

PUBLIC CHARTER SCHOOL CREDIT ENHANCEMENT COMMITTEE

Please find below the notes from the Public Charter School Credit Enhancement Committee (“Committee”) Meeting held on Thursday, Dec. 5, 2023.

PUBLIC MEETING NOTES:

Call to Order:

1. By Mark Medema at 12 p.m.
2. Mark Medema reminded Committee members of the conflict of interest policy and asked if everyone had completed the form and if there were any recusals.
3. There were no recusals.

Committee Members Present: (appearing via GoToMeeting):

1. Yair Inspektor
2. Mark Medema
3. Dominique Fortune

** Sara Batterton and Stefan Huh were not present

Note: Quorum was present.

Staff Members Present: (appearing via GoToMeeting):

1. Darryl Brantley, Financial Program Specialist, Office of Public Charter School Financing and Support (OPCSFS)
2. Brianna Griffin, Manager, OPCSFS
3. Nagesh V. Tammara, Senior Assistant General Counsel, Office of the General Counsel

Guests (Public Meeting Attendees all via GoToMeeting):

1. Alexander Feddouli, Chief Financial and Administrative Officer, Apple Tree Public Charter School
2. Jamie Miles, Chief of Schools, Apple Tree Public Charter School

Approval to Move into Executive Session:

1. Mark Medema requested a motion to go into the Executive Session to consult with counsel.
 - a. *Pursuant to 2-575 (b)(4)(A), and (b)(11) the Committee will enter in to executive session to consult with its attorney to obtain legal advice and to review and discuss sensitive and confidential financial information before returning to the public session for the remainder of the meeting agenda.*

2. Dominique Fortune made a motion to go into Executive Session.
3. Yair Inspektor seconded the motion.
4. All said, aye.

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EXECUTIVE SESSION NOTES

REDACTED

REDACTED

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PUBLIC SESSION NOTES

The public meeting was reopened and called back to order at 12:30 p.m.

Approval of Dec. 5, 2023 Committee Meeting Agenda:

1. Mark Medema requested a motion to approve the meeting agenda for the Oct. 19, 2023.
2. Dominique Fortune made a motion to approve the meeting agenda.
3. Yair Inspektor seconded the motion to approve the meeting agenda.
4. All said, aye.
5. Agenda approved by unanimous vote.

Approval of Oct. 19, 2023 Committee Meeting Minutes

1. Mark Medema inquired as to whether there were any changes to the public meeting minutes from Oct. 19, 2023, and hearing none, requested a motion to approve said meeting minutes.
2. Dominique Fortune made a motion to approve the Oct. 19, 2023 meeting minutes.
3. Mark Medema seconded the motion.
4. Yair Inspektor abstained from the vote.
5. All said, aye.
6. The Oct. 19, 2023 meeting minutes were approved.

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Transactions Disclosure Checklist (Conflict of Interest Policy)

*As set forth in Attachment C (Transaction Disclosure Checklist) of the Office of Public Charter School Financing and Support - Conflict of Interest Policy (Policy), Mark Medema, Chair inquired of the Committee membership the following as it relates to the transactions presented (i.e., **Apple Tree Public Charter School**) to the Committee for approval:*

Do you or a person closely affiliated (as defined by the policy) to you have any of the following relationships with any of the financially interested entities involved in this transaction? The respective questions and responses are captured in the table below with the noted exceptions.

N = No Y = Yes	Financially Interested Entities (FIEs)			
	The public charter school(s) seeking financing from the Committee		Any other financially interested entity involved in the transaction	
	Current	Prior (past 5 years)	Current	Prior (past 5 years)
Serve as a board member, officer, or employee?	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N
Receive compensation for serving as a board member?	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N
Receive compensation for a position (officer or employee)?	Medema – N Fortune– N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor– N	Medema – N Fortune – N Inspektor – N
Any contractual relationship (individual or through an employment or subcontractual relationship)?	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N

Perform consulting or other services?	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune - N Inspektor -N	Medema – N Fortune – N Inspektor – N
Own shares of stock, stock options, partnership interest, or other ownership interest?	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N
Employed by an organization on whose board of directors an individual involved in the transaction sits?	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N
Registered as a lobbyist on behalf of the interests?	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N
	Financially Interested Entities (FIEs)			
	The public charter school(s) seeking financing from the Committee		Any other financially interested entity involved in the transaction	
	Current	Prior (past 5 years)	Current	Prior (past 5 years)
Parent of a child attending?	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune– N Inspektor – N	Medema – N Fortune – N Inspektor – N
Volunteer(ed) at or with?	Medema – N Fortune – N	Medema – N Fortune – N	Medema – N Fortune– N	Medema – N Fortune – N

	Inspektor – N	Inspektor – N	Inspektor – N	Inspektor – N
Any other information to disclose?	Medema – N fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N

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A. APPLE TREE PCS – REQUEST FOR A NEW \$750,000 DIRECT LOAN

1. Darryl Brantley introduced the request as follows:

- a. Apple Tree PCS has requested a new \$750,000 direct loan.
- b. The purpose of the new OPCSFS Direct Loan is to support the school's opening of a new campus located at 1000 Fourth St. SW, Washington, DC. The school will be part of a larger construction project and occupy 50,000 square feet on the ground floor of an 11-story building that will also house retail space and a theater.
- c. The school will have six classrooms and represent the seventh location for Apple Tree PCS.
- d. The loan will be for a five-year term and be priced at 1 percent per annum and have eight quarterly interest-only payments followed by three years of principal and interest based on a 25-year amortization period. There will be a 1 percent origination fee of \$7,500.
- e. The direct loan will be secured by a first position Leasehold Deed of Trust (LDOT) on the school's real estate located at 1000 Fourth St. SW, Washington, DC in Ward 6.
- f. The direct loan will also be secured by a first-position lien on per pupil and facility allowance funding and will be repaid with cashflow from operations of the school.
- g. The risks identified include the enrollment risks (competition) and financial risks.
- h. The strengths include the strong school leadership and board of directors, track record and the strong liquidity position with cash balances of \$12.9 million.

2. Discussion:

- a. Mark Medema inquired about whether the school has thought about the cost associated with this new campus and that it appears to be somewhat expensive and would be relying on the Apple Tree network initially to support the costs.
- b. Alex Feddouli indicated that the school has been extremely intentionally thoughtful about the costs and prepared the projections based upon construction costs that they estimated. He also indicated that the campus will be self-sufficient if they reach full enrollment.

3. Transaction Approved

- a. Mark Medema asked for a motion to approve the request for a \$750,000 direct loan.
- b. Dominique Lindsay made a motion to approve the transaction as presented.
- c. Yair Inspektor seconded the motion.
- d. All said, aye.
- e. The motion carried and the transaction was unanimously approved.

A. Other Business

- a. Darryl Brantley indicated that Creative Minds PCS is interested in paying off its loan early but would consider maintaining the loan if OSSE would waive its Debt-Service Coverage Ratio (DSCR) and covenant requirements.

- b. Darryl Brantley presented the FY23 Direct Loan and Credit Enhancement Program results.
- c. Nagesh Tammara indicated that he would be leaving OSSE at the end of the year.

B. Adjournment:

- a. Mark Medema asked for a motion to adjourn the meeting.
- b. Yair Inspektor made a motion to adjourn the meeting.
- c. Dominique Fortune seconded the motion.
- d. All said, aye.
- e. The meeting adjourned at 1 p.m.