consider an update on planning and progress of the Greater Houston Campus.

J. Creech is still in discussions with New Community Church, but there is no lease to approve at this time. The lease would begin in July, but there will be a 3-month abatement period.

13. Discuss items to be placed on the November Regular Meeting Agenda.

- a. TEA FIRST Rating
- b. 2024-2025 Academic Calendar
- c. Greater Houston Campus Lease

14. Adjournment to closed or executive session pursuant to Texas Government Code 551.076 of the Open Meetings Act, for the following purposes: **6:48 pm**

- a. Discuss and consider security updates including but not limited to discussion of security devices and audits.

15. Reconvened to open session at 7:12 pm.

16. Take action on matters discussed in closed session. **-None**

17. **Motion to Adjourn: C. Gillespie, Second: W. Clark, APPROVED: Unanimously**  
Adjourned at 7:12 pm.

Prepared by C. Gillespie

This is a true and correct copy of the minutes of the Regular Board Meeting held on October 16, 2023, as approved by the Board of Directors on November 13, 2023.

  
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Lucina Botond, Board President