

**DULUTH PUBLIC SCHOOLS ACADEMY**

**Meeting of Members**

**DATE/LOCATION: April 18, 2017 at DECS North Star Academy**

**PRESENT:** Neil Byce, Chair; Tim Golden, Past-President; Hilary Hodgman, Treasurer; Andrew Richey, Vice-Treasurer; Katie Cronin-Anderson, Secretary; Nikki Jensen, Jill Kandel, and Stephen Sydow.

**ABSENT:** Ryan Welch, Lisa Harold, Mike St. John - all excused

**CALLED TO ORDER:** 6:30 pm

**READING OF MISSION STATEMENT:**

- Duluth Edison Charter Schools is dedicated to the achievement of academic and personal excellence for every student.

**Approval of Agenda**

- Motion made (Byce), second (Golden) to approve the agenda as presented. Motion unanimously approved.

**Approval of Minutes**

- Motion made (Byce), second (Kandel) to approve the annual meeting minutes for March 21, 2017 as presented. Motion unanimously approved.

**Correspondence/Communication:**

- Received a letter regarding the easement of the dress code - forwarded to administration.

**Public Comment:**

None

**\*\*Conflict of Interest Reminder on Voting\*\***

**REPORTS:**

Treasurer's Report

Hilary Hodgman presented the treasurer's report. Supporting materials provided.

Donations accepted:

\$100 Amsoil - Golf Scramble Donation  
\$250 Wheeler Asst - Golf Scramble Donation  
\$250 Health Ez - Golf Scramble Donation  
\$600 Total Donations Received

Head of School's Report

Bonnie Jorgenson presented the Head of School's Report. Supporting materials

Provided.

- Motion made (Byce), second (Hodgman) for the approval of the 2016-2017 personnel list updated since 3/21/2017. Motion unanimously approved.

## **COMMITTEE REPORTS:**

### Executive Committee

Neil Byce presented the Executive Committee minutes from April 18, 2017.

Supporting materials provided.

- Motion for the approval for the following resolution:

BE IT RESOLVED, by the governing body (the "Board") of Duluth Public Schools

Academy, a Minnesota nonprofit corporation (this "Corporation"), as follows:

#### 1. Description of the Transaction.

A. This Board previously authorized a Lease Agreement dated as of November 1, 2010 as amended through the date hereof (the "Lease") with Tischer Creek Duluth Building Company (the "Landlord") pursuant to which this Corporation leases land and the approximately 85,000 square foot, multi-story, kindergarten through eighth grade charter school facility located at 3301 Technology Drive in Duluth, Minnesota, and the approximately 37,000 square foot kindergarten through fifth grade charter school facility located at and adjacent to 5905 Raleigh Street in Duluth, Minnesota (the "Project").

B. The Landlord financed the Project, in part, by borrowing money from the Housing and Redevelopment Authority of Duluth, Minnesota (the "Issuer") realized by the Issuer through the issuance and sale of the Issuer's \$17,770,000 Lease Revenue Bonds (Duluth Public Schools Academy Project), Series 2010A (the "Bonds").

C. Under the Lease, this Corporation makes rental payments at the times and in the amounts necessary to pay principal of and interest on the Bonds.

D. As security for its obligations under the Lease, this Corporation entered into a Pledge and Covenant Agreement dated as of November 1, 2010 with Wells Fargo Bank, National Association, the trustee for the Bonds (the "Trustee"), which was acknowledged by the Landlord and amended and restated by the First Amended and Restated Pledge and Covenant Agreement dated as of February 1, 2012 with the Trustee and acknowledged by the Landlord (the "Original Pledge Agreement") under which this Corporation granted the Trustee a security interest in certain of its accounts and personal property (the "Collateral").

E. This Corporation intends to move its bank accounts to North Shore Bank of

Commerce (the "Bank") which requires this Corporation to enter into a Second Amended and Restated Pledge and Covenant Agreement with the Trustee (the "Second Amendment").

F. In addition, this Corporation is entering into a transaction with the Bank in which the Bank provides this Corporation with a \$1,500,000 line of credit, and an \$800,000 line of credit (the "Loans").

2. Documents. The following documents have been presented and made available to the Board (the "Corporation Documents"):

A. the Second Amendment;

B. an Agreement to Provide Insurance between this Corporation and the Bank;

C. a Commercial Loan Agreement between this Corporation and the Bank setting forth certain terms regarding the Loan;

D. a Security Agreement from this Corporation to the Bank in which the Corporation grants a security interest in the Collateral to the Bank (the "Security Agreement"); Corporation providing for the Trustee's first and prior interest in the Collateral; and

E. a Subordination Agreement between the Bank, the Trustee and this

F. this Corporation's Promissory Note evidencing the Loan.

3. Authorized Officers. This Corporation appoints the President/CEO, Vice President, Secretary, Treasurer or any other officer of this Corporation as authorized officers (the "Authorized Officers").

4. Approval and Execution of Documents.

A. This Board approves the terms of the Loan, the security interest granted in the Security Agreement and the Corporation Documents, the final forms of which will be reviewed, negotiated and approved by the Authorized Officers in consultation with counsel to this Corporation, and copies of which will be placed on file in the offices of this Corporation with such changes, insertions and omissions as may be approved by the counsel to this Corporation.

B. The Authorized Officers are authorized to review, negotiate and approve the all other documents and certificates necessary to evidence the transactions described in paragraphs 1 and 2 above and such additional documents as may be required by

the Bank or its counsel, subject to approval by counsel to this Corporation (collectively with the Corporation Documents, the "Documents").

C. This Corporation further empowers any one of such Authorized Officers to execute the Documents, approve changes to the Documents as may be necessary in consultation with corporate counsel and/or bond counsel and take such further action as is required to comply with the terms and conditions and the transaction referred to herein, and acknowledges that the execution of the Documents pursuant to this authorization shall be deemed conclusive evidence of the approval and sufficiency thereof.

D. The Authorized Officers are further authorized and directed to do such things and to execute such documents and certificates as to them may seem necessary and desirable in the performance of or relating to any of the foregoing matters.

- Motion second (Hodgman). Motion unanimously approved.

#### Finance Committee

Hilary Hodgman presented the Finance Committee minutes from April 17, 2017. Supporting materials provided.

- Motion made (Hodgman), second (Byce) to approve the revision for Policy 300-8 Federal and State Receivables Procedures as presented. Motion unanimously approved.
- Motion made (Hodgman), second (Golden) to allow the Head of Schools to sign a Health Care Benefits contract for the school year 2017-18 with a not to exceed maximum liability amount of \$2,188,154, based upon 166 enrolled employees, including a proportional variance as changes in enrollment occur, and a school contribution to the HRA of \$500 per single and \$1,000 per family and employee +1 coverage. Motion unanimously approved.
- Motion made (Hodgman) second (Richey) for the approval of renewing for 2017-18 the dental, STD/LTD/Life, flex plan, COBRA administration, vision, supplemental life insurance and health club reimbursement as presented to the Finance Committee at their 4/17/17 meeting. Motion unanimously approved.
- Motion made (Hodgman), second (Byce) to move forward with the exemption for the Food Service. Motion unanimously approved.

#### Board Development/Personnel Committee

Committee did not meet but Ms. Jorgenson provided information regarding the board retreat.

#### 20th Anniversary Task Force

Hilary Hodgman presented a task force update.

High School Facilities Steering Committee  
Discussion will be held at closed session.

**Administrative Committee Report:**

High School Site and Finance Taskforce  
Did not meet.

**Other Business**

- Motion made (Byce), second (Sydow) for the revision of Wellness Policy 600-4.  
Motion unanimously approved.

Moved to closed meeting at 7:28 p.m.

- Related to High School Update and Planning - Property known as Snowflake, Rice Lake Road, Duluth, MN.

Opened meeting at 7:34 p.m.

Neil Byce adjourned meeting at 7:35 p.m..

Respectfully Submitted,

*Aundrea Kinziger*

Aundrea Kinziger, DPSA Recorder