

## **PUBLIC CHARTER SCHOOL CREDIT ENHANCEMENT COMMITTEE**

Please find below the notes from the Public Charter School Credit Enhancement Committee (“Committee”) Meeting held on Thursday, Jan. 18, 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
4. Sara Batterton

\*\* Stefan Huh was 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. Linda Sun, Director, Federal Programs and Strategic Funding, OSSE
3. Andrew Ball, Attorney Advisor, Office of the General Counsel, OSSE

#### **Guests (Public Meeting Attendees all via GoToMeeting):**

1. Haley Wiggins, Executive Director, The Family Place Public Charter School
2. Mayank Palod, Consultant, EdOps
3. Molly Melloh, Consultant, EdOps
4. Anthony Scerbo, Attorney Advisor, OOG
5. Eileen Suffian, Accountant, The Family Place Public Charter School
6. Alex B, Student

#### **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 into 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

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## PUBLIC SESSION NOTES

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

### **Approval of Jan. 18, 2023 Committee Meeting Agenda:**

1. Mark Medema requested a motion to approve the meeting agenda for January 18, 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 Dec. 5, 2023 Committee Meeting Minutes**

1. Mark Medema inquired as to whether there were any changes to the public meeting

minutes from December 5, 2023, and hearing none, requested a motion to approve said meeting minutes.

2. Yair Inspektor made a motion to approve the December 5, 2023, meeting minutes.
3. Dominique Fortune seconded the motion.
4. All said, aye.
5. The Dec. 5, 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., **The Family Place 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)
<b>Serve as a board member, officer, or employee?</b>	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton - N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N
<b>Receive compensation for serving as a board member?</b>	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N
<b>Receive compensation for a position (officer or employee)?</b>	Medema – N Fortune– N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor– N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N

<b>Any contractual relationship (individual or through an employment or subcontractual relationship)?</b>	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N
<b>Perform consulting or other services?</b>	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune - N Inspektor -N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N
<b>Own shares of stock, stock options, partnership interest, or other ownership interest?</b>	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N
<b>Employed by an organization on whose board of directors an individual involved in the transaction sits?</b>	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N
<b>Registered as a lobbyist on behalf of the interests?</b>	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N	Medema – N Fortune – N Inspektor – N
	<b>Financially Interested Entities (FIEs)</b>			
	<b>The public charter school(s) seeking financing from the Committee</b>		<b>Any other financially interested entity involved in the transaction</b>	
	<b>Current</b>	<b>Prior</b>	<b>Current</b>	<b>Prior</b>

		(past 5 years)		(past 5 years)
<b>Parent of a child attending?</b>	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune– N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N
<b>Volunteer(ed) at or with?</b>	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune– N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N
<b>Any other information to disclose?</b>	Medema – N fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N	Medema – N Fortune – N Inspektor – N Batterton -N

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## **A. THE FAMILY PLACE PCS – REQUEST FOR A NEW \$2,000,000 DIRECT LOAN AND \$1,000,000 CREDIT ENHANCEMENT**

### **1. Darryl Brantley introduced the request as follows:**

- a. The Family Place PCS has requested a new \$2,000,000 direct loan and \$1,000,000 credit enhancement.
- b. The purpose of the new OPCSFS Direct Loan is to support the replenishing of school's cash after purchasing a building located at 1502 Park Road NW, Washington, DC. The school. The school acquired the building in December 2023 and is the 1<sup>st</sup> phase of a 2 phase project.
- c. 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 \$20,000.
- d. The direct loan will be secured by a first position Deed of Trust (DOT) on the school's real estate located at 1501 Park Road NW, Washington, DC.
- e. 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.
- f. The risks identified include the enrollment risks and financial risks.
- g. The strengths include the strong school leadership and board of directors, track record and the strong demand for adult charter school services within the district.

### **2. Discussion:**

- a. Haley Wiggins indicated that the school recently received an enrollment ceiling increase approval from the public charter school board to 275 students. The school has a track record of exceeding its enrollment targets.
- b. Mark Medema inquired about the construction team and that he had never heard of them.
- c. Haley Wiggins indicated that they have been working with Stoiber over the last year in acquiring the building and permits. She also mentioned that she knew that they had worked on many similar projects with charter schools within the district with EL Haynes PCS being one of the schools. She mentioned that she could provide the committee with a list of schools that the company had worked with locally.
- b. Dominique Lindsay inquired about whether the school has acquired a lender for phase 2 of the project.
- c. Molly Melloh mentioned that EdOps is working with the school in obtaining financing with a charter school lender in the district. City First Bank is the school's bank and is expecting a loan application.
- d. Mark Medema inquired about whether the 2- year interest only period was necessary in this transaction.
- e. Molly Melloh indicated that the pro forma did model the 2-year interest only period in its projections given the upcoming construction period.

### **3. Transaction Approved**



- a. Mark Medema asked for a motion to approve the request for a \$2,000,000 direct loan and \$1,000,000 credit enhancement.
- b. Sara Batterton 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. None.

**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.