



Meeting: PACE Career Academy Board of Trustees
Date: Monday, June 28, 2021 (Continuation of 05/17/2021 Annual Meeting)
Time: 6:00PM
Location: Pembroke Academy Auditorium

AGENDA

Call to order by Clint - this meeting is a continuation of last meeting on May 17, 2021

1. Call to order - 6:00 PM

a. Roll call

<u>In Attendance</u>	<u>Absent</u>
Clint Hanson	Mary Woods
Kris Raymond	
Gene Calvano	
Mary Verville	
Karen Guercia	
Amy Parkinson	
Adrienne Evans	
Amy Manzelli - left at 7:10	

Alt - Gene Gauss (replaced Amy, recused at approx. 7:30 due to melee of Board members)

Newly appointed

Aidan Angus
Stephanie Sarabia

Lawyer

Biron Bedard

b. Documentation of a quorum (5)

Quorum present - with 8 in attendance prior to new appointments

2. Minutes: May 17, 2021 as distributed for full board review/action

Kris made a motion to accept the minutes, seconded by Gene C.

All Board members voted to accept the minutes - Minutes approved

3. Immediate Business:

a. Appointment of Board Members—2020-21

i. At-Large (Parent of a current PACE student)

Nomination of parent, only one person wishing to be appointed- Stephanie Sarabia

Motion by Kris and seconded by Gene C. - motion passed

Yes - Clint, Gene C, Karen G, Amy P, Amy M., Mary V., Adrienne

Abstain - Kris

Clint discussed that the DOE recommended that the Board add another parent. Kris mentioned that the by-laws only mentioned that there be one parent, but due to the DOE request the Board added a second parent.

ii. Current PACE student (Aidan Angus)

Jennifer Cipolla nominated Aidan Angus as the student representative.

Motion by Kris and seconded by Gene C. - motion passed

All members voted yes

One year term, non-voting, excluded in personnel matters.

b. Public Comments (3 minutes per person)

i. Staff - None

ii. Parent

Dawn Angus - asked what Aidan's role on Board is. Clint stated that he is able to participate in discussions and vote. Is excluded from personnel matters.

Kori Lodi - Her concerns are that there were no issues in April about financials. Her child has an IEP. School in her home town of Hooksett is responsible for paying for Para. Does not see an issue with funding for special education. Clint stated questions can be answered during the budget process by a Board member. Ms. Lodi asked about term limits and who votes on members. Clint recommended that she look at the by-laws. He also stated that the Board members vote in new members.

Kristen Halle - Her daughter started in April, but will not be returning to PACE. She feels that the school closure was inappropriately handled and not transparent. Disappointed in how it was handled and hope that the program can keep going.

iii. Student - None

iv. General public

Sarah Aiken - She has volunteered at PACE in the past. She requested to be on the Board.

Wants to know where the assets go if PACE is dissolved. The Board members and terms are not

on the web. She believes that there is a strong conflict of interest and these should be filed with the DOE. Where are these filed? She wants the school to continue. Also believes there is no transparency. Feels the needs of the children are not being looked at.

Amy Manzelli - has questions/comments. Clint said they can be addressed during budget discussion.

Karen Yeaton - She is a Pembroke selectman. She is addressing questions that she has been receiving from residents. Wants to share concerns that she has received - transparency of Board with the budget and decision to close. Financials don't line up with November 2020. She believes that the Board has been out of compliance for quite some time. She also feels there is a conflict of interest on the Board with SAU interest. She stated that she asked DOJ to put cease and desist on the Board. She feels there are inconsistencies on tuition in the budget. She wants to salvage the school.

c. Non-public session (NH RSA 91-A:3, II.)—Roll call vote

Biron Bedard discussed the right to know laws and the non-public session. There are certain topics that the Board can discuss outside of a public meeting. A motion needs to be made and make a roll call vote.

Kris Raymond made a motion and Karen Guercia seconded - all in attendance voted yes to hold a non-public session.

6:30 - start of non-public session

A motion was made by Amy Manzelli and seconded by Clint Hanson, to come out of the non-public session at 7:08 PM. Through a roll call vote, all were in favor. Motion approved.

A motion was made by Amy Manzelli, seconded by Karen Guercia, to seal the minutes indefinitely. Through a roll vote, all were in favor. Motion approved.

7:10 - public session resumed

d. Executive Committee Report

i. 2021-22 Budget—Review/Board member questions/Action—(Quorum of 6 board members to adopt or reject)

Overview by Gene Calvano

Summary document included in handout: A more important aspect that Gene has been watching is the cash flow. PACE is not the same as a public school. Cannot run in the red. PACE has been struggling over the past three years. The CARES Act and PPP helped sustain the budget. Estimated that PACE will end with cash of about \$57K in the bank at 6/30/21. \$50K of that is a LOC with HEFA. The \$50K is used to get the school through the summer.

PACE is also required to pay \$34K to the State of NH due to Title I funds drawn down when PACE doesn't have a Title I program. The DOE performed an audit and determined that these funds need to be paid back.

Gene stated that PACE has had issues with cash flow for several years. Gene loaned the school \$75K to aid with cash flow. Without these additional funds the school would have had negative funds.

Fundraising has been short the last few years with minimal funds raised. With minimum staffing, the budget is still expected to have negative cash flow for 7 of the 12 months. The decision to close is thought to be better to disclose now than to have students start the year only to close in September/October due to cash flow issues.

PACE has a loan from HEFA for the build out along with the mortgage. PACE got three funding sources to purchase the building. Total mortgage is \$1,000 more a month than when the building was leased. Purchasing the building gave the option to also rent a portion of the building. Due to COVID, the renter cancelled the lease.

\$(218,644) budget with minimum staffing model. It does not make sense to proceed with negative cash flow and negative net income. Appraisal came back on building and it does not give enough equity to borrow money. PACE received letters of default after looking at May financials. The banks do not feel that the school is financially stable. MMC Appraisal Services did the appraisal. Building \$1.1 million. Stephanie asked about the appraisal and why it isn't higher. Gene said that the appraisal is at market value. It cost \$3,600 for the appraisal.

Split sessions put lower burden on staff, but were not able to have adequate educational needs met.

If the building is sold, the school will be borderline with meeting debt pay off.

Biron Bedard stated that if the school district votes to dissolve the school, then a vote will be made to give any remaining funds back to SAU 53. There will continue to be operation expenses through July/August until the building can be sold.

Stephanie discussed the students with IEP and why money isn't coming in from the other districts. Karen G. stated that the only services that can be received is for what is written in the IEP. The home district can either pay the charter school for qualified services, send someone to the school, or send the student to their district. This doesn't make money, it is a wash. Karen G. stated that there are kids that have behavioral issues that do not have IEP's or have a 504 that are not covered. Stephanie believes that the IEP students are reimbursable. Karen G. stated that only direct services are able to be invoiced. Special education staff have been cut down in the 2021/2022 budget.

Adrienne asked about background credentials and why the school hired someone without a social worker license. Clint stated that the executive director had a license in MA, but never obtained a license in NH. Kris said that the school recently ramped up its services. Karen G. stated that until the 2020/2021 school year there were no special educators at PACE. Stephanie asked about billing and if invoices would be paid. Clint stated that the executive director would need to call the schools and try to recoup the money.

Discussion was done regarding IEP services and what is billable. Kris stated that these discussions have no bearing on the 2021/2022 budget.

Stephanie asked what background that the interim director has to create a staffing model. The Interim Director's background was discussed, including her Masters in Education received from Harvard. Clint stated that the smallest staffing budget was used to create the budget. Stephanie asked about salaries of staff. Gene C. stated that the office manager is currently doing the bookkeeping saving the school \$9,000. Health coverage was discussed. Gene stated that with all new staff during this past school year, it is a guess with what each person will choose for coverage. The 2020/2021 budget underestimated the cost of health coverage.

Stephanie asked about staffing and what is really needed. Adrienne stated that Concord contracts out for behaviorists. Stephanie stated that the sending districts would need to pay. She also asked about why a behaviorist is needed. Karen G. stated that an additional person is needed so teachers can continue to teach. It was also discussed that it costs quite a bit of money to contract out for services.

Adrienne discussed removing positions. Clint stated that a motion to amend specific budget items to be made along with a dollar amount. Adrienne stated that more discussion needs to be made. Clint stated that a budget needs to be passed by June 30th to stay in compliance with DOE requirements.

Clint stated that looking at minimum staffing is still showing a budget with a \$(218K) deficit. Stephanie brought up billing for special education services. Karen stated that they started an executive director search. There were only two individuals that were chosen to move forward. It was put on hold following the decision to close the school. She stated that at the reduced salary offered it will be tough to hire this core position. It would also be difficult with the financial and other issues at the school.

Stephanie - questions on budget

F&R gap in numbers between the 2020/2021 and 2021/2022 budgets. Gene C. stated that the school didn't get the applicants in for the F&R, which reduces this number.

Why can't the school go back to split days? Karen G. stated that staff would need to set up internships and without proper staff it is a struggle. Don't have the staff to oversee this program. Clint stated that on May 17, 2021 is when the new budget shortfalls became known. Adrienne asked why the budget shortfall was not known until May. Clint stated that the budget problems have been occurring over the past several years.

Kris made the motion to approve the budget. Gene C seconded the motion.

Discussion followed the motion. Clint stated that individual members need to be specific on what needs to be cut. Adrienne asked about special education funds.

Kris - Motion still on the floor without any amendments.

Biron stated that if the budget is not adopted by June 30th then out of compliance with DOE. Can't dissolve budget until Pembroke school district meeting in March of 2022.

Stephanie - discussed cutting the budget and continuing the school. Clint reiterated that the budget could be tabled but a budget needs to be passed by June 30.

Stephanie motioned to table and Adrienne seconded. - motion failed

No - Kris, Mary V., Karen, Clint, Gene C.

Yes - Stephanie, Adrienne, Amy P., Aidan

Kris stated that nothing has been discussed for specific budget changes. Stephanie discussed getting numbers for students and reducing staffing. Kris asked for line item cuts that Stephanie is recommending. Stephanie said that a discussion has to be made with all to go over budget.

Karen G. stated that the reduced staffing is bringing the school back to the model when it started. You can reduce the executive director salary to \$72K but it would be hard to find someone.

Stephanie motioned to reopen public comment. - motion failed

No - Clint, Gene C. Kris, Karen, Mary

Yes - Adrienne, Stephanie, Aidan

Amy P - Abstain

Move to close debate - motioned by Kris and seconded by Gene C.

Yes - Kris, Gene C., Karen, Mary V., Clint

No - Adrienne, Stephanie, Aidan

Abstain - Amy P.

Motion to vote budget as a negative - yes = approve budget with shortfall; no = not willing to sign on with budget shortfall - motion failed: no budget

Yes -

No - Kris, Gene, Amy, Clint, Karen, Mary, Aidan

Abstain - Adrienne, Stephanie

Clint - any other motions? none heard

**ii. Motion to ratify Executive Committee vote to recommend PACE closure—
(Quorum of 6 board members to ratify)**

Yes = vote to close PACE and move forward with discussions with DOE

Motion to ratify by Kris, seconded by Gene C.

Biron discussed pecuniary interest - if person or family derives benefit by closure. If an individual holds an obligation that would come due, such as a mortgage lender. Biron stated that employees of Pembroke School District or PA, do not appear to have a financial benefit of getting students back. No member of the Board benefits from closure of PACE. Closure is shutting down operations. Lenders want their money and the school won't make it until March 2022 to liquidate assets. The Pembroke School District has to vote for dissolution by $\frac{2}{3}$ vote in March.

Clint discussed Charter renewal which would cease and the charter surrendered.

Yes - Kris, Gene C., Mary V., Clint

No - Aidan, Stephanie

Abstain - Adrienne, Amy P., Karen

Motion failed

Clint - there are not sufficient funds to open in the fall. School is in limbo and nothing happens.

Kris - no dissolution of assets, no charter renewal. Go before DOE and let them know that there isn't a budget.

e. Selection of PACE Officers for 2021-22

i. Chair

ii. Vice-Chair

iii. Treasurer

iv. Secretary

Officers are typically selected at the last meeting of the school year. Clint stated can make a motion to continue officers into 2021/2022. Board would exist, but PACE staff would not.

Kris - options are motion to continue current Board into 2021/2022 or find new people.

Kris made a motion to move the Board forward as is into 2021/2022, Seconded by Stephanie.

Gene Calvano's term is up at 6/30/21 and does not want to remain Board Treasurer - Mary V. and Aidan - expired terms, no longer staff/student, respectively.

yes - Adrienne, Amy P., Clint, Aidan, Stephanie, Mary

no - Kris, Gene, Karen

Motion to move Gene and Stephanie's seats to 2021/2022 for July 1st.

Yes - Kris, Clint, Karen, Gene C., Aidan, Stephanie, Amy P., Adrienne, Mary

Deferred officer positions until next meeting.

4. Old Business: N/A

5. Informational Items: N/A

6. Adjournment—

Clint - Board will meet in next 10 days to vote on closure/budget. Quorum will remain 6 with reduced members.

Motion to adjourn - 9:16 by Kris and Seconded by Stephanie