

Minutes from the Board Meeting of the ISLA Affiliated Building Company ("ISLA ABC")

Held on January 28, 2016

Board Members in Attendance: Andy Babula, Jen Dellmuth, Natalie Wobbema

Guests in attendance: Jeremy Perrin

The meeting commenced at 5:30 pm.

The following topics were discussed during the meeting:

1. The Board provided Mr. Perrin a brief background on the ABC and the purchase of the current building.
2. November 2, 2015 minutes. After minor edits were made to the minutes, Ms. Dellmuth moved to approve the November 2, 2015 minutes as revised. Ms. Wobbema seconded. The minutes were approved by unanimous vote.
3. Audited financial statements. The ABC Board noted that it approved the audited financial statements via email in December 2015.
4. Wall/Roof Leak. Mr. Babula spoke with Mr. Brendalen and Tom Goering (a General Contractor who is a business associate of Mr. Brendalen and Mr. Gitler). We believe a portion of the wall is pushing out, leaving space behind it where water can leak down the interior wall of the building. This is happening on both the south and the west sides of the building. One theory is that rubber membrane of the roof may be shrinking due to the heat, pulling in a part of the parapet, which pushes out another part. We have one estimate to repair this issue, which is in the range of \$150,000 for the full south and west sides (\$99,000 for the parapet repair and the additional for the portions of the roof membrane). If the roof membrane is actually contracting, then we should replace the whole thing, because it will continue to contract. If we need to replace the whole membrane, this would significantly increase the cost. Mr. Babula seeking additional estimates. We may call an additional meeting of the ABC Board prior to the next scheduled meeting to review additional estimates.
5. Donation to ISLA. Given the issues with the wall/roof, ABC will be unable to make the previously discussed \$6,000 donation to the school.
6. Reporting Requirements.
 - a. Ms. Wobbema also completed the required renewal with the Secretary of the State.
 - b. All required financial reporting is up to date.
 - c. Ms. Wobbema has not yet been able to determine whether the MDE letter confirming Lease Aid has been sent to MB&T. She will continue to follow up on this obtain a copy for ABC records.
 - d. Ms. Wobbema has provided IFF proof of ABC's annual Secretary of State filing.
 - e. Mr. Babula will provide IFF with certified copies of ABC's insurance coverage on or before January 31, 2016.

- f. We believe MMKR (our accounting firm) has obtained an extension for our Form 990 to February 15, 2016. MMKR has all of the information needed from ABC to complete the Form 990. If necessary, we can seek an additional extension to May 15, 2016. If the Form 990 is completed prior to our next meeting, Natalie will circulate the Form 990 for email approval.
 - g. ISLA ABC has submitted an Institution of Purely Public Charity Property Tax Exemption Application to the state to reaffirm its tax-exempt status. There is some uncertainty as to whether this is the appropriate form, so we also will submit a separate property tax exemption renewal.
7. Financial Statements. The Board reviewed the financial statements for the six months ending December 31, 2015. The Bank pulled the January rent on December 31, which is why it is included on the 2015 statement. As the statement reflects, ABC has been able to increase its cumulative fund balance to more than \$135,000 in the just over one year since we purchased the building. As expected, this leaves funds available for unplanned building expenses without impacting the school's operating budget. Ms. Wobbema moved to approve the financial statements for the six months ending December 31, 2015. Mr. Babula seconded. Motion carried unanimously.
 8. Easements. There has been no action on the Easement since the last meeting. Mr. Babula will provide the Board with an update when he receives further information.
 9. Insurance. All of our insurance coverage is current. The Board reaffirmed that it will obtain quotes from alternate providers starting in October 2016. Ms. Wobbema will review the Lease to determine the insurance requirements for both ISLA and ABC, including any requirements that they are interrelated.
 10. Board positions. The ABC Board positions all expire on June 30, 2016. Ms. Dellmuth and Ms. Wobbema have agreed to remain on the board at this time. The Board agreed that we will reach out to the ISLA community to find individuals interested in sitting on the ABC Board for next year.
 11. Future meetings. Due to scheduling conflicts, we will have our next meeting on Tuesday, April 26, 2016 at 5:30 pm. Ms. Dellmuth will inform Ms. Smith of the chance so the school calendar can be updated.
 12. Adjournment. Meeting adjourned at 6:55 pm.