

DULUTH PUBLIC SCHOOLS ACADEMY

Meeting of Members

DATE/LOCATION: December 19, 2017 at DECS North Star Academy

PRESENT: Neil Byce, Chair; Tim Golden, Past-President; Stephen Sydow, Vice Chair; Hilary Hodgman, Treasurer; Andrew Richey, Vice-Treasurer; Lisa Harold, Nikki Jensen, Mike St. John, Ryan Welch

ABSENT: Katie Cronin-Anderson - Excused

CALLED TO ORDER: 6:32 pm

Approval of Agenda

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

READING OF MISSION STATEMENT:

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

Approval of Minutes

- Motion made (Byce), second (St. John) to approve the annual meeting minutes for November 28, 2017 as edited (name spelling). Motion unanimously approved.
- Motion made (Byce), second (St. John) to approve the annual meeting minutes for November 28, 2017 as edited (name spelling, and inversion of time). Motion unanimously approved.
- Motion made (Byce), second (Golden) to approve the board retreat meeting minutes for December 2, 2017. Motion unanimously approved.

Special Presentation:

2016-2017 Audit presented by Tom Hodnefield, Redpath and Company

Correspondence/Communication:

- Letter to the board, Dec 12, 2017, based on comments made by ISD #709. Response was made by Neil Byce and Bonnie Jorgenson.

Public Comment:

- None

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

REPORTS:

Treasurer's Report

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

Head of School's Report

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

- Motion made (Byce) second (Richey) to approve the staffing changes as of December 18, 2017. Motion unanimously approved.

COMMITTEE REPORTS:

Executive Committee

Neil Byce presented the Executive Committee meeting minutes from December 19, 2017.

- Motion made (Byce), second (St. John) to approve the 2018-2019 Recruitment Plan. Motion unanimously approved.
- Motion made (Byce), second (St. John) to approve board policy 400-16 Cell Phone and Mobile Electronic Devices Policy related to Motor Vehicles policy. Motion unanimously approved.

Finance Committee

Hilary Hodgman presented the Finance Committee minutes from December 18, 2017. Supporting materials provided.

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 (Golden). Motion unanimously approved.

Board Development/Personnel Committee

Stephen Sydow presented the Board Development/Personnel Committee minutes from December 14, 2017. Supporting materials provided.

- Motion made (St. John), second (Byce) to approve revised board policy 600-1 Field Trips. Motion unanimously approved.
- Motion made (St. John), second (Richey) to approve revised board policy 600-3 Home Work Policy. Motion unanimously approved.
- Motion made (St. John), second (Byce) to approve revised board policy 600-5 Grades 6-8 Grading Policy. Motion unanimously approved.
- Motion made (St. John), second (Harold) to approve the action to delete Policy 600-6 End of Semester Assessment Policy and Procedures for Washburn, Grades 6-8. Motion unanimously approved.

- Motion made (St. John), second (Richey) to approved revised board policy 600-7 Homebound Instruction. Motion unanimously approved.

Third Decade Celebration Task Force

Hilary Hodgman provided the task force update.

Other Business

None

Neil Byce adjourned meeting at 7:30 pm.

Respectfully Submitted,

Aundrea Kinziger

Aundrea Kinziger, DPSA Recorder