



Meeting: PACE Career Academy Executive Committee
Date: Monday, July 29, 2019
Time: Executive Committee - 5:00PM
Location: PACE Career Academy
716 Riverwood Drive
Pembroke, New Hampshire

Present:

Board Members: Clint Hanson; Gene Calvano; Kris Raymond

PACE Director: Jorge Santana

AGENDA

1. Call to order – Clint called the meeting to order at 4:55PM.
2. Organization – Minutes 7/15/2019 - Deferred
3. Immediate Business
 - a. Activity since last meeting
 - i. Discussion of proposed short term loan:
 1. Financial overview for the necessity of needing a loan: Gene reviewed 2 cash flow sheets he prepared for the loan discussion. One cash flow sheet was a 'before' look which doesn't show the loan items; one cash flow sheet was an 'after' look which shows the result of the loan items. Discussion on construction actuals costs amounting to more than double what was originally budgeted. Total actual construction cost is \$300K; original budget is \$180K. We added \$60K to the original budget for the buildout when we saw actual invoices for the work performed which revised the original construction budget to \$240K. Major driving factors for the increases are a result of rework of doing things twice because of inspections that result that change the plans. The firewall requirement that came about from the fire marshal inspection resulted in an additional \$75K in costs. The firewall requirement was because we had a school; the back half was not. The firewall being already in place will benefit us if we decided to lease that space so that the school will be separate from the tenant which will be in compliance with NH Dept of Education requirements.
 2. Discussion on the loan agreement. Gene said he's offering PACE the loan for 4%. Kris has concerns on conflict of interest. Clint validated that the only thing you have to do as a Board is to make sure the individual recuses themselves from the loan process and when the Board ratifies the loan acceptance. Gene also talked to the auditor on conflict of interest. The auditor said the 990 form that is filed with the IRS has to identify the Board Member on the form. Kris questioned the loan rate and how that agreement came up. Clint explained that it's subjective and decided upon with current rates and what the Board member is willing to accept for a rate percentage. Gene went to Eastern Bank to verify what the current rates are for loans that are for cash flow usage. Eastern Bank came back with about 5%. Loan Term: Discussion on 2 years versus 3 years. If PACE cash flow shows that early payoff is possible, it can be done with no penalty based on the loan agreement.

3. Motion by Clint – To approve the short-term loan detailed in the loan agreement. The motion was seconded by Kris Raymond. Clint and Kris voted in favor of the loan; Gene Abstained. Motion Approved.

b. Other

- i. Summer CSI (School Improvement Grant) hours - Discussion by Clint: PACE needs to budget what the associate is getting paid and the withholding for FICA. Grant funds are \$38K in total for the Summer CSI program. The issue on why we need to document the dollars is so that we have requisite documentation for both the grant and the auditor.
- ii. Tuition Spreadsheet - Discussion by Clint on how he created this. Jorge talked that the data sources on the spreadsheet are gotten from the NH Dept of Education website. The goal of the Tuition Spreadsheet is that it will be the documentation on how we invoice non-SAU 53 districts for their students that attend PACE. Discussion on what non-SAU 53 towns pay PACE; versus what SAU 53 towns pay PACE.
 1. **Motion by Kris to authorize PACE to issue invoices to non-SAU 53 districts for the 80% less adequacy amount with net amount owed. Seconded by Gene Calvano.** Discussion ensued on how to operationalize the invoice. Discussion on billing quarterly. It can be invoiced through Quick Books. **All in favor; motion approved.**
- iii. PACE Reapplication Process – Clint has a request in to Karen Guercia to see the renewal application that was sent in 2017. This will help determine the process with the formal request to the Pembroke School Board the change in number of students PACE can accept for the total student population.

4. Old Business – None at this meeting

5. Non-Public Session (NH RSA 91A, if necessary) – None at this meeting

6. Adjournment – **Motion to adjourn at 6:21pm made by Kris. The motion was seconded by Clint. All in favor. Motion approved.**

7. Informational Items – New Board Member to replace Tim Herbert: Amy Parkinson – Pembroke Academy Dean of Students

Future Meetings:

- a) Community Relations Committee Meeting – Monday, July 29, 2019
- b) Finance/Facilities Committee Meeting – Monday, August 5, 2019
- c) Executive Committee Meeting – Monday, August 12, 20189
- d) Next Full Board Meeting – Monday, August 19, 2019