



JUMOKE ACADEMY CHARTER SCHOOLS

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SPECIAL BOARD MEETING MINUTES

Zoom Only Session

“25 YEARS STRONG...KEEP ON KEEPING ON.”

August 9, 2022 - 11:30 am

Meeting ID: 897 8752 6573 - **Passcode:** r5us76

Board Members Present:

James Michel – Board Chair

Janelle Lester – Community Representative

Myron Stewart – Community Representative Treasurer

Thomas Smith – Community Representative Secretary

Damien Pittola – Community Representative

Staff Present: Troy A. Monroe, Arnel Hines, Joleen Fernandez, Maureen Damaschi, Dean Barry, Principal Green, Donna Williams, Principal Reid, Principal Johnson, Dean Bynoe, Dr. Gordon-Hall and Tanisha Whitter.

Guest present: Sylvia(parent), Sashana.

The Board of Directors meeting was called to order at 11:34 am by the Board Chair.

I. OPENING

There were no public comments.

II. BOARD CHAIR COMMENTS

The Board Chair thanked all members of the board for their commitment and support to attend this special meeting. He emphasized that we understand that the board is taking time out of their busy schedule and their commitment is very much appreciated. The Board Chair provided an overview of the agenda and ask the board to support the vote. He encouraged members of the board to ask qualifying questions to ensure that they have a clear understanding of the necessity of the meeting and the vote.

III. EXECUTIVE DIRECTOR’S REPORT

PART A

Jumoke Academy Mortgage Refinance

Dr. Troy A. Monroe & Mr. Arnel Hines

Mr. Hines shared some historical data about the last loan:

- May 19, 2017, mortgage was signed with Bank of America
- The loan amount was \$3,039,330.44 for a 5-year term/20-year straight line amortization
- Fixed principal, with a floating interest rate
- Monthly principal = \$12,663.88 (\$151,967 annually) – which is our current budget
- The interest expense is \$6,458.33 per month (\$77,500 annually)
- The properties covered by the loan were:
 - 834, 842, 842R, 846, 852, and 875 Asylum Avenue.
 - 325 and 339 Blue Hills Avenue.
- Total charges and fees were \$4,185.00



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- The attorney assigned was Raipher, P.C. – V. Van Johnson III, Esq.

Current mortgage renewal information:

- Current mortgage is \$1,457,909
- The terms were discussed with the Board Treasurer on 7/22/2022
- As of 8/9/2022 the fixed rate is 5.71%
- 7-year term/20-year straight line amortization
- Fixed principal will be a savings of approximately \$6,000 per month (\$72,000 annually)
- The interest expense will increase by approximately \$6,000 annually
- Total projected savings will be approximately \$66,000 annually
- Total charges and fees from BOA will be approximately \$2,000
- The attorney assigned was Raipher, P.C. – V. Van Johnson III, Esq.
- A fixed rate is preferred vs. a floating rate as a fixed rate is more stable, versus a volatile floating rate, that could add increased budget risk
- Mr. Hines stated that if approved, he will look to build relationships with other lenders to be ready to switch when we approach the end of the 7-year term

The Finance Director made recommendation to the Board that the following mortgage be approved, after any questions were answered:

- Current mortgage renewal of \$1,457,909
- 7-year term/20-year straight line amortization
- Fixed principal with a projected **annual** savings of \$72,000
- Projected increase to interest expense approximately \$6,000 **annually**
- Total projected savings will be approximately \$66,000 **annually**

Board Chair asked board members if they have questions?

- Ms. Lester asked if any assets are being used for collateral? Mr. Hines stated no assets were being used for collateral
- Mr. Michel asked why the current mortgage is so much less than 5 years ago – from over \$3 million to just over \$1.4 million. Dr. Monroe explained the original mortgage included other properties which have since been sold and most of those proceeds were used to pay down the loan, and the rest was placed in reserve
- Ms. Lester asked about the equity in the buildings, and Mr. Michel followed up to ask about the appraised value in the buildings, and if the appraised value was less or more than the mortgage renewal value. We will not renew the mortgage if the buildings are worth less than the mortgage
- Mr. Hines was asked to send the value of the building and the appraisal
- Dr. Monroe asked if the board vote is contingent on Mr. Hines providing data on the value of the two buildings. Mr. Michel said the Board will vote on the premise that the appraised value exceeds the mortgage renewal amount. A few moments later Dr. Monroe and Mr. Hines shared the report on the building appraisal amounts from Bank of America for each of the middle schools:
 - 339 = \$1,960,000
 - 875 = \$2,310,000
 - Total appraised value = \$4,270,000



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Ms. Lester asked Mr. Hines if he spoke with other lenders prior to selecting Bank of America. Mr. Hines said he had not due to the great relationship we've had with BOA, and Dr. Monroe stated that the relationships are good to have, but it is always important to shop around.

Mr. Hines mentioned we have not made any loan prepayments in the past 5 years, but it has been talked about. We want to maintain our healthy cash position – over \$3 million. Also, we could incur prepayment penalties if interest rates drop below our mortgage agreement. That penalty amount is determined based on the rate of the decrease.

There being no further questions, the Board Chair called for a motion to vote on the mortgage renewal as presented by the Finance Director. Mr. Stewart moved for the vote on the Academy mortgage refinance, and this was seconded by Ms. Lester. The motion was carried unanimously.

IV. **SUB COMMITTEE REPORT**

N/A

V. **EXECUTIVE SESSION**

N/A

VI. **ITEMS FOR FUTURE AGENDA**

N/A

III. **ADJOURNMENT**

The Board Chair asked for a motion to end the meeting, Mr. Stewart moved for the adjournment of the meeting, and this was seconded by Mr. Pittola, the motion carried unanimously at 12:04 pm.

*The next Board of Directors meeting is scheduled for Tuesday, October 11, 2022, at 6:00 pm