

## **MEETING MINUTES**

**Name of Foundation:** Education Foundation Charter Board of Trustees  
**Board Meeting:** November 29<sup>th</sup>, 2022 CBOT Workshop

*The minutes of Sunshine Law meetings need not be verbatim transcripts of the meeting. These minutes are a brief summary of the events of the meeting.*

<b>Date:</b>	<b>Start</b>	<b>End</b>	<b>Next Meeting:</b>	<b>Next time:</b>	<b>Prepared by:</b>
November 29, 2022	8:06 pm	9:30 pm	December 16 <sup>th</sup> , 2022	8:00 am	G. Wise
<b>Meeting Location:</b>					
<b>Location:</b> 2310 New Beginnings Road Kissimmee, FL as well as via Zoom as publicized on the Public Notice.					
<b>Attended by:</b>					
<b>Charter Board Members (in person):</b> Mark Grey, Trustee Celia Thacker Dorn, Trustee Mike Steigerwald, Chair Catherine White, Trustee <b>Absent:</b> Dave Sklarek, Trustee		<b>Other Attendees:</b> Kerry Avery, Executive Director, Education Foundation (in person) Maria Suriel, Finance Director, Education Foundation (in person) Kathy Ejinoui, Education Foundation (virtually) Samantha Giel, Education Foundation (in person) Gracie Wise, Education Foundation (in person) Fred Hawkins, President, Education Foundation (virtually) Matthew McMurtrey, Lowndes Law (virtually) Krista Rutes, Lowndes Law (virtually) Jeffery Hernandez, NAEP (in person) Alex Trujillo, NAEP (in person) Tayna Snellings, SDOC (virtually) Artur Glants, NAEP (virtually) Ivonne Sardinas, PM Wells, Principal (virtually) Jazmin Burgos, NAEP (virtually)			

### **I. WELCOME**

#### **Call to Order**

- Pursuant to public notice, the meeting commenced at 8:06 pm with a Call to Order by Chairman Mike Steigerwald. Roll call was taken, and quorum established.

### **II. BOARD UPDATES – CHAIR MIKE STEIGERWALD AND KERRY AVERY, EDUCATION FOUNDATION**

- **PM Wells Charter Academy 6/30/22 Audit** – Ms. Avery shared although the Trustees are working with legal to sort through disputed invoices that the Education Foundation received from Charter Schools USA, the audit was completed and filed. Ms. Avery noted that legal provided a disclosure statement in the audit highlighting the prior management expenses and disputed charges. Additionally, she shared that at this time details of the case are not being released due to the legal discussion but documents will be provided in the near future once the legal action has been taken.

- **Contract Checklist** – Ms. Avery presented the contract deliverables checklist that was provided to NAEP related to PM Wells. The checklist contains items that are required by contract from NAEP that have not been provided. Mr. Hernandez said that he received the checklist and has the items that are requested. Mr. Hernandez said he has a google spreadsheet prepared and will send the completed checklist to the Trustees after the meeting.
- **Return of \$320,000 to Reserve** – Ms. Avery stated we should discuss this after Mr. Hernandez has covered his discussion topics.

### III. PM WELLS CHARTER ACADEMY/NAEP DISCUSSION

- **Monthly Bond Payment Deduction** – Mr. Hernandez inquired if the monthly bond deduction could be split into two equal payments instead of one lump sum.
- **NAEP Management Fee** – Mr. Hernandez stated that the school owes NAEP \$290,000 in management fees that he has not taken out of the accounts because the school cannot afford to pay that bill.
- **Reserve Request** – Mr. Hernandez asked for the Trustees to consider the following:
  - **ADT Alarm System Reimbursement of Overage**
  - **Contract with Varsity Tutors**
  - **INGTEC USA LLC Playground Equipment**

Note: There was general discussion but as this is a workshop, the review and approval will be at the next normally scheduled charter meeting.

- **Reserve** – Mr. Hernandez said that with their current financial status, NAEP is requesting that there is a hold on the 5% deduction until the end of the year then whatever is left will be put into the reserves. The Trustees do not agree with this statement and feel that this is a cash management problem. Representative Hawkins shared he feels it is also related to the fact NAEP over budgeted with 700 students in their original budget and had a slow decline in enrollment since the beginning of the year. Mr. Hernandez said they have lost many students due to the hurricane and that the school can function at the lowest with 600 students. The Trustees feel that it is a cash management problem as NAEP is over extending finances on grants. Mr. Grey said that NAEP knew they had an obligation of 5% when they built the budget and this issue is not a cash flow problem. Mr. Grey asked what 5% of the base application is for 617 students. Mr. Trujillo said that for 620 students the base funding is \$2,980,227, thus total \$3,414,627, thus roughly \$170,000 FEFP. Mr. Grey said that he is proposing a suggestion that the contribution to the capital reserves be adjusted to remove the categorical funds. Ms. Thacker-Dorn explained that part of the lack of trust is that they came in with a budget for 700 students and they only have 617 students currently. The Trustees are considering evaluating the 5% of base application, making it retro for this year and splitting the difference over the remaining payments. The Trustees asked for NAEP to prepare the breakdown for review. The Trustees inquired with staff about evaluating if this change would require a contract amendment. Additionally, Mr. Hernandez said that he will bring it to the board in the next meeting to increase the grade level of PM Wells to 12<sup>th</sup> grade. Mr. Hernandez said that it would be a grade amendment to the charter. The Trustees feel that NAEP will need to figure out how to solve the cash management problems before the Trustees would even consider a proposal to change the charter and add on grades.
- **Return of the \$320,000 Reserve** – Mr. Hernandez asked for the Trustees to consider that there is zero cashflow coming into the school and NAEP has applied for over \$1,000,000 in reimbursable grants. Mr. Hernandez said that the \$320,000 will never be able to come back in the cashflow. The Trustees do not agree that the loan will never be paid back. Again, the Trustees feel that this is a NAEP cash management problem. However, the Trustees discussed potentially allowing the funds to be held by NAEP until grant reimbursements are funded.

**IV. PUBLIC COMMENT**

**V. ADJOURNMENT**

- The meeting was adjourned at 9:30 pm.



Mike Steigerwald, Chair

Date: 12/16/22