

Minutes
Imagine at Broward, Inc.
Imagine School at Broward
Governing Board Meeting
July 8, 2022
9:30 am

Zoom Meeting – Communications Media Technology (“CMT”) FINAL

Imagine School at Broward

Brian Schlang (Board Member – Chairperson) – in attendance
Christopher Buckley (CO-Secretary/Board Member) – in attendance
John Gerun (CO-Secretary/Board Member) -in attendance
Esme Maldonado (Board Member) – Not in attendance
Lori Rine (Board Member) – in attendance
Debra Darling (Principal) – in attendance
Carrera Padilla- (Assistant Principal) -in attendance
Rod Sasse- Not in Attendance
Susan Onori (Regional Director) –not in attendance
Elsa Forthmuller (Regional Finance Director) – in attendance
Shakira Taylor (Business Manager) – in attendance
Brooke Davidson-London (Parent Liaison) – in attendance
Roni Prager –Imagine Staff- Minutes Recorder- not in attendance
Richard Moreno-in attendance

Welcome

Mr. Schlang called the meeting to order at 9:38 am.

Public Notice

Ms. Darling indicated that the meeting notice was publicized on the website and flyers posted on the main entry door to the school per the official school policy.

Bond (Locking in Interest Rate)

Mr. Schlang asked Mr. Moreno to join the meeting. When we got the second bond at a low interest rate it allowed us to buy the building and build the gymnasium, adding 12 more classrooms. Part of that process is that some of the money has to go into a reserve and it cannot be touched, but it can be invested. One of the rules within the bond language is that if you earn more interest than the rate on the bond you have to give it back to the bond holders.

Our goal at the time is to allow the interest rate to rise and then invest it, lock it in long term, and earn interest off of it. Interest rate is just above our maximum interest rate, so it is a good time to lock something in. Mr. Schlang welcomed Mr. Moreno to speak.

The proposal that we have is that the bond documents allow certain types of investments. One of these investments allows us to buy treasury bonds. The interest rate is up about 200 base points, more than when the bond was issued. The advantage is to invest proceeds. We are offering a guaranteed investment contract. This provides a fixed interest rate until the call date, which is about 8 more years.

Currently, our money market account is generating about 50 base points, and the income is about \$4,700 every 6 months. In the new scenario, the investment contract would increase to about \$35,000 every 6 months, about \$70,000 a year. The guaranteed investment contract is handled by a counterparty and they have to be rated Double A or higher. The investment is secure, and you are able to terminate without penalty, if you need to tap into the reserve. There is a penalty for involuntary termination.

Mr. Schlang asked if this was the reserve to utilize if the school needed money to fix the roof? Mr. Moreno informed the board this reserve is for debt service account and the money just sits there until the call date. Mr. Buckley asked to repeat what happens if we do nothing. Mr. Moreno stated, if we do nothing, we are getting about 50 base points on our money market account. If the FEDS raise rates, that might bump up to 1%. Instead of getting \$4,700 every 6 months, we might get \$10,000 every 6 months. Ms. Taylor asked if this reserve is from the first bond or second bond and Mr. Moreno said it was from both.

Mr. Schlang asked for input from the board. Mrs. Rine said it sounds like an opportune time. Mr. Buckley agreed. He stated the bond seems to be winning for us. The bond seems to be in our favor. Mr. Schlang asked Mr. Moreno to walk the board through the risks. The risk the school has a default with the counter party. Mr. Shlang commented that the risk is very low.

Mr. Schlang asked if anyone had any questions, thoughts or would like to discuss further before they move forward with the agenda. No one had any comments.

Public Input

There was no public input.

Board Input

Mr. Buckley asked Mr. Moreno all the questions he had. He thinks this looks like a good opportunity. Mrs. Rine appreciates the team walking her through the information. She also stated it was a good idea to cover the risks involved, and thanked the board. Mr. Gerun had no board input. Mr. Schlang asked Mr. Gerun if he would like him to summarize what was discussed, and he said he will review the minutes. Mr. Schlang congratulated the school on receiving an A and improving scores. He commented, "They say not to time the market, but let's time the market if we can." It makes sense to lock this in. An extra \$50-\$60,000 dollars for the school are extra money for the school, especially if it is low risk.

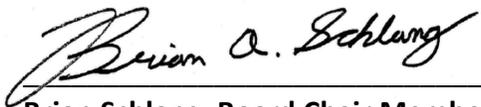
Board Vote

Mr. Buckley motions to approve to move the money from a money market account to a guaranteed investment contract earning above the maximum interest rate from the reserve cash account; approving the board chair, Mr. Schlang to execute the contract once it is drafted. Mrs. Rine seconds and all present board members voted in favor.

Mr. Schlang adjourns the meeting at 9:57 am.

Minutes respectfully submitted by Esme Maldonado.

Minutes are accepted as a final copy by:



Brian Schlang, Board Chair Member

9/23/2022

Date

List of Upcoming Meetings

August 11, 2022

September 22, 2022

October 20, 2022

December 15, 2023

February 16, 2023

April 13, 2023

June 15, 2023