

MILLER CREEK EDUCATION FOUNDATION
(Formerly Dixie Education Foundation)
380 NOVA ALBION WAY SAN RAFAEL, CA 94903

APPROVED MINUTES: October 21, 2019 meeting held at Dixie School District Offices

PRESENT: Bob Gehlen, Brad Honsberger, Summer Offenbach, Alissa Chacko, Alyssa Morris, Tanya Michel, and Becky Rosales

ABSENT: Ginny Pheatt, Recording Secretary

1. **CALL TO ORDER:** Meeting called to order at 5:18pm.
2. **Approval of Agenda for the Dixie Education Foundation (the “Foundation”)**
Motion to approve the agenda by Honsberger, second by Morris.
Agenda approved, 5-0.
3. **Approval of Minutes from 3/14/19**
Motion to approve the minutes by Honsberger, second by Gehlen, with the following modifications/clarifications:
 - A. The Foundation investment account is not charged asset management fees.
 - B. Some trades were made in the Foundation investment account to reduce risk to the portfolio Reasonable transaction costs were incurred.
 - C. Correct typo (principle to principal).
 - D. CREBS are solar bonds. (See photo of the edits).

Minutes approved, 5-0.

4. **Recommendations for Foundation Name Change:**
Bob Gehlen opened this item with a proposal to align the name of the Foundation to the District.

Timeline and Cost: Bob Gehlen will consult with legal counsel for the Foundation to identify next steps. Bob Gehlen will consult with Ginny Pheatt, as recording Secretary for the Foundation, regarding contact information for counsel. Bob Gehlen stated that he believed that the filings should be straightforward, with minimal fees.

Motion by Honsberger, seconded by Morris, to change the name of the Foundation from Dixie Education Foundation to Miller Creek Education Foundation in order to align the Foundation name with the school District’s name.

Motion approved, 5-0.

5. **Protocol for Posting Foundation Meetings:** Open discussion on increasing transparency. Becky Rosales will ask counsel from Lozano-Smith for an opinion on whether the Brown Act is applicable to the Foundation. Once received, Becky Rosales will provide a summary and recommendations for moving forward. There is consensus for creating a general information website for the Foundation with a link to the Foundation website

from the District's website. The Foundation website would provide general information about the Foundation, some of its pertinent documents and meeting agendas.

6. Superintendent's Report/Distribution of Funds:
 - a. Smooth start to the school year. New staff in place are settling in well.
 - b. Miller Creek Middle School opened on time, with a relatively short punch list of items to finish up, all things considered.
 - c. District has been working on communication planning, trying to make sure we have a system that will allow us to email, texting, and calling parents
 - d. District website transition-expected in the next 30 days.
 - e. Board policies- workshop scheduled for Oct. 22—24 to review and draft updates all the Board Policies
 - f. Explanation of need
 - i. Bob Gehlen acknowledged receipt of the letter from Becky Rosales requesting consideration of a donation to the District in the amount of \$1.3 million to address necessary cost overruns for the Miller Creek Middle School modernization project.
 - ii. Brad Honsberger provided additional background information about the Miller Creek Middle School project.
 - iii. Alissa Chacko reported that the District is in line for state bond funds in the amount of approximately \$4-5 million, which are now expected in the next 12-24 months, according to the District's Bond consultant.
 - g. Questions/Comments:
 - How much would it cost to get a COP?
 - How about if the Foundation lends the money?
 - Historically the Foundation has followed a policy of donating an annual amount equal to approximately 5% of the principal amount of the Foundation investment account. This allows for slow growth over time, with the goal of perpetual existence.
 - Donating the requested amount (approximately $\frac{1}{3}$ of the principal amount of the Foundation investment fund), would significantly change the risk profile of the investment account and if annual donations remained at the \$200K level, would completely deplete the account in approximately 11 years.
 - What about making a bridge loan for cash flow purposes, until we have a more formal agreement to address the longer-term need.
 - How much is a bridge loan? Terms? Fair return. Foundation should charge the AFR for short term loans.
 - Bridge would fold into the overall loan.

h. Distribution of Funds

Motion by Gehlen, seconded by Morris, to approve a bridge loan in the principal amount of \$300,000-\$500,000, with an annualized interest rate of 2%, from the Foundation to the District, while a longer-term solution is developed for making a formal agreement for the \$1.3 million.

Motion approved, 5-0.

i. Fund Structure

Given uncertainty in the market and inverted yield curve, and to minimize risk, the Foundation should liquidate some of its investments in anticipation of loaning the District funds.

Motion by Gehlen, seconded by Morris, to liquidate necessary funds in the Foundation investment account in anticipation of loaning funds to the District.

Motion approved, 5-0.

7. Future Agenda

- a. Loan to District
- b. Timeline and costs associated with changing the name
- c. Report from superintendent on meeting protocols

8. Next Meeting

November 18, 2019 at 5:15pm in the library at the District Office.

9. Adjournment

Motion to adjourn made by Gehlen, second by Honsberger.

Motion approved, 5-0.