

**High School for Recording Arts
Board of Directors Special Meeting Minutes
Wednesday, September 9; 9:00 am**

Board Members in attendance: Paula Anderson, Tonya Draughn, Wayne Jennings, and Carei Thomas. Absent: Darryl Young. Ex Officio and others: Education Director Anthony Simmons; David Ellis and Bonita Hughes of Studio 4; Andrew Adelman of Designs for Learning; attorney John Cairns

Note: All votes were unanimous unless otherwise stated.

1. Call to order – the meeting was called to order by the Chair, Jennings, at 9:05 with Anderson, Draughn and Thomas also in attendance. The meeting was called for the purpose of approving documents having to do with building purchase.
2. Approve meeting Agenda – approved as presented, by Common Consent
3. Address building purchase-related financial matters – document was distributed to the Board, electronically in advance of the meeting, and in hardcopy at the meeting: Resolutions by the Board of Directors of High School for Recording Arts: Resolution Regarding IRS Post-Closing Procedures Re: (not to exceed) \$8,000,000 HRA of the City of St. Paul, Minnesota Charter School Lease Revenue Refunding Bonds Series 2015A and (not to exceed) \$300,000.

Cairns advised the Board that this document which acknowledges reporting obligations, is required to meet IRS regulations. Board reviewed. Reporting will be managed by Bonita Hughes and Designs for Learning. There is an equivalent Resolution to be approved by the Building Company board. **Jennings moved adoption of the post-closing procedure resolution; seconded by Thomas, and carried.**

Closing can take place 21 days after the Resolution is approved, so this will be planned for Sept. 29 or 30; will require a representative of the school and of the building company board. Cairns advised the Board that bond-buyers may want to visit the school; they would be accompanied by Dick Ward who will be selling the bonds.

A second document distributed to the Board: Criteria Reference #25, reporting that Standard & Poor's Ratings Services has assigned its 'B' rating to the Housing & Redevelopment Authority of the City of St. Paul's lease revenue refunding bonds issued for HSRA. Cairns reviewed for the Board; the document lists risks associated with the bonds, relating to HSRA's status as a charter school; and also factors mitigating the risks. Dick Ward joined the meeting via phone-conference for discussion of the Criteria Reference document. He does not anticipate difficulty selling the bonds. Interest rates are anticipated to be slightly higher than previously expected due the 'B' rating. Cairns advised the Board, efforts are underway to get Standard & Poor's to deduct extraordinary (one-time) costs from FY2014 from their calculations, which would improve HSRA's financial figures for that year.

4. Building Company accounting contract – proposed Designs for Learning Contract for Consulting Services was distributed to the Board, electronically in advance of the meeting, and in hardcopy at the meeting.

Proposed are Finance Support for the Building Company, estimated at \$5,000; and Finance Support for the Building Company's audit preparation, estimated at \$2,000. This item is informational to the HSRA board. It was clarified that the cost is based on \$50/hour. Cairns advised the Board that costs such as this are built into the rent that HSRA will pay the building company.

5. Other business – there was none.

The meeting was adjourned at 10:05.