

**Near North Montessori School
Board of Directors Meeting
Monday, January 26, 2009
7:00 p.m.**

Board Members:

P=Present (20) A=Absent (0)		
P Jacqueline A. Bergen	P Janet Cory	P Alina Cowden
P Stephanie Cox-Batson	P Eddie Gershman	P Doug Guthrie
P Cathy Jackson	P Faye Katt	P David Kelson
P Brian King	P Jerry Krulewitch	P Anne Matern
P David Morrison	P Susan Nash	P Michelle Nicolet
P Kirti Patel	P Simon Reeves	P Roc Roney
P Lois Scott	P Wendy Toan	

Administration:

P=Present (5) A=Absent (1)		
P Audrey Perrott	P Mieko Joy Yoshida	P Connie Shirakawa
P Rita Nolan	P Linda Rudnick	

Guests: Neal McNight, Gordon Pan, Bud Stephani

I. Call to Order 7:00 p.m.

President Janet Cory called to order the Regular Meeting of the Near North Montessori Board of Directors at 7:00pm at Near North Montessori School, 1434 West Division, Chicago. She reported that Teacher Member Rachel Duda had resigned from the Board and that the 0-6 Teachers had elected Wendy Toan to serve the remainder of her term. David Morrison distributed draft minutes of the December 15, 2008 Meeting of the Board. Lois Scott moved adoption of the minutes of the December 15, 2008 meeting. Alina Cowden seconded and the motion carried without dissent.

II. Matters for Board Approval

Brian King presented a written report from the Finance Committee regarding a proposed budget for the 2009-2010 School Year. He noted the school's strong financial position, and that the budget would allow the school to move forward with the staffing and building plans while keeping tuition below that of peer schools. The proposed budget raises base tuition by 8.6%. He noted that, since the December meeting, the Finance Committee examined the basis for the decline in tuition between toddler ½ day and 3-6 1/2 day. The Committee recommended closing this gap, but is also concerned that as tuition for 3-6 1/2-day approaches tuition for 3-6 ¾ day, more families may move

children from ½- to ¾-day. The school is unable to accommodate many more 3-6 nappers. The Committee felt that a slight reduction in the gap between toddler ½ day and 3-6 ½ day was warranted, and would consider a larger reduction in the future. Also, the Committee recommends reevaluating the sibling discount in the future. Our peer group does not use such discounts. The proposed budget reduces the discount by \$50. The Board discussed grandfathering in current first-year ½ day 3-6 students to mute the impact of the tuition increase, and also further reducing in the sibling discount in the future. Asked if the budget provided adequate resources to advertise to prospective staff and students, the Committee assured the Board that financial considerations would not prevent the school from minority recruitment. Asked about the cost of debt and the prospect of an increase in attrition, Brian King noted that the school currently has 574 students but the budget anticipates just 560 students. Brian King moved adoption of the budget for the 2009-2010 school year. Lois Scott seconded and the motion carried on a 19-1 vote. All of the Board Members voted Yes except for David Kelson, who voted No.

Brian King presented an update on the finance proposals. The Finance Committee had met with several banks, including JP Morgan Chase, Northern Trust, Harris, US Bank, Fifth/Third, and MB Financial, and has a meeting with Charter One pending. The Committee's sense at this stage is that the best option for financing will be to seek a variable rate construction loan, to be followed by a bond offering after Receiving tax-exempt status on the interest will result in lower borrowing costs. To achieve that, NNMS must receive governmental approval from the State, City or County. The Illinois Finance Authority serves in that role on behalf of the State and meets monthly. To assure that we don't need to return to the government if the amount of borrowing changes, Brian King recommended submitting the paperwork to the IFA requesting that up to \$12 million be tax-exempt. He noted that the Board has previously authorized spending up to \$14.5 million for the entire project, and the Finance Committee anticipates that the school's on-going fundraising efforts may off-set an undetermined portion of the total borrowing. Lois Scott moved that the Board direct the Finance Committee to submit the necessary paperwork to the Illinois Finance Authority or other governmental entities, as necessary, to obtain authorization for up to \$12 million in borrowing qualified for tax-exempt interest. The Board discussed whether the motion contemplated actually borrowing \$12 million and determined that a vote to incur any debt would take place at a later meeting. Faye Katt seconded the motion, which carried without dissent.

III Matters for Board Discussion

Alina Cowden presented a written report from the Building Committee. She noted that the Committee anticipates receiving final pricing estimates prior to the March meeting. Mieko Joy Yoshida elaborated, noting that the discussions with the City of Chicago about the parking lot are progressing well.

IV. Additional Information

Jackie Bergen submitted a written Executive Director's report. She noted that the decision to close the school on Friday, December 19 was only the second time in the last

25 years that the school has been closed due to the weather, and that the closing had no adverse affect on attendance at the staff holiday party that evening at the Irish American Heritage Center.

Kirti Patel submitted a written repot of the Development Committee. She also noted, in relation to the Capital Campaign, that of 90 individuals identified for potential large donations, 30 had been solicited. She and Janet Cory reported that Deborah Schwan, the campaign consultant, was satisfied with the speed of the campaign. The Board discussed how to measure the pace of the campaign. Kirti Patel anticipated that Deborah Schwan would attend the March meeting of the Board to discuss the campaign in more depth.

The Board stood adjourned at 8:35pm.

Respectfully submitted,

David Morrison
Board Secretary