

International Leadership Charter High School

Board of Trustees Meeting

June 8, 2016

In Attendance: Dr. Elaine R. Lopez, John Paul Gonzalez, Doreen Bermudez, Elissa Ramos

A Lupita Samuels

Meeting call to order at 6:30PM

Board Business:

- Doreen motion to approve April's minutes and minutes were approved pending some revisions.
- Two prospective Board Members were introduced pending approval of their application by the NYC Department of Education: Darlene Garcia and Jeannette Sequiera.
- Both prospective members spoke about their interest in joining the Board and provided a summary of their resumes.
- The engagement letter from Koch Group was received related to the annual audit. The BOT moved to approve engagement letter.

CEO Report:

- The approval of the application for the Municipal Bond has not reached its conclusion was approved in March 2016 by Build NYC. The investor team have drafted an amendment to the original Loan Agreement for a bond at approximately 3.3 million dollars. We were expecting a closing on or about May 10th according to TD our underwriters who provide a schedule of closing items in early May. The attorneys for the Bond investor team has issued a Loan Agreement and Draft amendments that would require the CEO to agree to the hiring of a finance and management consultant at the school's expense. Our attorney Lydia Stefanovicz is negotiating the language found in this agreement and there is great concern re the implications of agreeing to do so. There is currently a vague and undefined time in which this requirement can be implemented. The school's finances are already being managed with the assistance of CSBM. The language on such agreement needs to change in order to be more reasonable and fair to our charter school to move forward.
- The protracted delay in closing on this additional financing obtaining has impacted the finances and operations of the school as follows:
 1. Issues related to the Project Completion for the CO can only be resolved with additional financing. This has affected our temporary certificate of occupancy which is due to expired on 6/26/2016. There are 28 outstanding requirements for obtaining the Final Certificate of Occupancy. There is an array of work that needs to be completed by Procida's sub-contractors in order to avoid violations from the NYC Fire Department and deadlines may not be met. Sub-contractors allegedly have not been paid by Procida and now there are 12 liens that have been filed against the school. All of the requisitions from the Bond were paid on time. However due to change orders and challenges with the foundation and pile driving this created cost over runs close to 2.2 million.

2. The school will has a shortfall of over \$300K for Fiscal Year ending on 6/30/2016 due to fees and bills paid toward certificates of inspection to the DOB, Expediters, and an extra 4 Fire Guards in order to comply with the DOB's request while school is in session.

Note: Due to the need to reschedule the Board meeting in May, there will be a need to meet again on Monday, June 13th, 2016.

Meeting adjourned at 7:55PM