



**Inspired Teaching**  
Demonstration School

**Board of Directors Meeting**  
May 4, 2022  
12:00 - 2:00 p.m. ET (via Zoom)

**In attendance:** Maureen Ingram, Joanne Irby, John Leibovitz, Lucy Newton, Sundai Riggins, Pete Weber, Rusty Wilson

**Delayed in Joining:** Andrea Browning (12:30), Aleta Margolis (12:25, departed 1:05pm)

**Absent:** Michelle Lerner

**Staff:** Kate Keplinger, Seth Biderman

**Minutes by:** Joanne Irby, Board Secretary

**Called to Order: 12:07 pm**

**Approval of Minutes:**

Motion to Approve the Minutes from the March 7, 2022 Board Meeting.  
Approved without objection.

**Committee Reports**

- **Executive Committee**
  - Executive Committee proposed having a mini-retreat to close out the year
  
- **Nominations and Governance Committee**
  - We have an outstanding candidate that we've worked with before, the Committee will vote on their nomination
  - We have 6 other referrals that have come from Board members, whom the Committee will revisit
  - Education Board Partners has a Leadership Academy, an initial inaugural class that we'll be able to pull from; strong cohort, local to DC, all interested in being on public charter school boards
  - All of this will be helpful as we work on filling gaps left by Board departures
  
- **Demonstration and Fundraising**
  - John sent an email to the Board re the Inspired Evening, this Saturday 5/7
  - We sent an ask that each Board member make a contribution as part of this Spring Giving season
  - Dr. Riggins is working on some programming re the school's Demonstration mission, will share during update

- **Finance and Business Oversight Committee**
  - Two votes today: a refinancing of our existing construction debt, and a buy out of our partner in the incubator, Building Pathways
  - Rusty reviewed the history of the school's financing and lease of the building, dating back to 2014
  - Refinancing of our construction debt
    - Loan came due in 2019, we did a series of short term financing to extend it
    - Debt was \$12M but now \$10M
    - Intention was to extend lease and refinance debt on better terms
    - Took 4 years to get the lease extension, working with the city and the bank
    - New loan takes us to 2072: 32 year initial, and 25 year potential extension
  - Buying out Building Pathways, our partner in the incubator
    - Will repay the the \$600K initial contribution to the LLC
    - We will repay for additional operating cost of \$512K that they've incurred over the years
    - \$12K for additional fees
    - Total is projected as \$1.126M, pending final reconciliation
    - Bank account has \$1.7M in it, so the remaining \$500K will go to the school
    - As of June 4, we'll need to contract with Building Pathways, pay them a market fee to continue managing the facility, until we hire staff or a firm to do it
  - We are navigating higher interest rates now, due to the delay in getting the new lease approved and the bond approval
  - However, the school's strong financial position has allowed us to get a favorable review from Standard & Poors, we'll know today if we're deemed "investment grade"
  - Bonds will be issued on the public markets, projecting a 5% interest rate; will close on them June 2nd. We've been approved for \$17M, but will only need to do \$10M
  - We'll be sufficiently cash-flow positive such that we can complete the basement rebuild in a couple years, after the supply chain revisions
  - Our fees on the bond issuance will be \$400-\$500K, for legal, bank, etc.. fees
  - 30-year bond term; Rusty will circulate the amortization schedule
  - Morris raised the issue of needing to focus on this in every finance Committee, as we will have SEC disclosure requirements because of the bonds
  - We have 205 days of expenses in the bank, well beyond the PCSB target of 45 days; Now that the buy-out and covid upgrades are resolved, we need to redirect those resources into helping our kids and the school
  - Morris raised the question of paying out earlier; Ed Ops will still remain our financial advisor to manage the debt in the most advantageous way possible

**Motion: Approval of finalizing a Resolution for the Bond Issuance of up to \$12M**

*Approved without objection*

**Motion: Purchase the interest of CSII (Building Pathways) from Shaed School LLC of up to \$1.128M to be paid for by the Shaed LLC bank account, and engaging with Building Pathways to continue to move forward with operations in the intermediate period, and for the Finance Committee to eventually dissolve the LLC;**

*Approved without objection*

- Board shared appreciation for Rusty's extensive work on this
  
- **Academic Committee**
  - Next meeting will be on end of year data
  - Academic Committee would like to meet with the Equitable Access Committee sometime in the next month to get a sense of what the Committee is learning

### **Head of School Update**

Presentation on principal selection process, the new structure, and high school update

- Reviewed a proposed new leadership team structure, elevating a new Head of Academics role
- Discussed interaction/ engagement around new structure
- Survey and feedback from staff of what was important to them in the new principal
- Seth Biderman discussed the high school application process and the support that the school provides to Middle School families, as well as some of the data around placements from the last couple of years

**Meeting Adjourned at 2:10pm.**