



ABQ CHARTER ACADEMY

405 Dr. Martin Luther King Jr. Ave. NE
Albuquerque, NM 87102

GOVERNING COUNCIL MEETING (VIRTUAL)

Tuesday, April 28, 2020

5:00 pm

AGENDA

I. Call Meeting to Order

II. Opening Activities

- A. April 28, 2020 Agenda (Discussion/Action)
- B. March 24, 2020 Meeting Minutes (Discussion/Action)

III. Finance Committee Report

- A. Business Manager's Report – Sean Fry (Discussion)
- B. Approval of Cash Disbursements March 2020 (Discussion/Action)
- C. Approval of BAR 001-090-1920-0031-I (Discussion/Action)
- D. Approval of BAR 001-090-1920-0032-I (Discussion/Action)
- E. Approval of BAR 001-090-1920-0033-I (Discussion/Action)
- F. Approval of BAR 001-090-1920-0034-M (Discussion/Action)
- G. Approval of FY2020 3rd Quarter Outstanding Loans (Discussion/Action)
- H. Approval of ABQCA 2020-21 School Calendar (Discussion/Action)
- I. Approval of ABQCA 2020-21 Staff Salary Schedules (Discussion/Action)
- J. Approval of ABQCA 2020-21 School Budget (Discussion/Action)
- K. Approval of 2020-21NMPSIA Part-Time Resolution #2019/2020-003 (Discussion/Action)

IV. Executive Director Report

- A. Executive Director's Report – Erik Bose (Discussion)
- B. CONSIDERATION FOR APPROVAL TO ADJOURN TO CLOSED SESSION PURSUANT TO THE OPEN MEETINGS ACT NMSA 1978 (§ 10-15-1 (H)(8) REAL PROPERTY AND WATER RIGHTS) FOR THE PURPOSE OF DISCUSSING THE ACQUISITION OF REAL PROPERTY (401 EDITH BLVD. NE AND 405 MARTIN LUTHER KING JR. AVE. NE) PURSUANT TO A LEASE PURCHASE AGREEMENT**

C. Reconvene to Open Session

D. Statement of Closure

- E. Approval of Purchase and Sale Agreement for 401 Edith Blvd. NE and 405 Martin Luther King Jr. Ave. NE (Discussion/Action)
- F. Approval of Governing Council Resolution #2019/2020-002 Approving Form of Lease Purchase Arrangement to Acquire 401 Edith Blvd. NE and 405 Martin Luther King Jr. Ave. NW, Pursuant to the Public School Lease Purchase Act, NMSA 1978, Sections 22-26A-1, et seq. and to Proceed to Submit Lease Purchase Agreement to the New Mexico Public Education Department for Approval (Discussion/Action)
- G. Approval of Revised Banking and Investments Policy (Discussion/Action)

V. Public Comment

VI. Announcements

The next meeting is scheduled for May 26, 2020.

VII. Meeting Adjourned

Statement of Accessibility: Agenda and Minutes are available on our website.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter or any other form of auxiliary aid or service to attend or participate in the meeting, please contact Andrea Kepple at (505) 242-6640 or andrea.kepple@abqca.org at least three (3) days prior to the meeting or as soon as possible. Public documents, including the Agenda and Minutes, can be provided in various accessible formats. Please contact Andrea Kepple at the phone number or email address above if a summary or other type of accessible format is needed.

Due to the Covid-19 Pandemic and the restrictions that are in place per the Governor's office, ABQCA Governing Council meetings will be held via Zoom until further notice. The meetings will be password protected as a security measure but remain open to the public. Please contact Andrea Kepple at andrea.kepple@abqca.org for the sign-in credentials to join meetings.

**ALBUQUERQUE CHARTER ACADEMY
GOVERNING COUNCIL**

Resolution No. 2019/2020-002

Resolution Re: Lease Purchase Agreement with Option to Purchase Preliminary Approval Pursuant to NMSA 1978, §22-26A-6.

WHEREAS, the Albuquerque Charter Academy's Governing Council ("Council"), the governing body of Albuquerque Charter Academy, a public charter school ("School") authorized by the Albuquerque Public School District Board of Education, held a regular public meeting via the virtual platform Zoom Video Conferencing on April 28, 2020 at 5:00 p.m.; notice of the meeting was provided by law;

WHEREAS, the Council has determined that it is necessary and in the School's best interest to acquire from Rachel Matthew Development, Inc. ("Owner"), properties commonly known as 401 Edith Blvd. NE, in the City of Albuquerque, County of Bernalillo, New Mexico 87102 ("Edith Property"), and 405 Martin Luther King Jr. Ave. NE, in the City of Albuquerque, County of Bernalillo, New Mexico 87102 ("MLK Property"), through a lease purchase arrangement ("Agreement") as defined by the New Mexico Public School Lease Purchase Act ("Act"), NMSA 1978, §§22-26A-1, *et seq.*;

WHEREAS, the Council has determined that it in the School's best interest to accept the Owner's proposal to acquire the MLK Property and to merge the School's existing interest in that certain Public Education Department-approved "Lease with Option to Purchase Agreement" dated June 3, 2014 between the School (f/k/a "School for Integrated Academics & Technologies" or "SIATech")(the "MLK Lease") and RM405, LLC, into a new lease purchase arrangement for the School to acquire the Edith Property and MLK Property. The Council has ensured that the purchase price for the MLK Property as set forth in the Agreement attributes to the School the benefit of all previously made principal payments made under the MLK Lease.

WHEREAS, the Owner is a domestic business corporation organized and existing under NMSA 1978, 53-11-1, *et seq.*, the Business Corporation Act;

WHEREAS, the Council understands that the Owner will obtain financing ("Loan") from U.S. Eagle Federal Credit Union to acquire the Edith Property, the MLK Property, and to make the improvements as contemplated in the Agreement and for which the Owner will be solely liable;

WHEREAS, the Council, in connection with the Owner's acquisition of the Edith Property, MLK Property and construction of the improvements, has not entered into a pledge and covenant agreement whereby it is required to establish and maintain a depository account with a bank or other financial institution, into which account all education funding received by the School from the New Mexico Public Education Department ("Department"), including State Equalization Guarantee Distribution funding, State Lease Reimbursement Program payments, and other special funds and federal pass-through funding constituting revenue, whether adjusted or otherwise, are to be deposited in accordance with an account control agreement;

WHEREAS, the Council will not enter into a pledge and covenant agreement as it relates to the Loan, wherein it must agree to grant a security interest and assign to a third party bank or

other financial institution for the benefit of educational facility revenue bonds holders, any of the charter school's revenues or other assets, or the charter school's right, title, and interest in and to any agreements with the State of New Mexico for such revenues, or both;

WHEREAS, the Council has made a determination that as of April 28, 2020, the purchase price for the School Site (both properties) \$2,955,498.46 (Two Million Nine Hundred Fifty-Five Thousand Four Hundred Ninety Eight Dollars and 46/100) at an initial and maximum interest rate of eight percent (8%) subject to reduction if the interest charged to Owner on its Loan at closing is less than six percent (6%) is fair and reasonable based on the School's current and projected educational program needs. The Council has ensured that the interest rate does not exceed the maximum interest rate allowed pursuant to the Public Securities Act, NMSA 1978, §6-14-1 through 6-14-3;

WHEREAS, the Council has reviewed a summary of the terms of the proposed Agreement and determined that the terms and conditions of the Agreement are in the best interest of the School and are acceptable to the Council, if approved by the Department;

WHEREAS, the School is currently located at the MLK Property. The Edith Property is located to the east and adjacent to the MLK Property. The Council is familiar with the current campus and has had an opportunity to inspect the Edith Property and the Owner's plans for improvements as described in the Agreement. Based on this information, the Council has determined that the combined campus is suitable for the School's educational program as contemplated by its charter. Further, acquisition of the School Site as its long-term facility is in the School's best interest;

WHEREAS, the Council will, prior to executing the Agreement, submit it to the Department for approval, pursuant to the requirements of the Department, the terms of the Act, and the Charter Schools Act, NMSA 1978, §§22-8B-1, *et seq.*; and

WHEREAS, the Council has reviewed the Sources of Funds that will be used to make the required payments pursuant to the Agreement, which sources comply with NMSA 1978, §22-26A-7 and the Council is satisfied that the School has eligible funding to enter into the Agreement.

NOW, THEREFORE, be it resolved by the Albuquerque Charter Academy's Governing Council that:

(1) It is necessary and in the School's best interest to acquire from the Owner, the School Site that once combined will be located at 401 Edith Blvd. NE, in the City of Albuquerque, County of Bernalillo, New Mexico 87102, and 405 Martin Luther King Jr. Ave. NE, in the City of Albuquerque, County of Bernalillo, New Mexico 87102, through a lease purchase arrangement as defined by NMSA 1978, §22-26A-3(A);

(2) The costs and expenses of the School Site to be acquired, \$2,955,498.46 (Two Million Nine Hundred Fifty-Five Thousand Four Hundred Ninety Eight Dollars and 46/100), and the maximum interest rate of eight percent (8%) subject to reduction if the interest charged on the Loan at closing is less than six percent (6%) (which does not exceed the maximum interest rate allowed pursuant to the Public Securities Act, NMSA 1978, §6-14-1 through 6-14-3), are reasonable;

(3) The terms of the proposed Agreement are reasonable, acceptable, and in the best interest of the School;

(4) The source of funds to make the payments under the proposed Agreement have been identified from available and allowable funds;

(5) The Council will not be liable for the Loan incurred by Owner for purposes of acquiring the School Site;

(6) The Council will not pledge its revenue, nor commit the School's assets as security for purposes of repaying the Loan, nor will it establish or maintain a depository account into which the School's revenues from any source are deposited to be controlled by a trustee or any third party as it relates to repayment of the Owner's Loan.

(7) The Agreement, along with all required documentation, shall be forwarded to the Department for consideration and approval prior to its execution;

(8) The Council authorizes the School's Executive Director, with the support of the Council President, to respond to any additional requests for documents or information from the Department, to make all revisions required by the Department or as advised by School's legal counsel that do not change the material terms of agreement, and to take such other necessary steps to finalize the draft Agreement in consultation with the School's legal counsel; and

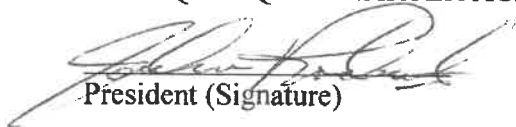
(9) The President of the Council shall have the authority to execute the Agreement if the required approvals are obtained from the Department and the Public School Facilities Authority.

The undersigned certifies that s/he is the duly elected President of the Albuquerque Charter Academy Governing Council and that the above is a true and correct statement of the Resolution that was duly adopted at a meeting of the Council, which was held in accordance with State laws and bylaws of the Albuquerque Charter Academy's Governing Council.

The motion was duly made, seconded, and 5 voted in favor, 0 against and 0 abstained; the motion carried.

By my signature below I certify that the foregoing Resolution constitutes a true and complete copy of the Resolution adopted by the Albuquerque Charter Academy Governing Council, at its April 28, 2020 regular meeting held over the virtual platform Zoom Virtual Conferencing.

ALBUQUERQUE CHARTER ACADEMY GOVERNING COUNCIL


President (Signature)

4-28-20
Date

Mr. John Rodarte


Secretary (Signature)

4/28/20
Date

Dr. Rhonda Seidenwurm