



**EWING MARION KAUFFMAN SCHOOL, INC.**  
**BOARD MEETING PACKET**  
**Monday, April 28, 2025**

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**EWING MARION KAUFFMAN SCHOOL, INC.**

**BOARD - MEETING AGENDA**

**Meeting Information**

Monday, April 28, 2025

8:00 AM CT

All attendees will participate virtually through the following Zoom video link or via telephone:

<https://us02web.zoom.us/j/6772799650>

Dial in number: +1 (669) 900-6833

Meeting ID: 677 279 9650

**Agenda**

- **CALL TO ORDER**
  - Welcome guests
  - Review and discuss meeting agenda
- **GOVERNANCE**
  - Insourcing Transportation - Risk Mitigation Strategy & Funds Flow Review
    - *Action: Establish Blue Knights Transportation, LLC as a member-managed entity.*
    - *Action: Appoint Hannah Lofthus, Katie Pasniewski, and Mat Overbaugh as members of Blue Knights Transportation, LLC.*
    - *Action: Approve members of Blue Knights Transportation, LLC to open a bank account.*
    - *Action: Approve the transfer of \$2,650,822 from Ewing Marion Kauffman School to Blue Knights Transportation, LLC for capital purchases (including \$2.1M for busses and \$126K for equipment/hardware/software) and operating cash (\$412,500).*
- **CLOSED SESSION / EXECUTIVE SESSION**
  - Close meeting pursuant to R.S.Mo 610.021(6) - discussion of a student matter, R.S.Mo 610.021(1) - discussion of legal matters and R.S.Mo 610.021(3) - discussion of a personnel matter
- **COMMUNITY FORUM**
  - The Committee will hear comments from community members regarding items on the agenda or other issues that should be brought to the Committee's attention. Individual comments are limited to three minutes. It is anticipated the time allotted for the community forum will be no longer than fifteen minutes, unless time is extended by the Committee Chair. Individuals who do not have an opportunity to speak during the allotted time will be given first opportunity at the next regularly scheduled Committee meeting.
- **ADJOURN**

## **Insourced Transportation – Risk Mitigation Strategy**

### **Risk Mitigation Strategy**

#### Recommendation

After conducting research on multiple risk mitigation strategies and under the advice of counsel, we recommend the creation of Blue Knights Transportation, LLC.

#### Rationale

- LLCs are quick and easy to set up and flexible once set up.
- For tax purposes, the LLC is disregarded (because it is incorporated into the school's tax filings).
- The LLC creates risk mitigation because it creates separation between the LLC and school.

### **Board-Managed vs. Member-Managed LLC**

#### Context

- A board-managed LLC would require that a separate board be established to oversee the LLC. The Board would be required to meet at least annually.
- A member-managed LLC would not require a separate board. LLC-related activities would be monitored by the Board just as other school operations are monitored.

#### Recommendation

Under the advice of counsel, we recommend Blue Knights Transportation, LLC be created as a member-managed LLC.

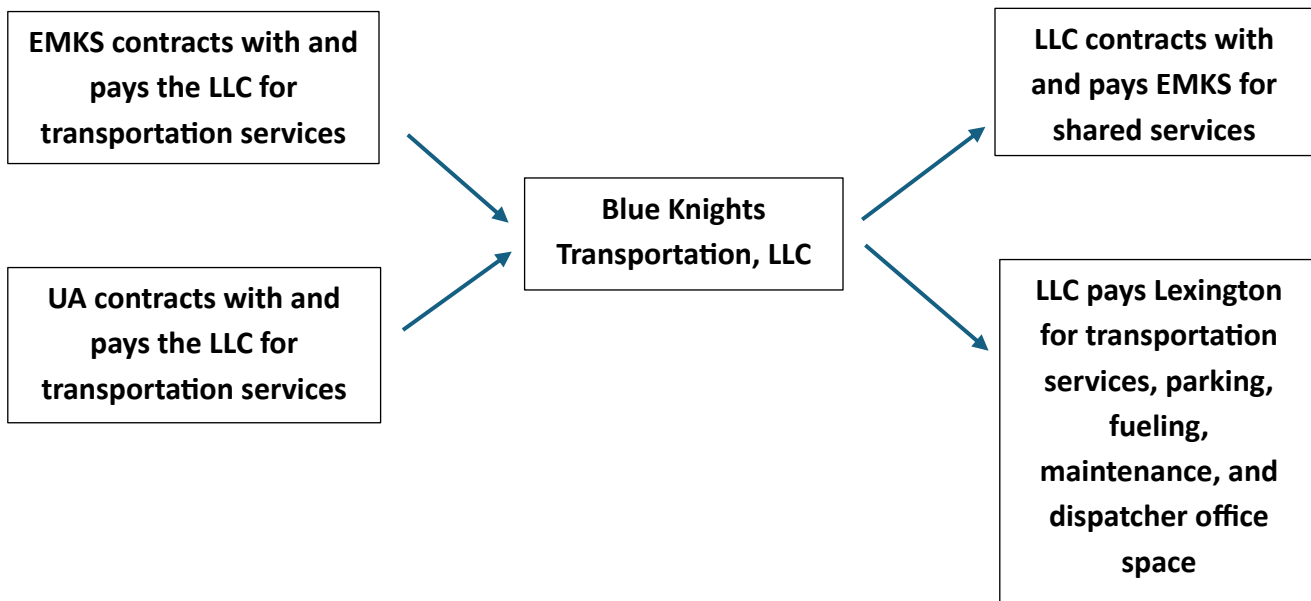
#### Rationale

- A Board-managed LLC would require us to appoint a separate Board and hold at least one LLC Board meeting per year.
- An LLC Board presents quorum concerns and creates risk that we might unintentionally violate Sunshine laws; for example:
  - If two of three LLC Board members were EMKS employees, and those two employees were meeting and transportation was discussed, that meeting would be considered an LLC Board meeting because of the quorum.
  - If two of three LLC Board members were EMKS Board members, and those two Board members were present at an EMKS Board meeting where transportation was discussed, that meeting would also be considered an LLC Board meeting because of the quorum.
- A member-managed LLC gives the EMKS Board greater oversight.
- There is no operational rationale for an LLC Board.

## Other Operational & Governance Details

- Bus drivers will be employees of the LLC.
- The LLC will run its own payroll and have its own full suite of insurance policies.
- The LLC will not provide benefits; bus drivers, as LLC employees, will be included in benefits discrimination testing, but our research indicates we will not be negatively impacted based on the threshold and our current position relative to that threshold.
- EMKS employees with roles in support of transportation will continue to be employed by EMKS; their services will be purchased by the LLC through a shared service agreement.
- The LLC will adopt all school policies and procedures.

## Financial Headlines



## Board Actions

- Establish the LLC as a member-managed entity.
- Appoint Hannah Lofthus, Katie Pasniewski, and Mat Overbaugh as members.
- Approve the LLC to open a bank account.
- Approve the transfer of \$2,650,822 from Ewing Marion Kauffman School to Blue Knights Transportation, LLC for capital purchases (including \$2.1M for busses and \$126K for equipment/hardware/software) and operating cash (\$412,500).

## Note

- Hannah Lofthus, EMKS CEO, reviewed this strategy prior to her leave and is in alignment with legal counsel and management on this recommendation.

## Funds Flow for Blue Knights Transportation LLC Startup

### Capital

Buses		
8 Propane 2026	\$	1,093,200
5 Gas 2025	\$	625,000
2 Gas 2023	\$	237,900
3 Diesel	\$	156,000
<b>Total Buses</b>	<b>\$</b>	<b>2,112,100</b>
Bus Safety/Systems		
Cameras	\$	63,000
Radios	\$	18,000
Routing Hardware	\$	45,222
<b>Total Hardware</b>	<b>\$</b>	<b>126,222</b>

### Avg. Monthly OPEX

Salary & Wages	\$	76,000
OPEX (Fuel, Ins, Lot Rent, Software, etc	\$	50,000
EMKS Shared Services	\$	11,500
Total Monthly OPEX	\$	137,500
x 3 Months for Working Capital		x 3
<b>Total Working Capital Need</b>	<b>\$</b>	<b>412,500</b>

<b>Initial Funding from EMKS</b>	<b>\$</b>	<b>2,650,822</b>
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