



# THE HIGHMARK QUARTERLY

Ethics & Integrity

Discipline

Empowerment & Accountability

Quality

Teamwork

Agility

## Vice President's Message



Welcome to spring! It's the time of year that our facilities need some additional planning and attention. We'd like to remind everyone to consult your facility maintenance staff prior to determining your budgets for next year. This review will likely create the need to review service contracts and their level of service and cost. If you are finding yourself with the need to obtain new services, please remember to allow adequate time to meet the procurement requirements, if they are applicable.

With summer vacation just around the corner, now is also a great time to start procuring services that need to occur over the break. These may include floor stripping/waxing, caulking, parking lot maintenance, or irrigation start-up. Don't forget to review your Operation and Maintenance Manuals for filter/cartridges that may need to be changed (drinking fountains, special classroom drain traps, etc.). Once summer arrives, many inspectors get very busy, so please be sure to schedule annual inspections before you need them. This may include back-flow preventers, fire alarm, fire suppression, fire extinguishers, elevator, food service/health department, fire marshal, etc. If you are unsure what you may need to schedule, please feel free to contact us.

We are very proud of our facility family and want to congratulate you on the pride you take regarding your facility. Many of our schools were designed with plans for future expansions. If you are one of those facilities, please remember to include your growth plan in your upcoming school budget and calendar. If you have not already done so, please let HighMark know of your expansion needs as early as possible. We strive to obtain all approvals early in the Spring and schedule the projects in such a way to minimize your operation interruption. We look forward to our collective efforts in providing students with a safe learning community.

Tammy Sweeris



## BUILDING MAINTENANCE: The Facility Resource Manual

Operation and Maintenance (O&M) Manuals are a valuable tool. They define the requirements and procedures for the effective operation and maintenance of the building. The intended beneficiary of the manual is the user of the building and the facility's management team.

### O&M's include:

1. Operation manuals that cover systems and equipment.
2. Maintenance manuals covering the care and maintenance of products, materials and finishes, systems and equipment.

When there are fixtures, filters or light bulbs that need replacement the manual is the resource for this information. Take a moment and make sure the facility management team is referring to these manuals. Following the manufacturer's guideline for operation and maintenance will keep your building looking well cared for and can reduce equipment repairs and utility costs.

Questions about maintenance requirements? Email questions and reports to [Faye@highmarkschools.com](mailto:Faye@highmarkschools.com)

## Reporting to HighMark

HighMark is collecting data from its client schools on a monthly, quarterly, and annual basis. Specific reporting requirements for your school to HighMark (and Education Capital Solutions) can be found in the sublease, prime lease, deed of trust, or the mortgage security agreement. The HighMark Asset Manager or Paralegal/Transaction Manager can also tell you the specific requirements for your school.

This time of the year is a busy time with state standardized testing and the end of the school year approaching. Make it a priority to get HighMark the following items before the school year is over:

- **Funded enrollment** - if your state requires a "true-up" to the enrollment after the 40th day count, send in your most recent enrollment report submitted to the state.
- **State Standardized Testing Results** (from last school year) - your school is prepping for this year's standardized testing and the state is probably sending out last year's results. Send in the 2013-14 school year's results as soon as you are in receipt of them.
- **Financial Statements** - the audit is complete and now we are asking for monthly or quarterly (check your sublease) financial statements that include a balance sheet, income statement, budget to actual, and the general ledger.
- **Next year's projected enrollment and wait list** - this is one your school can be really excited to report! We love seeing the growth each year in enrollment. Submit by grade level.

Questions about reporting requirements? Email questions and reports to [Kelsy@highmarkschools.com](mailto:Kelsy@highmarkschools.com)

## UNDER DEVELOPMENT

HighMark is excited for the new school facilities we have under development throughout the nation. We are especially excited to be entering into **FOUR** new states and into the early education facility development.

To date, HighMark has **SEVEN** new facilities under development and **THREE** expansion projects underway. Four of the above projects are the first HighMark school facility in their state. Florida, Georgia, Tennessee, and Michigan are now on the map for HighMark.

HighMark will be developing **THREE** newly approved charter schools opening for the 2015-16 school year. They are Pineapple Cove Classical Academy in Palm Bay, FL, Macon Charter Academy in Macon, GA and Great Lakes Explorations Academy in Kalamazoo, MI.

Global Village International is an early education (2 1/2 to 5 years old) program in Colorado and is opening **SIX** new facilities throughout the Denver area with HighMark as their facility developer.

HighMark is on track to close an additional **SEVEN** projects and an additional **ONE** expansion project within the next couple of months. That will bring the total number of facilities developed by HighMark for the 2015-16 school year to **FOURTEEN** new or renovated facilities and **FOUR** expansion projects.



Macon Charter Academy  
Georgia



Phoenix Academy High School  
North Carolina



Global Village Academy Douglas County  
Colorado

[www.highmarkschools.com](http://www.highmarkschools.com)



## Facility Maintenance Report

Football field at BFCS JH-HS Campus

The maintenance of a 30,000 square foot school facility is not an easy task...and just think...that is a *smaller* facility. HighMark wants to make sure every facility in its portfolio (ranging from 30,000 square feet to 150,000 square feet) is running at top efficiency from day one of occupancy until the day a purchase option is exercised.

Purchase options for leased facilities occur after years 5, 7, 10, 15, and 20 of the lease. That day might seem like a long way away, or it could be just around the corner. Whatever situation your school finds itself in, HighMark wants to help ensure your school will be purchasing a facility in excellent condition.

Operating a successful school is time consuming enough and it can be difficult to remember what needs to be done when it comes to facility maintenance. HighMark is here to help you.

HighMark's team has put together a quarterly facility maintenance report (which is sent to the person over the maintenance of the building as well as the business manager) for the monitoring of the conditions of items such as the irrigation, playground equipment, security gates, vents, leaks around the water heaters, light fixtures, etc.. This quarterly report is not meant to be a burden. HighMark understands your school staff does not have a lot of free time. This quarterly inspection is really a *required* opportunity for preventive maintenance.

Preventative maintenance is the cornerstone of an effective maintenance initiative. Keeping up on the quarterly maintenance reports will help to alleviate any future insurance claims, potentially saving your school **thousands of dollars**. Each property claim has a \$5,000 deductible and

your school is required to cover this amount, as well as any increase in annual insurance premiums.

In addition to the quarterly maintenance reports, HighMark collects annual inspection reports for the following items:

- Storm water inspection
- Elevator certificate
- Department of Health inspection (if applicable)
- Fire Marshall inspection
- HVAC maintenance contract renewal
- Boiler/Pressure vessel inspection
- Back flow preventer inspection

Questions or concerns about the maintenance of your facility? Contact Faye at [Faye@highmarkschools.com](mailto:Faye@highmarkschools.com).

### Stephens

In 2008, Stephens, Inc. invested in HighMark School Development, LLC as a charter school facility developer and has supported HighMark as it has grown into the private and early education facility world. Stephens is an exceptional owner providing HighMark with the ability to venture into new markets while at the same time giving oversight to make sure the company continues to grow.

Stephens is a family run private equity firm founded in 1933 by two brothers, Witt and Jack Stephens. The brothers began the company by acquiring businesses and later began providing equity to young growing companies. One early success by Jack Stephens was the start-up of Systematics which was acquired by Altel Corporation and later acquired by Fidelity National Information Systems.

Other investments by Stephens include Wal-Mart, the Louisiana Superdome, Worthen Banking Corporation (now Bank of America), and Viking Range Corporation to name a few.

Today, Stephens is 100% owned by Warren Stephens and includes a few new affiliates including: Stephens Media Group, Stephens Private Equity Group, and Stephens Insurance. To learn more about Stephens, Inc., visit their website [www.stephens.com](http://www.stephens.com).



iLEAD Lancaster Charter School - Lancaster, CA

## TO TAX OR NOT TO TAX

Property taxes roll around each year and with other obligations; they can be easy to forget. Setting a reminder in your computer's calendar is one way to make sure you stay current on your property tax payments or exemption renewals.

Lease schools and debt schools are required, in the Sublease for the former, to pay all property taxes directly to the appropriate taxing authorities prior to their delinquency. No one likes paying interest or late fees. Most counties allow payment of property taxes in halves, due Oct-Nov, with the second half due February-March, or whole payments due in December.

Real property owned and/or operated by certain nonprofit organizations may be eligible for exemption from local property taxation. For example, in Colorado a property owned and used strictly for school purposes may apply for a real property tax exemption by: filing an application, paying the applicable application fees, and filing an annual report in order to maintain their exemption status. If schools are eligible for property tax exemptions, HighMark is happy to assist in procuring or maintaining exemptions.

As current tax bills or assessments are received, HighMark will forward to the school. HighMark School Development, LLC and Education Capital Solutions, LLC also coordinate with schools for proof of payment to keep our records up to date and to assist in schools' compliance. Make note of property tax deadlines so you can cross property taxes off your to-do list.

Questions about property taxes? Email questions, proofs of payment, and exemptions forms to [Pam@highmarkschools.com](mailto:Pam@highmarkschools.com).