

MEETING MINUTES

ASCEND CAREER ACADEMY (ACA)

SPECIAL MEETING DATE: May 14, 2019

5251 Coconut Creek Parkway Margate, FL 33063

Greg DuMont, as Chairman of the Governing Board, called the meeting to order at 12:30PM.

Roll call was taken with the following present: Board Chair Greg DuMont, Board Member, Cheryl Leonti (present) and Sayra Hughes (by phone); Principal of ACA Vincent Alessi, Asst. Principal Rhodes and confidential secretary of ACA Denise Garcia.

No members of the public attended the meeting.

I. AGENDA ITEM TITLE: Ratification of December 13th 2018 Meeting Minutes

REQUESTED ACTION: Ratify items and actions taken from the last board meeting

SUMMARY EXPLANATION AND BACKGROUND: Review, Approval and Comments

DISCUSSION: Final Minutes of the aforementioned Board Meeting were circulated. With all Board Members having previously reviewed them and there being no comments during the review process, Bd Chair DuMont motioned for their formal approval, Ms. Leonti seconded and the motion was carried unanimously

EXHIBIT I: Meeting Minutes from Decmber 13th 2018 Board Meeting

FINANCIAL IMPACT: None

Board Action Taken in Open Meeting On: May 14, 2019

Approved ___X_

Disapproved _____

Tabled _____

II. AGENDA ITEM TITLE: Update on Budget, Including School Enrollments & Operating Expenses

REQUESTED ACTION: Review current operating budget in the highlighted areas of enrollment, revenue, operating expenses, security and loans.

Approve Loan Note Amendments.

SUMMARY EXPLANATION AND BACKGROUND:

Information Provided by Mr. Alessi and Ms. Garcia

Revenue:

FTE/Enrollment – Currently funded for 235 average FTEs for the FY 2018/19 school year, with 267 currently enrolled; Budget for Semester 2 was 250 students which was met with several more student enrolling after the funding measurement deadlines.

FEFP Funding for the year is estimated at \$1.505M. In addition ACA is receiving approximately \$100K in state Capital Outlay Funding and a further \$40K from sub-lease income from weekend use of the school common area and cafeteria by a church. Finally the school is projected to have received nearly \$100K for qualified Free and Reduced Lunch subsidies.

Total Revenue = \$1.745M

This is a negative variance to the original budget assumption by approximately \$120,000 in total revenue but better than the December forecast by approximately \$70,000.

Operating Expenses:

- Salaries/Wages, and Faculty as planned and sufficient for servicing the student populations. No material variances to budget for forecast.
- Devices – Initial purchase of 100 student chromebooks plus small expenditures for break/fix/repairs re: screens/keyboards have been sufficient to support Semester 1 & 2 with modest new device purchases of a further 40 devices.
- Content/curriculum – all per July 19 Meeting discussion. Both Apex & GW have worked well and without interruption.
- Internet/Connectivity – Stable and operating well for the entire year re: accessibility for students/faculty. Upgrades in FY 17/18 have facilitated stability
- Operating Expenses – All tracking at or below budget/forecast levels. No material differences. Adhering to all procurement policy re: approvals and expenditures, and the budget.
- CAM – Landlord had requested payment of proportionate subsidy of CAM, however we have been able defer such contribution until FY 19/20 budgetary assessment is performed. Plan will be to contribute as requested in the next fiscal year and will be

reviewed and approved with the next budget cycle. No payments have been made or are planned for the remainder of FY 18/19 school year.

All operating expenses are being serviced and a slight surplus being created.

Security – The school continues to rely upon its security officer in tandem with Police Detail provided, daily, by the City of Margate. Such has been working reliably with strict compliance of entry via the main school entrance through metal detectors and after standard school admittance times, via the administrative entrance with bag checks and security wand scanning, with Margate Police Detail present. These measures along with the security monitoring system enabled seems to be sufficient. Low incident rates have occurring in terms of fights on the basis of monitoring by the staff. Mr Alessi is monitoring funding for FY 19/20 school year.

As per discussions at the last Bd Meeting:

The new FL law requires one or more safe-school officers at each school facility, including every district public school and charter school. It indicates that safe-school officer requirement can be satisfied by appointing any combination of a school resource officer, a school safety officer, or a school guardian. School districts are to cooperate with law enforcement agencies to assign safe-school officers at each school facility. But how or if school districts must include charter schools was not specified in the law. We remain vigilant by utilizing Margate Police Detail and Margate is doing all that it can to provide an officer daily. Exceptions and challenges with accommodating will be monitored.

Loans – Under the direction of Board Chair DuMont, having been previously given authority to negotiate amendments, as needed and in the best interest of ACA, with both Alliance and Generation Z. The following is a summary of the Second Amendments to each loan, per the attached Exhibit II are as follows:

- Both Loans will forgive and forego interest until 7/31/2019.
- Prospectively the Alliance Loan will receive 1% cash interest annually in August, estimated at \$8,000 per year; Alliance will provide for a best efforts approach to principal repayment based upon student and revenue growth.
- Prospectively the Gen Z Note will receive cash pay interest at 4% annually, or approximately \$2,000 per year and will remain subordinated in terms of principal payments to the Alliance Note.
- Have agreed in principal to begin principal payments provided the end of year operating surplus and cash reserves are greater than \$85,000 and the amount of principal payment shall be agreed between Denovo and Alliance annually, at the end of the school year.

DISCUSSION: Mr Alessi and Ms. Garcia walked through the revenue and operating expense run-rates and assumptions. Board Chair DuMont asked several questions re: FEFP funding and overall operating costs in comparison to the Forecast. Principal Alessi believes, with the cash

surplus maintained at the beginning of the SY 2018/19 year, maintaining budgetary discipline has allowed for ACA to remain in a strong cash position all year. Ms. Garcia and Mr. Alessi have indicated that sufficient cash remains in the school for operations and net cash inflows have been positive in the second semester. They are projected continue that way.

Ms. Garcia indicated that Broward County was also monitoring the operating surplus/deficit trends for the school, consistent with prior years. She noted that financial have been submitted monthly albeit they have been in many instances a few days past requisite deadlines. The team will following up with our accountants to tighten the reporting protocols to ensure strict compliance.

Mr. DuMont indicated that compliance is a must, particularly in a year where ACA intends to renew it charter.

Ms. Leonti, and Ms hughes, having been previously informed of the planned changes to the Loan Notes, motioned to approve and accept the Amendments, such being seconded by Ms. Hughes and approved unanimously.

FINANCIAL IMPACT: Per SY 2018/19 Approved Operating Budget; Estimated Variance of approx. \$120,000, negative, \$70,000 better than the December Forecast.

EXHIBITS –

EXHIBIT II: Second Amendment to the Alliance and Gen Z Education Loan/Note Documents Effective 10-1-2018

EXHIBIT III - SY 2018/19 Approved Operating Budget

Board Action Taken in Open Meeting On: May 14, 2019

Approved **X**

Disapproved

Tabled

III. AGENDA ITEM TITLE: Capacity Planning for FY 19/20 and Charter Renewal Procedures

REQUESTED ACTION: None

SUMMARY EXPLANATION AND BACKGROUND:

Mr Alessi presented the following statistics/data:

- A. Current enrollment – 267.
- B. Likely graduates – Approximately 60.
- C. Likely attrition due to transfers/moves – Approximately 25.
- D. So the returning student body is estimated at approximately 180 students.

In prior years, average net gains in the summer have been between 50-75 students. To that end, planned Semester 1 enrollment is likely 250 students, with Semester 2 likely to be 275 students. Preliminary budgets shall be draw on this basis. Sufficient instructional space exists for these student counts. Mr. Alessi and Mr Rhodes will be looking into classroom partition and associated furniture to support any small group instructional requirements that may arise based upon student enrollments and IEP accommodations.

ACA has provided the district a letter outlining its intent to renew a further 5-years on its charter. Such process will not get underway until the fall.

Further the ACA certification process with AdvanceEd is continuing and they are planning a visit to complete the process by October 2019.

DISCUSSION:

Mr DuMont outlined the following:

- A. Ensure formal capacity planning with faculty and class requirements.
- B. Ensure we take inventory of furniture needs and any repairs. Ensure sufficient FF&E exists.
- C. Mr. Rhodes is approved, subject to Board approval (which was seconded by Ms Hughes and unanimously carried with the affirmative vote of Ms. Leonti to inventory laptops and acquire such amounts as are necessary to service up to 275 students, providing sufficient back-ups for the start of school). Mr. Alessi and Ms. Garcia to ensure sufficient cash balance is available.
- D. Begin preliminary planning for any painting and general maintenance and submission of requisite budgetary needs.
- E. Begin preliminary budget planning on the basis of 250 enrolled students for Semester 1 and 275 for Semester 2.
- F. Maintain course and ensure completion of AdvancEd Certification steps and we should make appropriate budgetary considerations for the same.

Ms Hughes added:

- G. A need to review existing charter and plans to enhance the same in the context of renewals. She will get in contact with necessary resources to plan and refresh, including taking a look at existing career curriculum offerings and an ability to expand exposure to the same.
- H. Similarly to take a hard look at staffing to ensure compliance on testing and all students with needs accommodations to ensure our faculty is well informed and versed to hit the ground running with our fall student populations

FINANCIAL IMPACT: None

EXHIBIT: None

Board Action Taken in Open Meeting: None

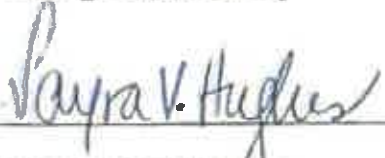
Additional Items for discussion for which no Board action was required:

- None.

There being no other business, the meeting was adjourned at 11:45AM.

Signed By 
(Governing Board Chair)


(Governing Board Member)


(Governing Board Member)