**MINUTES**

Excel Academy Charter Schools Board of Trustees
October 22, 2014, 7:30am
Excel Academy – Orient Heights, 1150 Saratoga Street, East Boston, MA

Board Members Attending in Person: Chris DeLorey (Chair), Ben Howe, Tom Ellis (Treasurer), Lauren Kushman, John Casais (Clerk), Matt Ottmer
Others Present: Owen Stearns, CEO; Shane Dunn, Managing Director of Strategic Growth and Development; Aaron Buzay, Managing Director of Network Finance and Operations; Lauren Liebhaber, Manager of Development and Student Recruitment; Minnie Joung, prospective Board member
Board Members Present Via Phone: Steve Mugford
Foundation Board Members Present Via Phone: Liz Swerz
Board Members Not Present: Juan Rivera (Vice-Chair), Mark Taber, Susan Passoni

Chris DeLorey, Board Chair, called the meeting to order at 7:30am and presided over the meeting. Lauren Liebhaber kept the minutes of the meeting. Chris DeLorey ascertained that sufficient Trustees were present at the meeting, and that, accordingly, a quorum existed.

**CEO Organizational Update:**

Owen Stearns updated the Board on the start of the school year, making particular mention of our strong school-based leadership across the network.

The Board engaged in discussion about the evolving political landscape relative to charter schools in Boston and Massachusetts. Owen Stearns also reminded the Board of an upcoming rally to support quality schools for all being organized by Families for Excellent Schools. The rally is scheduled Thursday, November 13th at Faneuil Hall.

During the financial update portion of the meeting, Aaron Buzay and Owen Stearns updated the Board about how the reimbursement rate for our incoming 9th grade high school students will be lower than originally modeled. Tuition reimbursement rates are based on student population of the previous year. Because we have only middle school students presently, our tuition reimbursement is based only on those numbers.

**SLATE OF VOTES**

1. **VOTE TO APPROVE MINNIE JOUNG AS NEW TRUSTEE**

Minnie Joung, formerly of Fidelity Investments, was introduced to the Board as a prospective Trustee. She was introduced to Excel by Building Excellent Schools. Prior to the meeting, she met with Owen Stearns, Chris DeLorey, and Tom Ellis. At the meeting, she discussed her background and why she is interested in being a member of Excel’s Board. The Board discussed Minnie’s candidacy for an open seat on the Board.

Vote to approve moved by John Casais, seconded by Ben Howe. Vote unanimously approved.

Following the meeting, Excel staff submitted Minnie’s resume, signed financial disclosure form, and a letter from the Chair of the Board to the Massachusetts Department of Elementary and Secondary Education for approval. [Update: On November 24, 2014, Education Commissioner Mitchell Chester approved the addition of Minnie Joung to the Excel Academy Board of Trustees.

1. **VOTE TO APPROVE MINUTES FROM 6.10.14 AND 8.12.2014**

Board reviewed minutes from two previous meetings.

Motion to approve minutes by Chris DeLorey, seconded by Tom Ellis. Vote unanimously approved.

1. **VOTE TO APPROVE ORGANIZATIONAL AUDIT**

Motion to authorize Finance Committee to finalize organizational audit and approve.

Moved by Lauren Kushman, seconded by John Casais. Vote unanimously approved.

1. **VOTE ON MEPA THRESHOLD FINDINGS**

Aaron Buzay walked the Board through the results and significance of the MEPA Threshold Findings completed by Studio G relative to the new Excel Academy Charter High School building at 413 Bremen Street. The purpose of this vote was to approve Studio G’s view, recognizing them as the experts, not to validate Studio G’s findings. Aaron explained that this was done to protect the legitimacy of the structure from a tax point of view. If something happens to us, this doesn’t go back to the state. Banks want the collateral.

Moved by John Casais, seconded by Ben Howe. Vote unanimously approved

1. **VOTE ON ACQUISITION OF EXCEL PROPERTY**

That Excel Academy Charter School shall collaborate with Friends of the Excel Academy Charter Schools, Inc. (“Friends”) and Excel Academy Bremen Street Realty Corporation (“Bremen Street Realty”) with respect to the acquisition of a portion of 413-419 Bremen Street in East Boston, MA (the “Excel Property”) and the construction of new improvements at the Excel Property for use as a high school (the “Project”). It is anticipated that Friends shall identify Bremen Street Realty as its nominee to take title of the Excel Property under the Purchase Agreement dated as of September 23, 2013, between 413-419 Bremen Street, LLC, as seller, and Friends, as buyer, as amended, and that Friends shall provide the funds for the acquisition. It is further anticipated that Bremen Street Realty shall own and develop the Project and lease the Project to Excel Academy Charter School to operate as a high school. The acquisition price of the Excel Property is $2,957,916.00 and the current overall development budget for the Project, including the acquisition price, is approximately $26,500,000.

Moved by John Casais, seconded by Matt Ottmer. Vote unanimously approved.

1. **VOTE ON APPROVAL OF DEBT OBLIGATION**

Aaron Buzay informed the Board that we want to engage in a new construction project that will ultimately result in Excel Academy taking on increased debt. A question arose as to whether or not we need to specify a debt limit. Aaron confirmed that the language of our agreement does not obligate us to specify a limit.

Motion to approve by Ben Howe, seconded by Chris DeLorey. Vote unanimously approved.

1. **VOTE ON ACQUISTION OF TEMPORARY HIGH SCHOOL SPACE**

Board discussed Excel’s leased temporary high school space at 7 Elkins Street in South Boston. Board was informed that we are presently paying rent for a space we are not yet occupying. Aaron Buzay explained that if approved and provided to Excel, the organization will need to start paying back a loan from LISC for the high school as soon as financing is completed in spring 2015.

Motion by Ben Howe, seconded by Matt Ottmer. Vote unanimously approved.

1. **VOTE ON CONSTRUCTION MANAGEMENT AT RISK METHOD**

Aaron and Owen informed the Board that Excel will be interviewing construction managers over the following week. Excel Academy Charter High School will now be a $26.5 million project. Excel is due to receive a $16.5 million senior loan from Boston Private, a $5 million junior loan from LISC CFI, and $3.5 million will need to be raised by Excel. This estimate is $500,000 more than we initially thought based on original estimates, but Excel has raised the necessary funds to close on financing.

Motion by Ben Howe, John Casais seconded. Vote unanimously approved.

Motion to adjourn meeting by Lauren Kushman, seconded by Tom Ellis. Meeting adjourned at 9:05 am.

Documents Presented:
- 6.10.14 and 8.12.14 Board Meeting Minutes
- Biography of Minnie Joung
- CEO Update
- Slate of Votes
- Excel Academy Network Team Organizational Chart
- Finance Structure Chart for 413 Bremen Street Ownership