

Meeting: PACE Career Academy Board of Trustees  
Date: Monday, April 15th 2019  
Time: Board Meeting - 6:00pm  
Location: PACE Career Academy  
Allenstown, NH 03275

### Meeting Minutes

#### 1. Call to Order: 6:01 pm

Present:

Gene Calvano

Kris Raymond

Tom Gilligan

Jorge Santana

Clint Hanson

Karen Guercia

Stephanie carberry

Absent:

Tim Herbert -6:05 Tim arrived

April Villani

#### 2. Nomination of new board members - Pembroke School Board Rep

#### 3. Minutes:

- a. Feb 18, 2019 (second reading) - Clint Moved, second by Anne, accept as written motion passes unanimously
- b. March 18 - Tabled
- c. April 5th - Clint first, second Tim, change to minutes noted and accepted unanimously with the following change; in the last paragraph where it states, 'Tom proposed a motion to agree to execute the purchase and sales' it will be replaced with 'Tom called for a vote on the motion'.

#### 4. Immediate Business:

2. Must take an oath to join the board and meant to be sworn in.

##### a. 2018-2019 Financial Update-

i. Review of accounts, reports, and cash flow

- Laurie released a cash flow on Friday and the form has been sent to the board members. Gene and Tom discussed options for making payroll this month. Gene then stated that the report did change slightly from what was sent on Friday. Gene stated that there are two options to make payroll this month. First is the Merrimack Savings line of credit. The second is a line of credit from our HEPHA loan that may be extended by 50K at 1% interest but must be paid down by the end of November. Gene stated that

we will be able to pay the line of credit by November because we will be at capacity from day one in September.

Tom then asked what is interest on Merrimack savings line of credit and Gene replied that it is variable right now and recommended that we move over \$25,000 to our HEPHA line of credit. Gene then stated that the Number one need right now is cash flow as we will need the cash flow to not be \$2,000 in the red by the end of the week and Gene Will ask HEPHA for an additional line of credit. We have \$30,000 left on the loan but can get \$50,000 for line of credit. Gene stated that the cash flow problem may be solved by the upcoming adequacy money and that \$116,000 could be coming in by the end of the school year and we have roughly 100,000 in major expenses. Possibly by the end of June we could pay down the line of credit if we use some now due to SAU and adequacy payments that will be paid by June 15th.

Tom then asked Jorge if we have received any big payments recently? Jorge stated that we received the Vista reimbursement for \$4,900 and stated that we can use that money for other purposes. Jorge just deposited it today and it can help cover payroll. Gene then to make a motion to move \$25,000 at 6.5% interest to the Merrimack Savings line of credit. Gene first Clint second. The motion passed unanimously. Gene then made a motion to get a line of credit set up for \$50,000 from HEPHA. Gene first Clint second. Kris then asked 'what will the funds be used for?'. Gene stated that they will be used for General expenses and do not have to be used for build out and can even be used to pay back our other line of credit. The motion passed unanimously.

Updates on the completion of the new building project were then given. Gene stated that RB Lewis asked for more money to complete a project. Gene went to get more information from the company and determined that the initial quote for \$41,000 was given last July for electrical was not high enough. The engineering drawing that was needed cost an additional \$10,600, there was \$6,000 needed for relocation of lighting fixtures and other minor expenses for a total of \$21,000 over initial estimate. Gene stated that we have asked for \$39,000 and we have already paid \$20,000 and we must take out a line for June invoice for new building. They came in and did the work but Gene must find out whether or not we are responsible or if the owner of the building is

responsible. We believe it is ours and Tom stated that this should be paid separately and stated that \$13,015 should be removed from the spreadsheet and be paid separately. Gene made a motion to pay the RB Lewis bill of \$38,606, which is the invoice for work completed up to April 11th, 2019 and the final bill for all work completed. Gene first Clint second.

It was then stated that \$62,000 is left in the building account for the build out but there is an \$21,000 that was not planned for as well as several other overages as well. It was stated that the firewall alone cost \$10,000, which has been completed for us by Jay from Professional Touch Remodeling Services LLC. It was also stated that we have paid \$30,000 on a quote of \$60,000 for completion of the bathrooms. Clint stated that we are \$6,000 short without the firewall but there is enough flexibility in the line of credit to pay this. The total amount remaining on the estimate is \$30,000 for bathrooms and there are \$20,000-\$15,000 in overages. As the total of \$60,000 left, we will need the extra HEPHA credit to meet the amounts. The motion passed unanimously.

##### 5. Review of revisions to draft 2019-20 Budget

Jorge and Gene stated that the purchase of the new building will change the budget. First, the banks interested will not consider the money that HEPHA puts in as our deposit but a deposit of \$250,000 with a higher interest rate can count as a deposit. Gene then discussed the term sheets that several different banks have offered us. First, Provident Bank offered the first \$500,000 at 6.3% interest through. Second, \$250,000 at 3.25% interest was offered at through HEPHA. And Third, Eastern Bank offered an interest rate of 5.19% for \$500,000. In the budget the highest interest rate was used. An option to finance with BFA is also being explored and Gene will look into all of the options and will have a decision as to whether or not there is any money in the low amount bond market through a qualified zone academy bond where the bank will lend the money and federal government would pay the bank the interest. This would be an Interest free loan, which ay or may not have some fees attached. Gene will find out by the end of this week. HEPHA is looking for other money from the DOE and may find be able to assist us further.

The Purchase and Sales agreement was not accepted at 100% and there is a counter offer stating that they would like a \$25,000 deposit. We countered back to them with \$10,000 but they still want \$25,000. We have already put down a \$7,000 security deposit on the rental so Gene has asked if they will count that as part of of deposit. No final decision has been made as of yet. The next year budget draft does not include closing fees or lawyers fees. Fees may vary and it is not final yet. Tom stated that purchase and sales must be reviewed by a lawyer. Tom recommends we use the same lawyer but Clint recommends a HEPHA lawyer. Jorge then asked 'will they do it Pro Bono?', Tom stated that it will not hurt to ask. This will be discussed when the board makes an agreement once we have the final purchase and sales. Gene stated that we now have 65 days to finalize everything and any deposit we put down is refundable contingent on obtaining financing. Finally, the property manager of the new building is on our side and has been very supportive of us.

Property taxes for the building are \$29,189 for the year, but we may not need to pay all of them and the year after we will not need to pay them due to our non-profit status. \$5,000 for the mortgage per month plus \$8,000 maintenance fees for building and that may go up. Utilities are estimated at \$16,000 per year. Some of the numbers may change. \$0 income for now in the budget but there are 4 or 5 ways we can generate potential income. Potentially, we could rent it to a local makerspace for \$4,000 a month, but they may need two or 3 months to generate the revenue. Jorge stated that Margery can rent the other side to tenants but we must find out about fingerprinting. Tom stated that we should ask for a final answer soon

Income from the CSI funds for a total \$38,000 will arrive after July 1st. Homeland security grant for \$20,000 to repay the HEPHA loan may also come in and we may get the money for the doors eventually. We had \$46,877 as the net income from 19/20 and the budget has been bumped up to show 50 students attending. Jorge asked 'How can we get 55 students for the school?' Tom replied that we must go to Pembroke board for approval and then go to the Department of Education with a revised charter proposal. There are 11 students on the waitlist. The following is a breakdown of students on the list per town: Allenstown: 3, Bow: 1, Concord: 1, Gilmingtton: 1, Belmont: 1, Pembroke: 2. SAU 53: 2 Students for next year. The tuition for students attending PACE

from PA/SAU has changed to \$12,823 from \$13,462 last year. This is \$500 less per pupil for 34 of the students totaling to \$17,000 less, which must be put into the budget, which is roughly change the surplus to \$29,163 for 19/20. Budget will be tabled until next meeting. Gene will send out a revised version to everyone with the aim to vote to approve the final budget. Everyone will ask questions and concerns before meeting.

#### 6. New Space Project Update-

- ii. Update on the P&S Agreement underwriting and all
- iii. Current status of open items, including permits, and remaining work
  - Permits are all in order. Jorge stated that he must write Dana a check for \$55 for the general building permit, but that's all that is left. Jorge must follow up with the site plan to the Merrimack county deeds. The new building is nearly finished and there are just a few odds and ends to finish up. Tom asked 'when will we have a certificate of occupancy?' Jorge stated that he will follow up to get a final answer. Motorcycles are almost all out of the building. We need parking/drive signs put out, prison workers will help us with this signage. Tom then stated that we need to have handicap spots painted and signed to be ADA compliant.
- iv. Outstanding invoices/Bills for remaining work
- v. Move in date for Pembroke space
  - April Vacation is the new deadline set by the board at our February Meeting.

#### 7. Board Business

- vi. School calendar for 2019-20
  - Jorge asked 'if we do half days can they still count as a full day?' Tim stated that it is based on instructional hours. A event will be added to the calendar for proposed participation in the SAU professional development opportunity on Tuesday 3/10/2020 and change last day of school to June 16th. Motion to make this change was made by Clint who was first and second Tim. All in favor and the motion passes unanimously.

#### 8. Director's Report

- vii. Finances
  - Enrollment
    - a. Send a spreadsheet of students to Tom. Spreadsheet is complete and Tom would like it emailed out to the board and would like it to be included in the directors report moving forward.
  - Fund raising
  - Budget (review of spending limit/ceiling)

- a. Jorge asked if we could explore the possibility of sharing an ELO coordinator with Pittsfield. Tom stated that we would need to see finer details in the form of a written proposal. Tim then stated that it would be better to work with the ELO coordinator at PA but would be happy explore a proposal from Pittsfield. Jorge then discussed a joint training opportunity with Kim Carter from MC2 charter school in Manchester through the use reallocation funds at no cost to PACE. Jorge also discussed the proposal for training from Shadida Solutions for \$6,000 taken from the CSI funds. Jorge stated that this is a rough timeline proposal and we could start the training July 1st instead of April 15th. Jorge then discussed the \$2,900 for the radios that has been reduced to \$1,800. All board member are required to sign the public school infrastructure fund that would go towards these radios. The annual re-validation from the board that they we will legally and judicially oversee all grants was also discussed also known as the General Assurances, which describes the requirements and definition for the participation in federal programs. Tom will sign form and Jorge will also sign and initial.

viii. Climate and Culture (if time allows)

- Maintain

- a. Jorge asked that everyone like our Facebook page and other social media platforms. Jorge would like board members to help with other projects that he is working on. Jorge also explained that he is constantly reaching out to other foundations for support/sponsorship.

- Community stakeholders who Jorge has been meeting with

- Enhance

- a. Review and approve the 'running start' course syllabus and eligibility requirements.

- i. Date to be provided, tabled

9. Staffing (Non Public Sessions may be needed)

- ii. Staffing recommendations for 2019-2020

- b. Students

- i. 6 students are not graduating and they have been informed and they have been spoken with individually. Tom would like to know the exact age of each of the seniors and would like to know how many credits they came to PACE with. Tom would also like to have a spreadsheet with age, credits needed to graduate, and town of each of the

seniors in danger of graduating. Everyone was in general agreement with the collection of this data. Clint will volunteer to help put together a long term plan for the collection of this data moving forward.

c. Families

i. Parents group

d. Workforce development

ix. Non Public sessions: As needed

- 91A32C at 8:57 first Clint, second Karen
- First Non Public Session- get time from motion in Public minutes from
- Stephanie :
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- Clint made a motion to enter into Non Public Session under 91a III 2c.
- Karen seconded the motion.
- Roll call vote, all were in favor.
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- Stephanie C was excused from and left the meeting at this time.
- At 9:14 pm we exited the Non Public Session.
- No actions were taken during the nonpublic session.
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- Clint made a motion to approve the Executive Director's list of contract
- renewals and non-renewals for next year, with the exception of the office
- manager, furthermore to finalize the individual salary increases as part of
- the budget at the May Board Meeting.
- Gene seconded the motion.
- Roll call vote, all were in favor.
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- At 9:15 pm Clint made a motion to enter into Non Public Session under 91a
- III 2c.
- Ann seconded the motion.
- Roll call vote, all were in favor.
- Chairman Gilligan recused himself from this session, and left the meeting
- room.
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- At 9:18pm Karen made a motion to approve the Executive Director's

- recommendation to renew the office manager, and furthermore to finalize the
- associated salary increase as part of the budget at the May Board Meeting.
- Tim made a second to the motion.
- Roll call vote of all who were present, all present were in favor.
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- At 9:19pm Tim made a motion to exit the nonpublic session , Tim H seconded
- the motion.
- Roll call vote, all who were present were in favor.
- Chairman Gilligan was called back into the meeting and joined at 9:20pm.
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- At 9:22 pm Clint made a motion to enter into Non Public Session under 91a
- III 2c.
- Ann seconded the motion.
- Roll call vote, all were in favor.
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- At 9:54pm Clint made a motion to exit the nonpublic session , Tim H
- seconded the motion.
- Roll call vote, all were in favor.
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- At 9:55pm Clint made a motion to extend a 1 year renewal to the Executive
- Director, with a 5% increase in salary. Tim H seconded the motion.
- All were in favor with one dissenting vote/nay (Robinson).
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- Karen asked the treasurer (Gene) to add a column to the proposed 19-20
- budget that shows the deltas for any line, if we were not to purchase the
- building.
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- Gene will provide the revised budget with changes from tonight's meeting to
- the Board asap.
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- At 9:57 the meeting was adjourned without any objection.

10. Old Business



a. Pace bus - use and purpose policy review and discussion

- i. The bus should be used to take students to internships and field trips and there should be a minimum of 4 students on the bus in order to justify its' use. This will help to limit liability and wear and tear on the bus. There is no written policy on the bus. Changes to the policy: Jorge needs to ask Tom and Tom may ask board for approval/disapproval. Jorge used the bus to go to Plymouth and Tom disagreed. Board members believe that the bus should be used for marketing purposes. Clint believes that as far as he is concerned if it's a legitimate school business purpose it is fine to use. Board agrees that it should be up to the ED.

- Informational items
- Adjournment
- **Next Meeting: Annual Meeting: May 20, 2019**