

## **BOT Meeting, Thursday, February 7, 2019, 6:00 PM-Minutes**

**Board Member in Attendance:** Christopher Brignola, Lucas Doe, James Sander (Video-Conference), Stephen Wasserman (Video-Conference)

**Administrators in Attendance:** Norma Hurwitz, Leena Varghese, Ted Hurwitz

**Guests:** James O'Shea (Potential Board member), Alison J. Redecki (Lawyer)

Meeting called to order at 6:10 p.m. by Christopher Brignola

- I. Approval of Minutes for Thursday, January 24th, 2019
  - Jim Sander motions to approve minutes, Lucas seconds, all in favor.
  
- II. Creating of a 'Friends Of' organization and potential Bond attorney for ALCS- - -
  - Presentation by Alison J. Redecki attorney for Orrick Public Finance, specializing in bond representation and development of 'Friends Of' organizations or Bond Financing for Charter Schools.
  - Norma Hurwitz reviewed her efforts to get an attorney to provide both bond representation and creation of Friends Of organization. One law firm did not do bond financing for charter schools, only represented municipalities who have the authority to tax its constituents. Another law firm reached did not do bond charter school financing representation at all. One firm Orrick Public Finance does provide Friends Of representation and bond school representation and was invited to speak to the board.
  - Lucas asked how we found the agency. Norma mentioned that Gisolfi and Associates connected us with them.
  - Alison Redecki presented and discussed her experience and law firm- Orrick Public Finance
  - Alisson Redecki discussed different ways to set up a Friends Of organization. Steps for doing so were discussed and a flow chart provided.
  - Her firm has worked with other charter schools, including: Metropolitan Lighthouse, Bronx Lighthouse Academics, American Dream Charter School, Hebrew Language Academy 2, Success Academies, and Hyde Leadership, amongst other schools.
  - All information must be disclosed within the public offering and within your bond documentation.
  - Build NYC is the only bond issuer we will have access to as an NYC Charter School
  - Beginning a Friends Of now is a good option.
  - Board action would need to be taken and a group of people would need to be authorized to start the formation of the LLC
  - Form the Friends of simultaneously with the application for bond financing
  - Norma Hurwitz mentioned that our CPA, Paul Augello has mapped out various scenarios and the school is in a strong financial position to afford the bond.

- Lucas Doe mentioned that Baird felt that ALCS was in a good position to receive a Bond for the entire project.
- Signed lease must be given to DOE, Debt Service on Bond and all monies must be captured as base rent.
- Cost to set up LLC
- Stephen Wasserman asked if the LLC provides protection against liability
- Christopher Brignola asked if the LLC can be used to raise money
- There are reporting requirements to raise money but it can be done. This would need to be built into the 1023, application to the IRS and all other formation documents. It is best to do this when forming and not after.
- Stephen Wasserman- Is first step for Board to authorize to move forward with an LLC and Friends of?
- Build NYC Application is long, LLC must be in place before sending out public notice. Background checks will be done on everyone involved in Bond Financing,
- ALCS needs to connect with Brian Colon, Baird Underwriters to move forward.
- If the school will be using funds it already has, a reimbursement resolution must be adopted. The proceeds of the bonds will be used to reimburse the school for funds used.
- You can go back 60 days from the resolution of the bond for hard costs
- Build NYC will be drafting bond documents
- ALCS' counsel will work on disclosures, lease agreements, organizational documents and resolutions, and provide corporate opinion.
- Underwriter's counsel prepares additional documents
- Bond counsel sends tax disclosure documents
- Underwriter comes up with calendar and schedule
- The firm can work with the school to decide on a cap.
- Also, collars are possible- estimate cost vs. percent over estimated cost, school and firm splits the percentage.
- Since the land is owned by the school, we will need to consider options for transferring ownership to the Friends Of organization or keeping ownership
- Alison will send us the Build NYC application
- The board discussed the idea of hiring someone to help with the project. We will seek out individuals who may be able to assist.

### III. Committee Reports

A. Finance Committee – Lucas Doe

B. Real Estate Committee –BSA has rescheduled their meeting to Tuesday, February 26<sup>th</sup>, 2019. The delay was triggered by the DEP.

- Motion to form an LLC and Friends of Organization (Support Corporation) made by Lucas Doe, Christopher Brignola seconds, all in favor, passes unanimously
- Motion to hire Orrick and Associates to be legal counsel for the formation of the LLCs and Support Corporation and to be our Bond Counsel, pending final contract with the firm made by Lucas Doe, Stephen seconds, all in favor, passes unanimously.

Motion to go into executive session to discuss facilities and expansion related matters made by Lucas, all in favor 8:05 p.m.

Motion to end executive Session 8:28

#### IV. Prospective Board Member Jim O'shea

- Jim O'shea introduced himself
- Jim has a background in human resources within hospitality and construction.
- He has handled large construction projects including work on the World Trade Center, 2<sup>nd</sup> avenue subway, MetLife Stadium, Yankee Stadium, and renovations on the U.N. Building. His former company has completed numerous projects nationally.
- Lucas Doe asked why Jim wants to serve on the Board.
- Stephen Wasserman discussed the school with him. Jim wants to be involved in the nonprofit world. He currently volunteers at an organization that helps young entrepreneurs and has served on the Board of a hunger relief organization, families for families.

#### C. Education Committee – Christopher Brignola

- We have started afterschool for third and fourth graders
- Students took period 3 exams, we are pending results.

Motion to Adjourn made by Lucas Doe at 8:39 p.m. All in favor.

**Next Meeting: Thursday March 21, 2019, 6:00 p.m.**