

Minutes-Approved
Ocean Charter School Board Meeting
May 5, 2016

Called to order by Joshua Dome, Chair and convened at 7:05pm.

Board members present: Joshua Dome, Edward Eadon, Sue Ingles, Jason Haas, Lori Andrade, Mark Galanty and November McIlhargey.

A quorum was present.

Also present was Executive Director Stephanie Edwards, Director Kristy Mack-Fett, and Gordon Engstrom of Excellent Education.

The board convened to closed session at 7:06pm.

CLOSED SESSION: Board Members and Administration Only

Pursuant to California Government Code Section 54956.8 – Conference with Real Property Negotiators regarding APN # 4223008003 and # 4223008004 – OCS Negotiators: Stephanie Edwards and Kristy Mack-Fett and OCS Board of Trustees Chairman, Joshua Dome.

Pursuant to section 54957.6 Conference with Labor Negotiator – Agency designated representatives: Chastin Pierman, Stephanie Edwards and Kristy Mack-Fett.
Employee Organization: OCTA.

The board reconvened to open session at 8:09pm.

There were no action items to report from closed session.

Open Forum

Joshua Dome shared a quote from Rudolf Steiner.

MOTION: Joshua Domes moved to switch agenda items 5 Finance and 6 Board Composition and Committee Structure. Jason Haas seconded the motion. Lori Andrade, Joshua Dome, Edward Eadon, Mark Galanty, Jason Haas, Sue Ingles and November McIlhargey voted in favor. Motion passed.

Board Composition and Committee Structure

Joshua Dome gave a brief introduction for Board candidate Michael Krutz who has experience financing construction projects as VP of Finance for Alliance College-Ready Public Schools.

Minutes-Approved
Ocean Charter School Board Meeting
May 5, 2016

MOTION: Mark Galanty moved to appoint Michael Krutz to a 3-year OCS Board seat through June 30, 2019. November McIlhargey seconded the motion. Lori Andrade, Joshua Dome, Edward Eadon, Mark Galanty, Jason Haas, Sue Ingles and November McIlhargey voted in favor. Motion passed.

The Board reviewed the terms of Board members Joshua Dome and November McIlhargey, who will expire at the end of this year. Both members expressed an interest in continuing to serve on the OCS Board of Trustees.

MOTION: Jason Haas moved to appoint November McIlhargey to a 3-year Community seat and Joshua Dome to a 3-year Parent seat, both through June 30, 2019. Mark Galanty seconded the motion. Lori Andrade, Joshua Dome, Edward Eadon, Mark Galanty, Jason Haas, Sue Ingles, Michael Krutz and November McIlhargey voted in favor. Motion passed.

November McIlhargey discussed timing and process for upcoming elections for the ACG Board seat and ACG Governor (non-Board) seat. Parent Renee Dwyer offered to assist with the elections.

Jason Haas reviewed existing OCS Board Committees and structure. Board Committees must follow the Brown Act and require two Board members, whereas Task Forces do not. Currently we have Finance, Governance and the Audit sub-committee as Advisory Committees, and Hearing Board as a Standing Committee comprised solely of Board members. Mark Galanty, Jason Haas and November McIlhargey are members of the Site Task Force. Joshua Dome and Michael Krutz are not formally Site Task Force members but will be involved as needed.

Per the OCS Bylaws, the OCS Vice Chair is the head of the Governance Committee and the OCS Treasurer is the head of the Finance Committee.

To become a voting member of the Finance and Governance Committees, someone must be a non-voting member for one year and bring expertise to the committee.

The OCS Fiscal Policies and Procedures define the role of the Finance Committee in the budget process. Finance is responsible for collaborating with OCS Administration to challenge assumptions and fully vet various options and scenarios, then present a proposed Budget to the Board. The Board has final approval of the Budget. Sue Ingles emphasized the benefit of the Board Treasurer working closely with OCS Administration and Excellent Education throughout all finance and budget discussions. Jason Haas noted that ideally members of the Finance Committee will also represent faculty, staff and parents.

Finance

Minutes-Approved
Ocean Charter School Board Meeting
May 5, 2016

Gordon Engstrom of Excellent Education presented the revised 2015-2016 Budget, which is no longer forecasted at a loss, but rather a \$4,500 gain, based on an anticipated corporate gift. The Board agreed to delay approval of the revised budget.

Sue Ingles stated that the Finance Committee has not fully vetted the proposed 2016-2017 Budget as presented by the OCS Administration. Gordon reviewed the draft 2016-2017 Budget, including the impact of Prop 1D funds, the removal of SB740 due to no longer renting a non-LAUSD site, and a \$750,000 capital campaign for 4 years from 2016 through 2020, as well as the assumption that 2018-2019 is the year OCS will occupy its new site.

The Board agreed to delay the review of the Educator Effectiveness Grant Spending Plan.

ACTION ITEM: Lori Andrade will determine attendance for a May 17 or May 18 meeting, as the Board will need to meet again prior to May 19, 2016 to approve site documentation and the revised 2015-2016 Budget, as well as review the Educator Effectiveness Grant Spending Plan.

Sue Ingles reviewed changes to the OCS Fiscal Policies and Procedures.

MOTION: Sue Ingles moved to approve the OCS Fiscal Policies and Procedures as amended on May 5, 2016. Jason Haas seconded the motion. Lori Andrade, Joshua Dome, Edward Eadon, Mark Galanty, Jason Haas, Sue Ingles and November McIlhargey voted in favor. Michael Krutz abstained. Motion passed.

Site

Jason Haas briefly reviewed the resolutions of the OCS Board document regarding the Panama Street Project. Secretary Lori Andrade executed the document.

MOTION: Jason Haas moved to approve the resolutions of the OCS Board of Directors for the Panama Street Project dated May 5, 2016 as set forth in Exhibit A. Mark Galanty seconded the motion. Lori Andrade, Joshua Dome, Edward Eadon, Mark Galanty, Jason Haas, Sue Ingles, Michael Krutz and November McIlhargey voted in favor. Motion passed.

MOTION: Joshua Dome moved to authorize OCS Executive Director Stephanie Edwards to execute the 1-year lease extension with Marina Christian Fellowship for its Mar Vista campus. Jason Haas seconded the motion. Lori Andrade, Joshua Dome, Edward Eadon, Mark Galanty, Jason Haas, Sue Ingles, Michael Krutz and November McIlhargey voted in favor. Motion passed.

Minutes-Approved
Ocean Charter School Board Meeting
May 5, 2016

Directors Report

OCS has applied for the first time and met the criteria for WASC accreditation.

Approval of Minutes

The Board agreed to delay the approval of the minutes from the April 7, 2016 and April 14, 2016 Board meetings until the June meeting.

Setting of Next Agenda

The next regular board meeting is scheduled to begin at 7pm on June 2, 2016.

Joshua Dome adjourned the meeting at 10:17pm.

Exhibit A

OCEAN CHARTER SCHOOL
RESOLUTIONS OF THE BOARD OF DIRECTORS
(Panama Street Project)

WHEREAS, Ocean Charter School, a California nonprofit public benefit corporation (“OCS” or the “Corporation”), is organized for charitable purposes;

WHEREAS, OCS operates a public charter school known as Ocean Charter School (the “School”).

WHEREAS, OCS proposes to operate the School on real property (the “Property”) commonly known as 12870 Panama Street, Los Angeles, California 90066;

WHEREAS, OCS proposes to purchase the Property from Teledyne Technologies Incorporated, a Delaware corporation (“Seller”), pursuant to an Agreement of Purchase and Sale and Escrow Instructions dated as of January 20, 2016, by and between Seller and OCS, as the same may be amended from time to time, and to develop the Property into charter school facilities for use by the School;

WHEREAS, OCS proposes to acquire and develop the Property substantially in accordance with the project budget attached hereto as Exhibit A;

WHEREAS, OCS proposes to finance its acquisition and development of the Property in part from proceeds of grants and loans made and, subject to the satisfaction of certain conditions, to be made to OCS by the State of California pursuant to the Charter School Facilities Program Funding Agreement (“CSFP Funding Agreement”) between the State of California and OCS;

WHEREAS, OCS has received an advance apportionment of \$7,540,000 of the funds to be provided to OCS under the CSFP Funding Agreement;

WHEREAS, pending OCS’s receipt of the remaining funds to be provided to OCS under the CSFP Funding Agreement, OCS proposes to finance its acquisition and development of the Property in part from proceeds of a loan (the “Loan”) to be made pursuant to a Loan Agreement (the “Loan Agreement”) between the California School Finance Authority (“Authority”) and OCS relating to California School Finance Authority Charter School Grant Anticipation Notes (Ocean Charter School), Series 2016 (the “Notes”) to be issued by the Authority in a maximum amount not to exceed \$23,000,000;

WHEREAS, OCS proposes to secure repayment of the Loan with a pledge of its rights to receive further funding under the CSFP Funding Agreement and with a security interest or mortgage encumbering OCS’s interest in the Property, in each case subject to the terms and provisions of the CSFP Funding Agreement;

WHEREAS, OCS proposes, pursuant to Section 17199.4(a)(1) of the Education Code of the State of California, to participate in the intercept mechanism described therein (the “Intercept”) to secure payment of the principal of and interest on the Notes in amounts equal to the Loan repayments; and

WHEREAS, the Board of Directors of the Corporation (the "Board") finds it to be fair, reasonable, in the best interest of the Corporation and in furtherance of the charitable purposes of the Corporation that the Corporation shall take all actions necessary or advisable to facilitate the foregoing transactions (collectively, the "Transactions");

NOW THEREFORE, BE IT RESOLVED, that the Board approves the Transactions and authorizes the execution, delivery and performance by the Corporation of all such documents, instruments and agreements as may be necessary or advisable to facilitate the Transactions (collectively, the "Transaction Documents");

RESOLVED FURTHER, that the Board hereby approves, confirms, and ratifies the election of the following individuals to the offices of the Corporation set forth after their names, to serve at the pleasure of the Board:

Joshua Dome	Chairman
Jason Haas	Vice Chairman
Lori Andrade	Secretary
Sue Ingles	Treasurer

RESOLVED FURTHER, that the Board appoints Executive Director Stephanie Edwards and the officers of the Corporation, and each of them individually (each, an "Authorized Signatory"), as an authorized signatory of the Corporation for purposes of executing the Transaction Documents on behalf of the Corporation;

RESOLVED FURTHER, that, pursuant to Section 17199.4(a)(1) of the Education Code of the State of California, the Board hereby elects to participate in the Intercept to secure payment of the principal of and interest on the Notes in amounts equal to the Loan repayments, and the Authorized Signatories, and each of them individually, are authorized and directed, for and in the name and on behalf of the Corporation, to provide notice to the State Controller of the State of California or other applicable state agency of the State of California of such election of the Board;

RESOLVED FURTHER, that the Authorized Signatories, and each of them individually, for and in the name and on behalf of the Corporation, are authorized and directed to review, approve, declare final, execute and deliver such purchase and sale agreements, assignment and assumption agreements, escrow agreements, bond purchase agreements, indentures, loan agreements, promissory notes, deeds of trust, security agreements, tax certificates, preliminary and/or final offering memoranda, preliminary and/or final official statements, continuing disclosure agreements, intercept notices, assignments, indemnification agreements, guaranties, subordination agreements, letters of representation, and other documents, agreements, instruments, certificates or amendments to any of the forgoing in such form as such Authorized Signatories may approve, and with such changes as such Authorized Signatories may approve, as necessary or advisable to facilitate the Transactions (the execution and delivery thereof by any such Authorized Signatory to be conclusive evidence of his or her approval of any such document, agreement, instrument or amendment);

RESOLVED FURTHER, that the Corporation may retain the law firm Musick, Peeler & Garrett LLP to advise and represent the Corporation in connection with the Transactions;

RESOLVED FURTHER, that the Corporation hereby ratifies and confirms the acts of its officers, agents or employees taken on behalf of the Corporation in connection with the Transactions;

RESOLVED FURTHER, that by the adoption of these resolutions, the Board hereby reconfirms, ratifies and adopts all prior actions of the Board which may have previously been taken in connection with the Transactions;

RESOLVED FURTHER, that all prior resolutions of the Board or any parts thereof in conflict with any or all of the foregoing resolutions are hereby repealed to the extent of such conflict;


RESOLVED FURTHER, that these resolutions shall take effect and be in full force immediately after their adoption by the Board; and

RESOLVED FURTHER, that the Authorized Signatories, and each of them individually, for and on behalf of the Corporation, are hereby authorized and empowered, to approve, execute and deliver any and all documents, instruments and agreements, and to perform or cause to be performed any and all acts as may, in their judgment, be necessary or desirable to accomplish the purposes of the foregoing resolutions and the transactions contemplated thereby and by the agreements therein approved, and any such documents, instrument or agreements so executed and delivered or actions taken by them or any of them shall be conclusive evidence of their authority in so doing.

Certificate of Secretary

The undersigned certifies that the undersigned is the duly appointed and acting Secretary of Ocean Charter School (the "Corporation"), a California nonprofit public benefit corporation, and that the foregoing Resolutions were duly adopted by the majority vote of the directors of the Corporation then in office at a meeting of the board of directors of the Corporation duly held on MAY 5, 2016, in compliance with the bylaws of the Corporation and in compliance with the notice, agenda, and open meeting requirements of the Ralph M. Brown Act, and while a quorum was present.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Corporation this 5th day of MAY 2016.



LOPI R. ANDRADE, Secretary