

**VMCS SPECIAL BOARD MEETING MINUTES
WEDNESDAY, OCTOBER 23, 2024, AT 5:30 P.M.
412 W. Carl Karcher Way
Anaheim, CA 92801**

1. OPEN GENERAL SESSION

Procedural: 1.1 Establishment of Quorum

5:35 p.m.

Roll Call	Present	Absent
Anderson	X	
Bonenberger	X	
Farukhi	Late	
Nelson	X	
Rhee	X	

Procedural: 1.2 Pledge of Allegiance

Action: 1.3 Approval of the Agenda

Recommended Action: This agenda has been posted within the 24 hours required by the Brown Act for a Special Board Meeting.

Motion: Anderson		Second: Rhee
Roll Call	Aye	Nay
Anderson	X	
Bonenberger	X	
Farukhi	Late	
Nelson	X	
Rhee	X	
Item Passes – Vote: 4/4		
Item Does Not Pass – Vote:		

Procedural: 1.4 Public Comment on Open Session Agenda

None

2. CONSENT (ONE VOTE)

Action (Consent): 2.1 October 9, 2024, Board Meeting Minutes

Recommended Action: Consent section items are for routine matters that do not require discussion or deliberation by the Board. The consent calendar permits the Board to approve multiple items by one action. All Board members have the right to remove a consent item from the consent calendar so that normal discussion and deliberation may take place.

Motion: Anderson		Second: Nelson
Roll Call	Aye	Nay
Anderson	X	
Bonenberger	X	
Farukhi	Absent	
Nelson	X	
Rhee	X	
Item Passes – Vote: 4/4		
Item Does Not Pass – Vote:		

3. EXECUTIVE DIRECTOR REPORT -- DEBRA J. SCHROEDER

Information: 3.1 Update on New Facility

Nelson and Schroeder provided an update, and then turned introduced Will Fossil from Ziegler to provide the Board with background information about bond financing.

Information: 3.2 Structure for Tax-Exempt Bond Transaction

Will Fossil presented via Zoom. He explained that on Monday, October 21, 2024, the offering was printed in preparation for the presentation to potential investors. The tax-exempt bonds for this project involve a 30-year fixed rate for \$11,500,000, with an early buy-out option. California charter school bonds are popular with investors because of the double exemption -- no state and no federal taxes. At this time, there are still some outstanding pieces that need to get resolved (e.g., lot line adjustment, parking agreement, building permits, etc.). Because of this, it is advisable to reassure the investors that they will not lose any of their investment with a set aside of \$550,000 to cover costs to investors if the project does not occur. Under this scenario, there is a need to close escrow by March 1, 2025. Fossil also fielded questions from Board Members.

Information: 3.3 Support Needed for Contractor Bidding Process

It was determined that a bidding process needed to occur to select the contractor for this project. This needed to occur expeditiously, so JLL was selected to complete the process.

Information: 3.4 Support Needed from Digital Assurance Certification, LLC

In preparation for receiving and tracking the requirements of the bonds, support from Digital Assurance Certification, LLC was sought out. With Board approval, an agreement will be signed.

4. ACTION ITEMS

Action: 4.1 Approval of Structure for Tax-Exempt Bond Transaction to Make Contribution to Trustee Escrow

RECOMMENDATION: It is recommended that the VMCS Board of Directors approves the structure to the tax-exempt bond transaction to make a contribution to the trustee escrow to address investor risk by covering costs of issuance and other costs.

RATIONALE: Because there are some areas that are incomplete in the description of the modernization project, it is important to reduce financial risks to potential investors to make the proposed project more marketable.

Motion: Nelson		Second: Bonenberger	
Roll Call	Aye	Nay	
Anderson	X		
Bonenberger	X		
Farukhi	Absent for Vote		
Nelson	X		
Rhee	X		
Item Passes – Vote: 4/4			
Item Does Not Pass – Vote:			

Action: 4.2 Ratification of Support for Contractor Bidding Process by JLL

RECOMMENDATION: It is recommended that the VMCS Board of Directors ratifies the support for the bidding process by JLL.

RATIONALE: This was a form of support that was needed immediately, so the decision to sign a contract with JLL was made prior to Board approval, but ratification is now sought from the Board.

Motion: Rhee		Second: Anderson	
Roll Call	Aye	Nay	
Anderson	X		
Bonenberger	X		
Farukhi	Absent for Vote		
Nelson	X		
Rhee	X		
Item Passes – Vote: 4/4			
Item Does Not Pass – Vote:			

Action: 4.3 Approval of Support from Digital Assurance Certification, LLC

RECOMMENDATION: It is recommended that the VMCS Board of Directors approves the contracted services from Digital Assurance Certification, LLC, to ensure that the proper record keeping and reports are completed.

RATIONALE: While ICON School Management and the School staff could complete the record keeping and reports associated with the post-issuance of the bonds, the cost of DAC is reasonable and the services will be helpful.

Motion: Bonenberger		Second: Nelson
Roll Call	Aye	Nay
Anderson	X	
Bonenberger	X	
Farukhi	Absent for Vote	
Nelson	X	
Rhee	X	
Item Passes – Vote: 4/4		
Item Does Not Pass – Vote:		

5. BOARD COMMENTS

Procedural: 5.1 General Comments

Rhee provided positive feedback on school's progress.

Nelson reminded the Board members on the need for oversight in terms of the bonds and the construction process.

Information: 5.2 Next Board Meeting: Wednesday, November 13, 2024, at 5:30 p.m. This meeting will be in-person.

6. BOARD ADJOURNMENT

Procedural: 6.1 Board Adjournment: 6:44 p.m.

Motion: Anderson		Second: Rhee
Roll Call	Aye	Nay
Anderson	X	
Bonenberger	X	
Farukhi	X	
Nelson	X	
Rhee	X	
Item Passes – Vote: 5/5		
Item Does Not Pass – Vote:		