

Minutes
Imagine at Broward, Inc.
Imagine School at Broward
May 20, 2019
5:30 p.m.

Imagine School at Broward

Brian Schlang (Board Member-Chairperson) - in attendance

LuAnn Comes (Board Member) - in attendance

Christopher Buckley (Board Member) -in attendance

John Gerun (Board Member) - in attendance

Welcome

- Mr. Schlang called the meeting to order at 5:30 p.m. with all Governing Board members in attendance. Mr. Schlang welcomed the Board and public to the meeting. Richard Moreno and Denise Ganz were welcomed in attendance.

Public Notice

- Ms. Misha Fletcher indicated that the meeting was publicly noticed by website, parent update and flyers posted on the door of the school.

Approval of Minutes

- The minutes from the regularly scheduled meetings of February 25 and March 18 as well as the emergency meeting on April 12 were presented for review and approval.

Principal's Report - Ms. Darling

- Student enrollment is 836 students. The anticipated enrollment for the 2019-2020 school year is 844 students.
- These FSA tests have been completed: Writing 4th - 8th, ELA for 3rd - 8th, Science 5th and 8th, Math 3rd - 6th, and Civics End of Course (EOC). FSA Math 7th-8th, Algebra EOC and Geometry EOC will be conducted next Tuesday and Wednesday.
- Reading FSA scores for 3rd Grade are to be released by May 31.
- The fourth STAR testing for Grades K-8 has begun.
- The Safety and Security of School Buildings Grant money was received. Quotes continue to be received for the front door, cameras, HD DVRs, speakers, barricades, and perimeter fencing.
- Fence screening for the yellow playground fence and the basketball court back field fences have been purchased. The screens will prevent students from being visible from the back car line and parking lot.
- The school is looking at providing parent nights next year about social media as well as apps used by students and how to monitor their use. Training for parent volunteers on emergency procedures is also being planned for the beginning of the school year.

- Detective Bruna from the Coral Springs Police Department visited all 4th through 8th Grade classrooms to cover the consequences of improper social media use and how to be a good digital citizen.
- Two service learning projects were taken to “Imagine That! Gulf Atlantic Coast Group Showcase”. The Seventh Grade Gilda’s project for baskets for cancer patients earned five proficient and two distinguished badges. The Fourth and Fifth Grade project called “Outstanding Jokester” earned seven distinguished badges, which is the highest rating.
- Teacher Appreciation Week was the week of May 6.
- Muffins with Moms was held on Friday, May 10.
- Elementary and Middle School students had drama productions during the past week. Elementary was about Alice’s Wonderland and Middle School was “Seussical, the Musical”.
- Planning continues for VPK, 5th Grade and 8th Grade Graduations, a band concert, a drama banquet, the 8th Grade dance, year-end parties and various end of year field trips.

Venture Design Premium Services Agreement

- An agreement for Venture Design Premium Services was submitted for review and vote. Services are the same as this year.

Vendor Contract Approval - SLA

- The agreement for SLA was presented. There can be an increase of up to 2.8%, but the aim is for 2.5%. The vendor has signed the letter the attorneys determined was needed. Ms. Darling stated the service was good and managed well. There were no health violations noted this year.

Bond Update

- Richard Moreno and Denise Ganz provided the updates, unless otherwise indicated.
- The Florida Development Finance Corporation met and unanimously approved the bond. Governor DeSantis approved the TEFRA.
- There has been another bond run and the rates have been going down. There has been a hiccup on timing so the Moody’s rating has not been completed yet.
- Brian Schlang said the Governing Board may need to set a tentative meeting which is dependent on whether or not the bond is investment grade or not. One timeline would be: If the rating came out on June 4, it would be published on June 5 and a Governing Board meeting would be needed on June 12, 13, or 14. No meeting would be needed if the bond is not investment grade. If the bond is investment grade then the investor call could go out on June 7. The purchase could be June 13 and closing on June 19. Dates are approximate at this time and could vary.
- Mr. Moreno said the enterprise is great, but the financial matrix is tight.
- Denise Ganz explained the principal purchase. Without material changes, then they will not need to come back to the Governing Board. Denise will represent the Governing Board as bond counsel. However, multiple individuals are involved in this purchase and bond agreement and all will review the documents.
- All documents are substantially in final form.
- Provided to the Governing Board were the following documents:

Charter School Agreement, Affiliate Support Agreement, Purchase and Sale Agreements, Form of Second Amendment, Form of First Amendment to Affiliate Agreement, Forms of Questionnaires, Form of Mortgage, Form of Loan Agreement, Form of Bond Purchase Agreement, Form of Preliminary Official Statement, Form of Deemed Final Certificate, Form of Preliminary Official Statement, Form of Deemed Final Certificate, Form of Continuing Disclosure Agreement, Form of Agreement with Dissemination Agent, Form of Trust Indenture, Form of Tax Exemption Agreement, Form of Policies, and Form of Borrower Certificate.

- The Documents, Resolutions and Agreements were reviewed, explained, and questions answered by Denise Ganz and Richard Moreno as appropriate.
- The first Resolution ratifies all prior actions. There is nothing significantly new, but Denise must give a legal opinion. Listed are items that were noted.
- The “Form of Second Amendment” extends the deadline for the purchase and sale of the property.
- In the “First Amendment to Affiliate Agreement”, Imagine Schools Non Profit agreed to put the payment for the school’s debt service ahead of their support agreement payment. However, the timeline may change from six months to ninety days, which is currently the industry standard.
- The “Due Diligence Questionnaires” are to ensure compliance with SEC rules. Two of the questionnaires are complete. The third form is used right before the offering statement. The Underwriter Counsel will walk through it. Corrections will need to be authorized.
- Regarding the “Secure Payment of Debt Service”, the mortgage runs through a trustee, who is the additional layer of security. The mortgage on the furniture, fixtures, and building is standard and is substantially final form. It was pointed out that in the financial covenants, it lists a debt service in the audit and limits on indebtedness with \$300,000 as the maximum. Other provisions need to be in place to ensure the school complies with all laws. The Capital Maintenance Fund will be built over time and is required for insurance.
- The “Bond Purchase Agreement” is a standard document consistent with the loan agreement between Imagine Broward, the underwriter, and the issuer of the bond. The basis is “We will buy the bond from you.” The principal of the bond can be no more than 22 million dollars and no longer than 30 years in length.
- The preliminary “Appendix A” is almost finished, but is accurate in all material facts. The only piece not included is any litigation. Richard Moreno is following up on potential litigation with Ed Hays from Imagine School Non Profit.
- The “Deemed Final Certificate” is final except for pricing and the final offering agreement. This will change only to reflect pricing details and authorized signatures.
- The “Continuing Disclosure Agreement” is in final form. It complies with obligated SEC laws and annual disclosure of information.
- The “Form of Agreement with Dissemination Agent” is in regards to using the dissemination agent, Digital Assurance Certification, LLC (DAC), to comply with rules. To help, they use a template for calculation of ratios, materials events, etc.
- The “Trust Indenture” is between the issuer and trustee and used in tandem with the loan agreement to ensure the bond issue operates smoothly. The trustee is Zion’s Bank.
- The “Tax Exemption Agreement” is in substantially final form. It is by the bond counsel. It is the ability to state the school is tax exempt.
- The “Post Issuance Compliance Guide” is a guide for policies and procedures so items are not unknowingly handled incorrectly. It provides continuity for policies and procedures

throughout the life of the bond. The IRS form asks questions regarding the use of the facility and its covenants. The suggestion is that the principal should be approved to be the tax compliance officer.

- The “General Certificate of the Corporation with Certificate of Good Standing, Articles, Bylaws, Resolutions and Other Matters” is a legal opinion on the factual statements and the accuracy of the documents in the issuance of the bond.
- The “Resolutions of the Board of Directors of Imagine at Broward, Inc. Relating to Acquisition of Facility and Bonds” was presented and requires a Governing Board approval.
- Richard Moreno said he would work with Elsa to be sure forms, reports, etc. are handled. Brian Schlang added that the changes should be minimal to forms and reports already in place.

Regional Director Report - Ms. Vernon

- Ms. Vernon reported that FSA testing was finished. Imagine Broward had a busy Spring and things appeared to be going well. Although the school year was winding down, there were still many more activities before the end of the school year.
- Ms. Vernon talks regularly with Ms. Darling. When she is on campus she conducts walk-throughs of the classrooms.
- The budget will be worked on next month. At this time, the state of Florida has not given information to the District.

Public Input

- Dan Tarquinio said his only question was if the Governing Board considered an amendment to the Affiliate Support Agreement as opposed to the bond. He reminded everyone of the history of the agreement and the specific language when the middle school charter was applied for. He wanted to make sure the Board recognized it was giving up the opportunity to get advances from Imagine School Non Profit in the future. The Board would be giving up the assurance of advance since Imagine School Non Profit would no longer be obligated to make it. He asked the attorney for clarification regarding “fair share” and the appropriation of 12% as stated in the agreement. Ms. Ganz said that was outside the scope of the work she had conducted for the school so could not respond. Brian Schlang stated that the school is currently being charged 12% and there was no reason to expect that would not continue, even though he was not offering any type of legal opinion. Additionally Imagine was agreeing to be subordinate in the contract. Brian reminded all that the benefits of the financial savings each year far outweigh the other issues. Richard Moreno stated that he would think Imagine Schools Non Profit would not want to be in a position of being responsible for guaranteeing the bond.

Board Input

- John Gerun said there had been a good amount of work on completing the bond. It was good that it was coming to closure very soon. He thanked Brian Schlang for leading the initiative, Richard Moreno for his diligence in the process and keeping us informed, Debra Darling for her continued efforts in completing the required tasks, and Denise Ganz for her hard work in safeguarding our interests.
- LuAnn Comes echoed John’s comments.
- Chris Buckley echoed John’s comments.

- Brian Schlang thanked everyone involved including Richard Moreno, a host of attorneys, Debra Darling, Jackie Vernon, Elsa Forthmuller, April Leonard, Governing Board Members, and Dan Tarquinio for providing information. He was disappointed that the bond was unable to be done for 35 years, but understood that was a consequence of not being able to use Broward County for the bond. The savings could have been more, but it is still allowing the Board to raise teacher salaries and improve the building. He hoped to be able to vote on the front door proposal at the next Governing Board meeting so the project could be completed by next school year. Additionally, he would like to see financial statements at the net meeting.

Board Actions

- John Gerun made a motion, seconded by Chris Buckley to approve the February 25, 2019 minutes with changes verbally stated by Board Members and by the attorney. The motion was approved unanimously.
- Christopher Buckley made a motion with a second by John Gerun to approve the minutes of March 18 with changes as indicated. The motion was approved unanimously.
- LuAnn Comes made a motion with a second by Chris Buckley to approve the minutes of April 2, 2019 with changes as indicated. The motion was approved unanimously.
- John Gerun made a motion, seconded by Brian Schlang to approve the Venture Design Premium Services Agreement. The motion was approved unanimously.
- LuAnn Comes made a motion, seconded by Brian Schlang to approve the SLA Vendor Contract subject to a rate increase of 2.8% or less from the contract of 2018-2019. The motion was carried unanimously.
- Brian Schlang made a motion, seconded by Chris Buckley to approve “Resolutions of the Board of Directors of Imagine At Broward, Inc. Relating to Acquisition of Facility and Bonds” subject to changes related to time frames, the signature title to Governing Board, and minor clerical errors. The vote was approved unanimously.

Adjournment

- The meeting was adjourned at 8:21 p.m.

Minutes respectfully submitted by
LuAnn Comes

Minutes are accepted as a final copy by:



Brian Schlang, Board Chair Member

6-20-19

Date

Upcoming meeting for 2018 - 2019 School Year:

June 20, 2019

All meetings are scheduled for 5:30 p.m.