



Cornerstone Charter Academy
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June 18, 2020

Bob Francis
City Manager
City of Belle Isle
1600 Nela Ave.
Belle Isle, FL 32809

RE: DRAFT Reply to Your 02/27/20 Memo, Workshop 2 for Refinancing Cornerstone Debt

Dear Mr. Francis,

In its meeting on 04/22/20, the CCA Governing Board considered the referenced memorandum. The Board agreed that I would reply to you in writing to convey a brief summary of the Board's discussion on its content. I am submitting this as a draft as I will ask the Board to consider ratifying it in the June 24th meeting.

To begin, several Board members expressed concern that the memo begins by saying the City "does not want to be involved in the operations of the Academy" yet the memo contradicts itself later with a list of demands to be involved in its operations. Furthermore, it proposes a drastic change in the Academy's governance which was already negotiated previously with the city and modified by the Board in 2016.

The memo appropriately describes the role between the CCA Governing Board and the City as a "tenant-landlord relationship." We believe our mutual goal for more effective communications will result from a recognition of that role and relationship; and conducting business accordingly will ensure the continued success the Academy has historically enjoyed.

Following is a brief summary of the majority of the Board's position on the items in the memo:

- 1.a.-f. The Board is not willing to consider these proposed school By-Law change items. In general, these changes were a repeat of the City's previous demands which were previously considered and declined by the Board. This is supposed to be about refinancing the city's 2012 Bonds, which would save the City approximately \$100k on debt service costs and remove the debt from the City's books.
2. Regarding master planning the schools' facilities, we would like to work with you, as City Manager / landlord, as we continue to work with Academica's professional school planning and design team to prepare proposed master development plans that are appropriate for the growth and development of the school. In addition to participating with us in that planning, we would like to work with you to outline how the major planned improvements / expansions would be financed. Then, such planned projects and their financing proposals would be presented to each respective board for consideration, as may be appropriate. This would of course be separate from the discussion you are having with the Council on reissuing the 2012 bonds.
3. Any documents associated with the City's bonds would be the responsibility of the City to maintain. The master plan documents will be provided to the City Manager as a normal course of



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- working together to plan, finance and permit the work, and CCA will provide project as-built documents to the City as landlord.
4. The current lease adequately describes the responsibilities of the City and the school, respectively. CCA would consider this item if the City wants to sell the property. This item is not how a triple net lease works. In a standard triple net lease, the three nets are Property Taxes (in our case, neither entity pays), Building Insurance and Common Area Maintenance. In the event a new lease was to be entertained in conjunction with the city's decision to reissue the bonds, any items beyond that would be negotiable if it were a triple net lease.
 5. The rent is established in the current lease. In the event the City was to decide to reissue the bonds and if a new lease were to be entertained in conjunction with that reissuance, this could be considered in negotiations of said lease.
 6. The current lease provides for city inspections of the property and the school's responsibilities with respect to reporting and maintenance. OCPS already conducts annual inspections prior to school opening. In the event the City was to decide to reissue the bonds and if a new lease were to be entertained in conjunction with that reissuance, this could be considered in negotiations of said lease.
 7. CCA already provides annual audits and budgets for the schools and will be pleased to continue to do so.
 8. The process of the enrollment lottery and its wait list is prescribed by law and our charter with OCPS. The Board does not support changing it.
 9. By proposing an OCPS survey on the services provided by CCA, the City again seeks to "be involved in the operations of the Academy". Suggesting OCPS spend its scarce funds to conduct a survey asking why some Belle Isle families do not send their students to CCA starts with negative undertones. CCA not only serves Belle Isle. CCA also serves Edgewood and parts of unincorporated Orange County. CCA already conducts surveys annually that are an integral part of the school's continuous improvement model
 10. CCA follows state procurement statutes. The City has two voting members on the CCA Governing Board who can vote on procurements and selections.
 11. On CCA construction bid processes which are required to include performance and payment bonds according to FS 255.05, CCA will conduct the bid processes accordingly.
 12. CCA will continue to permit any construction projects through the City's established process.
 13. Going forward, if the City elects to proceed with the issuance of new bonds, we would look forward to meeting with you as the City Manager first to discuss and negotiate any necessary points specifically related to the bond reissuance. At that time, we could have a subsequent joint meeting of the Council and Governing Board to consider agreements derived from our discussions.

Sincerely,

William G. Brooks
Chairman and President
CCA Governing Board