

Board of Trustees Meeting

Location: New Dawn Charter High School, 242 Hoyt Street, Brooklyn, NY 11217

Date: Tuesday, March 26, 2019

Time: 2:30 pm.

Board Members Present: Mr. Ronald Tabano, Chairperson, Mr. Les Winter, Co-Chair, Ms. Jane Sun, Member, Ms. Katharine Urbati, Treasurer, Mr. Amit Bahl, Secretary

Board Members Absent: Ms. Darlene Anderson

Staff Members/ Visitors Present: Dr. Sara Asmussen, Mr. Jose Obregon, Dr. Lisa DiGaudio, Ms. Amanda Morton

Mr. Tabano called the meeting to order at 2:30 P.M.

I. Resolution: Minutes from February 26, 2019 Board Meeting.

Motion: Mr. Tabano motioned to approve the February 26, 2019 board minutes.

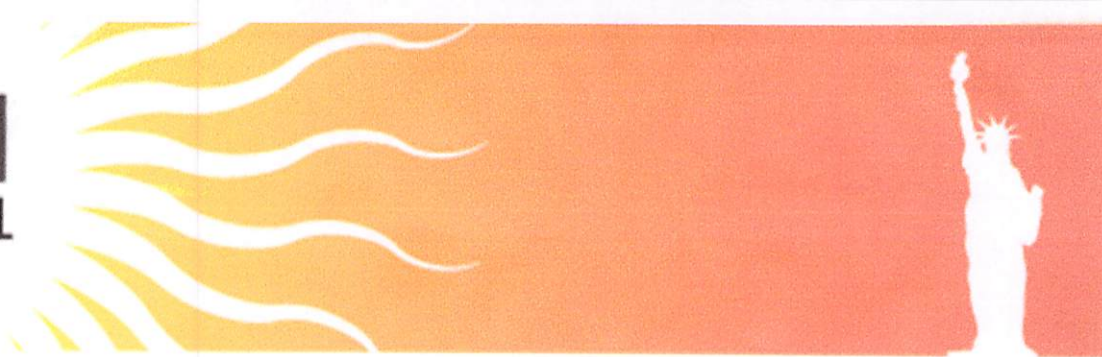
Motion Seconded: Ms. Katharine Urbati.

Vote: The board unanimously voted to accept the February 26, 2019 board minutes.

II. Finances

A. Investment of Debt Service and Construction Funds

Dr. Asmussen placed a conference call to Mr. Dellon Barry of IBN so he can walk the board members through the Debt Investment and Project Funds proposal. Mr. Barry explained to the board that IBN focuses on specialty bond proceeds and that it has extensive experience in this field. He assured the board that financial safety is the primary concern for IBN for its customers. Mr. Winter asked what are the origins of the capital that is being placed into this project fund. Dr. Asmussen answered that the capital comes from the 8.9M dollars that the school has in several accounts. Dr. Asmussen further explained that placing the school's money in this project fund will allow the school to take advantage of the interest schedule and to draw down from these funds as needed. Dr. Asmussen further stated that the rates that IBN offers are significantly better than the ones being offered by the Trustee, translating into a 20K-30K better return rate. Mr. Barry also informed the Board members that 1.5M dollars will be placed in a Reserve fund that offers better rates than a traditional Money Market Fund.



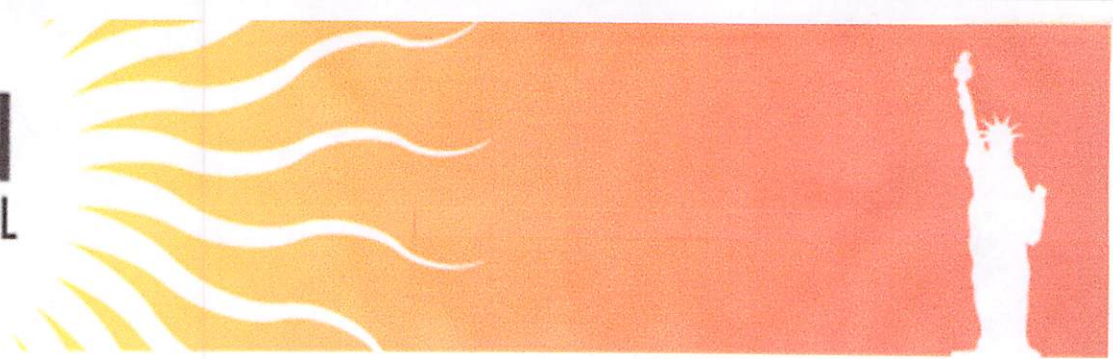
Mr. Winter asked why the school should not invest in a five (5) year fund if it offers a better rate. Mr. Barry indicated that a five (5) year fund is not necessarily the best investment option especially if the funding goes below the projected interest rate. The school will then be obligated to make up the loss. Mr. Tabano asked Mr. Barry why the school should do a rolling three-month ladder Portfolio Fund vs. a draw schedule matched portfolio Treasury Fund. Mr. Barry replied that if the draw schedule is not absolutely precise, the school may have to sell if the contractor needs it immediately. Mr. Barry stated that the rolling schedule offers a better and more stable option while offering better returns in three (3) months than a money market fund. Mr. Winter stated that fees are not subtracted in the comparison chart. Mr. Barry indicated that there is a 2K flat fee which is significantly better than BNY's fees. Mr. Winter asked when the school's money would be ladder in. Mr. Barry indicated the first day of drawing money will be sometime in April 2019. Dr. Asmussen further indicated that she has the draw schedule.

Mr. Barry explained the concept of permitted indenture which allows the school to use funds in an investment strategy. Mr. Winter asked about par withdrawals and Mr. Barry replied that the school will get 100 cents on the dollar. However, Mr. Barry cautioned that if the school sold early, it may not get par value. Mr. Winter asked about evaluation risk. Mr. Barry answered that a money market has no evaluation risk and that the capital that you invested was the capital that you got out. However, there is still a risk if you sell early. Mr. Winter asked if IBN is insured and Mr. Barry replied that IBN is insured. Mr. Winter asked in who's name will the money be invested under. Mr. Barry indicated that the money will remain with BNY, but IBN directs trades and the money will be in New Dawn's name. Mr. Winter asked Dr. Asmussen if the school had cash on hand. Dr. Asmussen replied that the school did have cash on hand in Vanguard and IDB accounts. Ms. Urbati asked Mr. Barry how the fees are structured. Mr. Barry replied that fees are assessed on a quarterly basis and that construction funds incur only a one-time fee. Mr. Winter asked Mr. Barry if IBN was a profit or non-profit and where is the company incorporated. Mr. Barry replied that IBN is a for profit company and that it is incorporated in the State of California. Mr. Winter stated that the board should vote on this the IBN project fund proposal to proceed.

Motion: Mr. Tabano motioned to approve the IBN rolling three-month ladder Portfolio Fund.

Motion Seconded: Mr. Les Winter

Vote: The board unanimously voted to approve the IBN rolling three-month ladder Portfolio Fund.



B. New Director of Finance & HR

Mr. Tabano stated that Ms. Katharine Urbati and he interviewed the candidate and found him to be qualified with a solid work history.

C. M/WBE and Fiscal Policies & Procedures

Dr. Asmussen informed the board that 30% of implementation CSP grant funds must be invested in a minority or women-owned businesses which are approved by the State. Dr. Asmussen stated that there will be no bidding process required to meet this CSP requirement—M/WBE companies do tend to come in at higher rates than market. Ms. Urbati indicated that she knows of two (2) vendors that meet this requirement. Dr. Asmussen reminded the board that this is a Federal requirement for this grant and only for the first year of the grant.

D. Monthly Finances

Ms. Urbati noted that under the legal line, there was approximately 500K amount under the actuals and asked to receive a draw schedule. Mr. Winter also stated that the school's assets dropped by approximately \$4M dollars. Dr. Asmussen indicated that this was due to the purchase cost of the building. Dr. Asmussen further indicated that the school could draw from the bond to reimburse itself. Mr. Winter stated that the board will need a complete accounting of the process.

III. School Updates

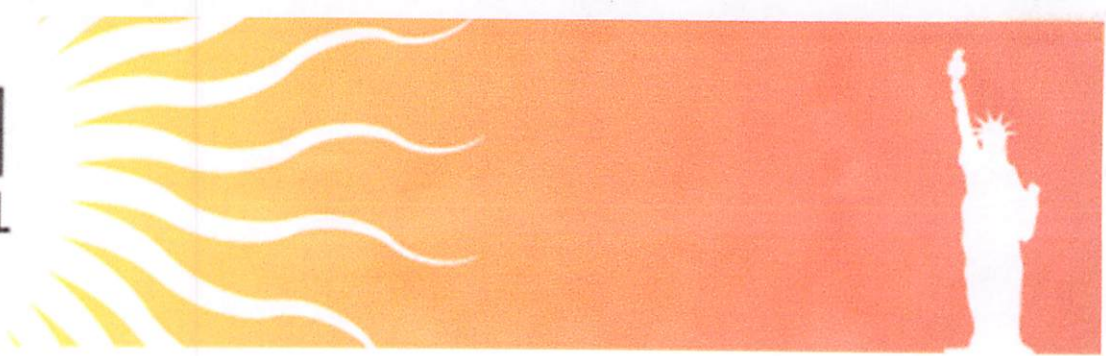
A. Brooklyn

1. Relocation Plans

Dr. Asmussen indicated that for the relocation of New Dawn Charter School Brooklyn, there are two location possibilities. Dr. Asmussen further stated that one location was significantly better option for travel for students.

2. New Dawn CAP under CSI Status

Dr. Asmussen indicated that there is good news since New Dawn Charter High School is out-performing most other transfer schools. She reported to the board that she is crafting a plan to effectively discuss why even though we outperform schools that are in 'Good Standing', our appeal was rejected. We are currently in the process of identifying an



attorney to file a FOIL request as to how rejects and approvals of appeals were made. The CAP which was submitted to the NYSED was discussed.

B. Queens

1. Lease Update

Dr. Asmussen reported to the board that the school is close to signing a lease. The leaseholder is looking to create a "Friends of New Dawn" entity to mitigate the owner's tax liabilities. Dr. Asmussen indicated that once this is resolved, the school can proceed with a lease.

2. Schall & Ashenfarb, CPAs, LLC. Engagement Letter

Dr. Asmussen stated that New Dawn Queens needs an accounting firm commitment letter.

Motion: Mr. Les Winter motioned to approve the Schall & Ashenfarb, CPAs, LLC. Engagement Letter for New Dawn Queens.

Motion Seconded: Ms. Jane Sun

Vote: The board unanimously voted to approve the Schall & Ashenfarb, CPAs, LLC. Engagement Letter for New Dawn Queens.

IV. New Business

Dr. Lisa DiGaudio stated that a new logo for New Dawn Queens needs to be considered and that more will follow related to this item.

V. Adjournment

The Board meeting was adjourned at 3:45 P.M. and Executive Session followed.