

Thursday August 31st at 2:30, Jason's Office

Attendees were Dan Hogan, Angela Berger & Kevin Sheppard; Others attending were Jason Ulbrich and Scott Kronholm (ERA's Construction Project Manager from JB Vang). A representative from Northland Mechanical was also present.

- 1) Jason discussed current progress on Phase II. Except for the outdoor area (soccer field & tennis court – which was given a low priority), Phase II is almost completed, including a 40,000 sq ft addition, fitness center, parking lot, library & scoreboards. The auditorium is waiting on 8 chairs, AV and specialized flooring. The walking track is finalizing corners today and specialized flooring needs to be laid. Two offices will be completed next week. An additional conference room, given low priority, has asbestos in flooring glue and will be worked on in the coming month.
- 2) During the initial disbursement of the bond for construction, Pay App #1, it was noted that no one from the ABC has access to disburse funds from the bonds. There are two people eligible and they are Jason Ulbrich and Christina Wordes (our outside Financial Manager from BKDA – Beltz, Kes, Darling & Associates). Dan had the form to add/change representatives. It was discussed that, since Phase II was nearing completion, was it worth changing. It was determined that we would ask as Kou Vang for his thoughts and interpretation.
- 3) Discussed Final Pay-out of SM for Phase I. The issue revolves around where the stairwell was cut by the gym. There were the plans and also some structural plans that places the hole in a different place. The hole was cut in a third place. It is our contention that SM cut it in the wrong place & we had to pay an additional \$13,000 to fix this error. SM does not agree with our stance. We have sent SM a sign-off for the \$13,000 deduct, but they have not signed the agreement. Several conversations & emails have taken place with SM & Kou Vang, our project representative.
 - a. ERA has used the Phase I facilities for over a year now. It should have been settled before this.
 - b. It was discussed that SM may be using the subcontractors leverage as a way to put pressure on the ABC for full payment.
 - c. The ABC discussed the current status of subcontractors not being paid – which cannot happen until an agreement is reached.
 - d. We gave Scott Kronholm the following directions for settlement:
 - i. We would prefer to pay the subcontractors directly
 - ii. Second option would be to send SM/subcontractors joint checks
 - iii. Third option would be to just pay SM and hope that the subcontractors get paid
 - iv. The thought was that \$13,000 on a project this large was a very small discrepancy
 - e. The thought was to ask our attorney, Craig Kepler, if, due to the contract being final for quite some time, can we do option #1.
- 4) Per the by-laws, the ABC is required to have an employee of ERA school on as a member of the board. When Ken Carr resigned, the ABC no longer had a board member. At that time, it was discussed whether ERA would hire an operations manager for the building, which would be the logical ABC board member. Since that time, it has been determined that an operations manager will not be hired. We discussed who would be the logical person for the board. A couple of

options were Jason Ulbrich or Karen Connor. After discussion, it was determined that Jason was the better fit, as he would have more knowledge of where ERA is headed, its needs, and ERA's board direction. It was voted and Jason was accepted as a voting member of the board. Dan Hogan will retain the President & Treasurer titles.

- 5) Discussion about the \$2.2M bond sinking fund (one year's lease payment). This is an escrow that is required by the bonds. It was determined that we can invest these funds in a twelve month laddered CDs or Treasury Bonds. Per discussion Jason had with MDE, the income from the bonds/CD's can be withdrawn for ongoing purposes. The escrow is required until the bonds are paid-out in 50 years. But, the thought is that, there is no reason not to do it. There are a few investment companies that offer these services. Jason is planning on having a lunch meeting with one advisor in the near future. He requested that additional board members be present for that meeting.