

007-K



Friday, January 11, 2002 5:51:47 PM

Message

From: bdanley@mcgregor.edu

Subject: Board Approval: Classroom of the Future

To: Glenn Watts

Cc: wwilliamson@mcgregor.edu
 bedfob@yahoo.com
 Leslie Johnson
 James Hall

Glenn, I know how busy you are but I am concerned that we have not been given direction on how to get information readied for the board book on the Classroom Project. We got all we were requested to do in, and are waiting on guidance.

As you recall, I need a resolution for the Facilities Committee that allows me to access the Endowment Fund of 100K (and will try to raise it back with community help) AND to spend over 25 (around 4 times) on this room immediately so we can get it open. As a reminder:

25K Mead

around 29 restricted, possibly more

90K loan for equipment from the DBC

Leaving around 57K that will come from endowment (and we need some to do heating/air conditioning/repairs in Sontag Fels after that)
the amount on the Classroom Project from endowment -- to be raised back to go above the line.

Total around 201K

I feel I am missing a deadline although I am ready and the donors/vendors/community is ready to start ordering equipment immediately. It will take up to 2 months to come in and set up and we want to get this open in March. What should I do? I can't do this without you telling me the proposal should look like. Thank you.

Barbara

Dr. Barbara Gellman-Danley
President
Antioch University McGregor
800 Livermore Street
Yellow Springs, Ohio 45387-1609
937-769-1850 Fax: 937-769-1855

007-2



Saturday, January 12, 2002 6:48:50 PM

Message

From: Glenn Watts

Subject: Re: Board Approval: Classroom of the Future

To: bdanley@mcgregor.edu

Cc: vwilliamson@mcgregor.edu
 bedfob@yahoo.com
 Leslie Johnson
 James Hall

bdanley@mcgregor.edu writes:

I need a resolution for the Facilities Committee that allows me to access the Endowment Fund of 100K (and will try to raise it back with community help) AND to spend over 25 (around 4 times) on this room immediately so we can get it open. As a reminder:

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Total around 201K

Barbara,

If I understand what you want to do in order to finance the Classroom of the Future project, you need to do three things:

First, you want to be able to use part of the \$100,000 that was allocated to McGregor this year as part of the annual budget process. If you will use this money for capital purchases, no additional Board approval is needed to use the money, PROVIDED that the purchases for the project are below \$25,000 in total.

Second, it sound like you are going to get a loan from the Dayton Business Community for about \$90,000 to purchase equipment. When we talked about this element a couple of months ago, I thought that the DBC was going to buy and own the equipment, but they would let you use it. As I remember, they wanted to be able to depreciate the equipment, and after 3 years when the equipment is fully depreciated, they would gift it to McGregor.

007-M



Saturday, January 12, 2002 8:21:22 PM

Message

From: bdanley@mcgregor.edu

Subject: Re: Board Approval: Classroom of the Future

To: Glenn Watts

Cc: vwilliamson@mcgregor.edu
 bedfob@yahoo.com
 Leslie Johnson
 jhall@antioch.edu

glenn@university.antioch.edu writes:

> exceed \$25,000 ("around 57K").

No, the 57K is what I need for the Classroom from the Endowment. There are smaller repairs needed elsewhere; Vikki can identify. They may not exceed 25K and if no approval is needed to access the 100K we are covered.

I need to clarify how the DBC will handle the loan; it is possible they will:

- actually write us a check for the amount
- have us send them the bill

So we need to clarify all this and since my mid-year report is due immediately, I may have to send a separate email.

Barbara

Dr. Barbara Gellman-Danley
President
Antioch University McGregor
800 Livermore Street
Yellow Springs, Ohio 45387-1609
937-769-1850 Fax: 937-769-1855
bdanley@mcgregor.edu
WEB: www.mcgregor.edu
Cell (new) 937.367.4005

007-N



Saturday, January 12, 2002 11:11:02 PM
Message

From: Glenn Watts

Subject: Re(2): Board Approval: Classroom of the Future

To: bdanley@mcgregor.edu

Cc: vwilliamson@mcgregor.edu
bedfob@yahoo.com
Leslie Johnson
jhall@antioch.edu

bdanley@mcgregor.edu writes:

I need to clarify how the DBC will handle the loan; it is possible they will:

-actually write us a check for the amount

-have us send them the bill

So we need to clarify all this and since my mid-year report is due immediately, I may have to send a separate email.

Barbara,

While it is important that we nail down with the DBC what the mechanism will be, I think the important thing for the Finance Committee to decide is whether they are comfortable with a loan obligation of some kind. Since the amount is small, we will not have to worry about the impact on our debt ratios or the borrowing limits imposed by our bonds. The terms of the "loan" will be important, however, regardless if the "loan" is in cash or equipment so that the degree of risk can be determined. Will there be interest? What is the term of the loan? Will repayment be in one lump sum or in installments? Etc.

If you know the terms, you can describe the "loan" in the narrative while acknowledging that some of the details remain to be worked out. However, if the terms have yet to be worked out, you can say in the narrative that you are anticipating a loan from the DBC, and then tell the Committee about the details between now and the meeting. This could be done during a teleconference I am trying to arrange with the Committee, via E-Mail or at the meeting. I think sooner is better for both the Committee and your working relationship with the DBC.

The Resolution that the Board is asked to approve could authorize me to sign an agreement with the DBC on behalf of McGregor that satisfies certain key criteria without having to have the document completed before the meeting. However, the more we can complete before the meeting, the better.



Saturday, January 12, 2002 11:11:11 PM
Message

From: Glenn Watts

Subject: Re(2): Board Approval: Classroom of the Future

To: bdanley@mcgregor.edu

Cc: vwilliamson@mcgregor.edu
bedfob@yahoo.com
Leslie Johnson
jhall@antioch.edu

bdanley@mcgregor.edu writes:

The room decorations may be less than 25K but probably not, the furniture will exceed, the equipment definitely exceeds so how shall I proceed?

Barbara,

Since you've got to get approval for at least one item that's over the \$25,000 limit, and because all of these expenses are for one project, simply list the several costs and ask the Board to approve them all. This approach fully informs the Board about the nature of the Classroom of the Future project and insures that you have full approval. Then, if the decorations come in at \$27,000, you're covered.

My spending approval authority doesn't allow me to split a project into multiple purchases to avoid the \$25,000 ceiling. Mark wanted me to approve his website by splitting it into a design piece, a development piece and an implementation piece. He had to take it to the Board.

Glenn