



Board of Trustees Meeting

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

Date: August 14, 2017

Time: 1:00 pm.

Present: Ronald Tabano, Leslie Winter, Darlene Anderson

Staff Members/ Visitors Present: Dr. Sara Asmussen, Lisa DiGaudio, Amanda Morton, Melissa Wilson

Having a quorum, Mr. Tabano called the meeting to order at 1:15 pm. Mr. Tabano requested a change in the agenda to discuss the lawsuit first.

I. Lawsuit update

Dr. Asmussen discussed the current building lawsuit. The co-defendants filed their responses to the complaint. According to the plaintiff, the Lubin's had been following an unsigned, unexecuted contract and that they should now have to continue to function under the same contract, thus owing IGUA money for our second lease. However, the Lubin's produced a document that had been signed by Maureen Coughlin of IGUA which did in fact limit her rights to the building to the first lease only. Based on this evidence New Dawn's attorney requested an immediate dismissal. The Board requested that we ask for restitution for the money we have laid out so far.

There was an extensive discussion about New Dawn's ability to counter sue particularly concerning the Singh property. This will be on hold for now. Dr. Asmussen will follow up with the attorney regarding getting restitution for fees already paid.

II. Resolution – July Minutes

Dr. Asmussen read the requests from Ms. Anderson to modify the minutes. Ms. Anderson requested that an opinion by removed, following a discussion it was decided that it was not an opinion but state of reality so would remain with clarifications. She also requested that staff names be listed who were leaving. Again, due to confidentiality issues the names will be redacted. It was felt for the purposes of transparency, it was important to name administrators being replaced but not other staff and teachers.

Mr. Tabano requested a motion to approve the minutes.



Motion: Mr. Tabano moved to accept the July minutes.

Seconded: Mr. Winter

Vote: Unanimous

III. Introduction of New Staff Member

Dr. Asmussen introduced Amanda Morton the Instructional/Curriculum Specialist to the Board. This is a new position but is a replacement for Tameka Jackson, Assistant Principal who left in July.

Ms. Morton introduced herself and discussed her experience and explained what she would specifically be doing while at New Dawn. The Board had questions around why she chose a charter school and why specifically New Dawn.

The Board then introduced themselves.

IV. Potential New Board Member

Dr. Asmussen discussed the resume of a potential new Board member, Jane Sun from CEI. Ms. Sun is an expert in the field of student growth measurement and has worked with independent charter schools for ten years. She understands compliance, accountability, and measurement. She will be a welcomed addition as we develop our accountability plan with the NYSED and will be helpful with how we present our data.

Mr. Winter requested that we find a seventh board member as well.

V. Financials

A. Impact of Building on Budget

Dr. Asmussen discussed the new budget which was distributed earlier. The issue is that while operating expenses will remain the same, depending on the bond we obtain, the costs of the building will change. Therefore, another budget was distributed with the worse-case scenario, including lowered student enrollment, highest bond interest, and increased 403B payments. The budget is still balanced but may change based on the building purchase, particularly if we get a better deal.

B. Audit Update

It was announced that the Audit committee was in the process of picking a date for the pre-audit call and this will happen in the next week. The auditors have already requested



the teacher and student lists and the accounting department is prepared. There should be no significant differences from last year. Mr. Tabano asked if New Dawn had a section on Board compensation in the by-laws. Dr. Asmussen responded yes.

C. Letters for the Bank Accounts

Vanguard, TD and IDB Bank all require letters stating that Dr. Asmussen is approved to open bank accounts. Mr. Tabano requested a motion.

Motion: Mr. Winter motioned to sign for the letters to open the bank accounts.

Seconded: Mr. Tabano

Vote: Unanimous

VI. Resolutions: Contracts & Policies

A. NYC Accounting Solutions

The NYC Accounting Solutions contract was presented. There was a slight increase of \$2,000 and this price is still far below their competitors. Further, this company has guided the School through clean audits every year since they were hired. Their staff have integrated well with New Dawn staff and there is a seamless system in place.

Motion: Mr. Tabano motioned to accept the NYC Accounting Solutions Contract.

Seconded: Ms. Anderson

Vote: Unanimous

B. Employee Handbook

Dr. Asmussen reviewed the modification in the Handbook from last year. There were no major changes just clarification in language explaining personal time and vacation time and how it is accrued.

Motion: Mr. Tabano moved to accept changes to the handbook.

Seconded: Mr. Winter

Vote: Unanimous

VII. Staffing Update



The Office Manager/HR person will reduce her hours to part-time. Because we are hiring a Director of Operations this will not cause any problems at all. She will continue with payroll, ordering, and HR. The Director of Operations will take over her direct reports and her other duties.

The only positions we have left to fill are a math teacher, an additional SPED teacher, and a writing teacher all other positions are filled included administrative positions. New staff will be introduced at the next meeting. There are interviews lined up for all positions.

VIII. Building update

Dr. Asmussen reported on the status of the bond for the building. This report is attached to the minutes. She further reported that BuildNYC has advertised our intent to obtain a bond. They are waiting for us to identify our bond holder. An extensive discussion was held concerning renovation to building worth and the impact that would have on our ability to identify a loaner. Again, the private financial institutions would not care about this ratio. It could be a problem when it comes to the lower interest rate and having a bank underwrite the bond. We have to market our packet and see what the expectations are in the financial community.

Dr. Asmussen will be following up with other consultants over this issue for the next meeting.

IX. School Updates

A. College Access For All

Dr. DiGaudio reported on the College Access for All grant we just received. This is a three-year grant through the NYC DOE. We receive support for the development of our project along with \$30,000 a year. New Dawn is one of the first charter schools to be involved in this project which is in its second year. The goal is to move college accessibility and focus down into the 9th grade classroom. We currently have a very active college placement program but we have always focused on students with more than 28 credits. This will allow us to push down to students with 0 credits.

A lengthy discussion followed regarding how we are getting students enrolled in college and the outcomes expected through implementation of this project.

B. Regents Update



Dr. Asmussen reported that summer Regents exams start tomorrow and everything is ready for administration.

C. Mental Health grant update

Dr. Asmussen reported that New Dawn would be hosting the grant's A.R.T. (Aggression Replacement Therapy) training. This has been implemented into several classes at New Dawn for two years now. The current social worker on the project is leaving but the social worker who was in the position in year in is returning so there should be no interruption in services. Further, numerous staff at New Dawn have been trained and are already administering ART in their individual classrooms.

D. Five-year Site Visit

Dr. Asmussen reported on the NYSED five-year site visit report. The only change this year was a name was misspelled. It was an excellent report and identified areas to focus on for the next five-years. Staff at New Dawn will continue to work with NYSED to finalize an alternative accountability plan for transfer schools.

X. September Meeting

Dr. Weitzman had areas of discussion for the September meeting.
Dr. Asmussen will bring the identified goals for the school year.
Paul Lamas will be invited to attend in September.
Jane Sun will be invited to attend in September.

Both Mr. Tabano and Dr. Asmussen will be attending a conference during the next Board meeting, September 26 so the meeting was changed to September 19.

XI. New Business

Mr. Tabano asked if there was any new business before the Board. Being none, he requested an adjournment.

XII. Motion to adjourn

Motion: Ms. Anderson moved to adjourn the meeting.

Seconded: Mr. Winter

Vote: Unanimous



Meeting was adjourned at 2:19pm.

Next meeting to be held at New Dawn on Tuesday, September 19, at



Attachments

Building Email sent 8/2/2017:

Good morning,

Hope everyone is well. I have quite a number of updates, all of which will be discussed at the next meeting.

Updates on the building. Talked to [REDACTED] and we are flipping the switch. He is now going to banks and financial groups with our funding packet so we should have real offers by September/October. I have attached two redone annual budgets (the two excel files), one for the private firms and one for banks. It's pretty clear we need to go with a bank which would entail a down payment of \$6M or 25% depending on the packet. [REDACTED] said the amount of the down payment is negotiable. Still he is redoing the financing options for a scenario #3, based on a \$4M down payment, but he said for a bank only \$4M would be a long shot.

I have answers to questions raised at the last meeting which will definitely be discussed at the next meeting, but here is a not so brief update. If you look at the attached NDCHS Financing Summary..., you see the two scenarios one with Institutional Private (scenario #1) and one for Bank Private (scenario #2). Scenario #1 is for 31 years at 6.75% with a debt service reserve fund of \$1,650,313 and closing costs of \$919,687. This is the scenario we would have to take if we only put down \$2M. If we can come up with \$6M we can go with scenario #2 at 3.75% ten-year fixed (this is industry standard) with NO debt service and closing costs of \$775,000. At the last meeting there were questions around the closing costs and how they are calculated. These costs for the most part are set by NYC and NYS and are based on the amount of money borrowed. [REDACTED] said he estimated a bit on the high side so that there were no surprised.

In terms of the 10-year term and prepayable penalty under scenario 2, it depends on when we refinance. For example, if we refinance for 2%, 6 years into the loan, we have to pay the penalty for



the difference ($3.75 - 2 = 1.75\%$) for the remaining four years. I asked if there was a cap after the 10 years on how high the interest can go and the answer is no. However, [REDACTED] said it would not be 80's level interest and even worst case scenario if it were to raise to 10%, what we have saved by not paying the debt service reserve fund and paying 3.75% versus 6.75% for 10 years makes 10% not really much of a problem. He did not think it would go to 10% in the 10 years, but never know.

So [REDACTED] is moving forward with bond packets. We will probably have to do a round with the banks to see how low we can get the down payment, but I really think that the extra money up front will be worth it. The two excel budgets attached are for both scenarios. Please remember, the depreciation is not correct because it does not add in the building for the second half of the year--I will need help with that. Also, the debt reserve fund and closing costs under both scenarios are included in the closing costs (the two attached PDF's: New Dawn CHS -- Draft...) and NOT the budget because we cannot afford it through our regular budget. We could potentially afford it under scenario #2, but it we put down \$6M let those costs come out of the bond.

[REDACTED] if you want a phone conversation before the meeting about this, please just let me know and I will set up a call for interested parties. Thanks. Sara