

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

Held on June 22, 2016

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Board Members in Attendance: Andy Babula (left at 7:15 pm), Jen Dellmuth, Natalie Wobbema

Guests in attendance: Jeremy Perrin; Maria Cisneros (arrived at 6:00 pm)

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The meeting commenced at 5:45 pm.

The following topics were discussed during the meeting:

1. April 21 2016, minutes. Ms. Dellmuth moved to approve the April 21, 2016 minutes. Mr. Babula seconded. The minutes were approved by unanimous vote.
2. May 31, 2016, financial statements. The Board discussed the financial statements provided by Ms. Wobbema. The Board also discussed whether to include budget information with the financial statements going forward. Ms. Wobbema will discuss this with Mr. Mahlen. The Board also discussed the amount approved by the ISLA Board for lease payments, which is less than the amount the ABC planned to charge for the lease based on projected enrollment. The bank would like a copy of the Lease Aid application by June 30. The Board discussed providing the bank a draft Lease Aid application based on the ISLA Board's approved budget, but updating it once we have actual 2016-2017 enrollment. Mr. Perrin will ensure that the Lease Aid application can be submitted after July 1.
3. Welcome New Members. Effective July 1, 2016, Mr. Babula will step down from the ABC Board and Ms. Cisneros will become an ABC Board member. The Board welcomed Ms. Cisneros, and thanked Mr. Babula for his service to the ABC Board.
4. Reporting Requirements. Now that the budget was approved by the school, Ms. Wobbema will send it to MB&T as required. Once the June financials are approved, Ms. Wobbema will provide them to the bank.
5. Roof Update. Mr. Perrin provided the ABC board an analysis regarding necessary repairs for the roof provided by Larson Engineering, Inc. Mr. Perrin provided this analysis to the contractors he had previously contacted and additional contractors recommended by Larson Engineering. Response was again poor, but he ultimately received two estimates. Because of the significant difference in the price of the two bids, the Board agreed that it would be helpful to obtain more information if possible. However, if it continues to be difficult to obtain additional bids, the Board agreed that Mr. Perrin should have the authority to enter into a contract with the contractor providing the lower of the two bids. Ms. Dellmuth moved that the Board authorize Mr. Perrin to enter into a contract for roof repairs with the contractor he selects for up to a total cost of \$80,000. Mr. Babula seconded. The motion was approved by unanimous vote.
6. Easements. There has been no action on the Easement since the last meeting. Mr. Perrin stated that he anticipates having an update shortly. The Board also discussed how property

values may be impacted by the potential light rail statement and how this may impact the school in the future.

7. Grounds Plan. Mr. Perrin described the Grounds Plan which has been approved by the ISLA Board, including removing the asphalt behind the school and turning it into green space. The ISLA Board approved a budget of \$150,000 for the initial phase of these improvements. Ms. Wobbema moved that the ABC as landlord give ISLA consent to make alterations, improvements or additions to the premises per the Grounds Plan approved by the ISLA Board. Ms. Dellmuth seconded. The motion was approved by unanimous vote.
8. 2016-2017 Budget. Mr. Babula presented the proposed budget for the 2016-2017 fiscal year, and discussed a few minor changes to the budget as written: increasing the audit cost to \$4800, reducing the Planned Expenses (roof repair cost) to \$80,000, and increasing the Reserve to \$20, and changing Property Maintenance to \$13,581.68. Mr. Babula moved to approve the 2016-2017 budget as amended. Ms. Wobbema seconded. The budget (as amended) was approved by unanimous vote.
9. Lease Addendum. Ms. Wobbema presented a Memorandum Confirming Annual Base Rent (Exhibit B to the Lease), and moved that the ABC Board authorize her to execute it on behalf of ABC. Ms. Dellmuth seconded. Motion was approved by unanimous vote. Ms. Wobbema and Mr. Perrin executed the document. The Board agreed to revise the Lease Addendum once there is a final headcount of students for the 2016-2017 school year.
10. Officer election. The Board unanimous nominated Ms. Wobbema to serve as President, Ms. Cisneros to serve as Treasurer, and Ms. Dellmuth to serve as Secretary for the 2016-2017. All accepted the nominations and the slate was unanimously approved.
11. Conflict of Interest statements. Ms. Wobbema distributed Board Member Annual Disclosure Statement Concerning Possible Conflict of Interest forms for execution by the ABC Board members for 2016-2017.
12. Insurance. Ms. Cisneros agreed to investigate potential providers for ISLA ABC insurance policies; the current policies expire Oct 2016.
13. Energy Audit. Mr. Perrin arranged for an electrical company to conduct a free energy audit, which identified \$14,000 in potential annual energy savings. The cost for all of the improvements would be approximately \$55,000; through rebates this would cost approximately \$45,000. The Board discussed whether this would be the responsibility of the school or ABC. Mr. Perrin will provide additional information to the Board at the next Board meeting.
14. Next meeting. The next ABC Board meeting has been scheduled for September 14, 2016 at 5:30 pm in the ISLA conference room.
15. Adjournment. Meeting adjourned at 7:25 pm.