

**From:** Jesus Moncada <jmoncada@christineduncan.org>

**Sent:** Sunday, May 17, 2020 3:42 PM

**To:** drnachoq@yahoo.com <drnachoq@yahoo.com>; Ben Maes <BMaes@christineduncan.org>; Elijah Esquivel <eesquivel@pulakos.com>; Rick Reichard <rreichard@christineduncan.org>; Francisco J Ronquillo Domínguez <franciscoj.ronquillo@gmail.com>

**Cc:** Angie Lerner <angie@k12accounting.com>; Dan Hill <dan.hill@inaccord.pro>; Marisol Delgado <mdelgado@christineduncan.org>

**Subject:** Lease Agreement Topic for Discussion/Approval at the next GC meeting

Dear Governing Council:

I hope this email finds you and your families doing well. I wish to thank the facilities committee for joining me at the Facility Committee meeting with Mr. Saylor on May 5, 2020. After the discussion with the committee on the lease agreement, I was directed to send out an email with the different points discussed at the meeting. I know this is long over due and I apologize. Please find below the points discussed at the meeting and for further discussion at the next GC meeting. We'll need to discuss and make a decision for fiscal year 2020-2021.

- **Point 1:** Given the current circumstances of COVID-19 Pandemic and potential budget cuts, it was discussed to perhaps decrease the proposed lease agreement amount from \$39,500 to \$35,500 (a decrease of \$4,000 a month and an annual budget savings of \$48,000). Place the lease purchase agreement (LPA) on hold for next school year. During Budget meetings, it was also discussed that if this was the case to also terminate our annual contract with InAccord (\$30,000 savings) and do hourly rate per services needed instead. This would save the school a total of \$78,000 for 2020-2021. Mr. Saylor is willing to decrease the monthly lease payment to \$35,500 a month from the initial proposed (back in February) amount of \$39,500.
- **Point 2:** We budgeted the monthly lease agreement payment of \$39,500 a month and the attorney's fees of \$30,000 in our 2020-2021 school budget with the idea of negotiating the LPA next school year. It would take a new appraisal in July (conducted by Saylor Family Trust) and about six months for the LPA to be processed by NMPED, PSFA and DFA, and negotiations on an agreed sales price of the property. Mr. Saylor agreed to conduct a new appraisal on July if we go this route, and decrease our monthly lease payment by \$4,000 a month if it's taking longer than 6 months for the LPA to get processed or if our budget is suffering due to COVID-19 pandemic and the economy status of our state. I applied for the Lease Assistance Reimbursement grant and we may qualify for \$298,181. This means we would still have to use \$175,819 from our SEG. This year we received \$291,256 on lease assistance reimbursement grant and used \$116,744 from our operational funds (SEG). Based on a \$4,000 increase per month the total difference we would pay from SEG is \$59,075 due to a small increase

on student enrollment from 2018-2019 to 2019-2020. I believe this is a better way to look at the scenario for this point. We would spend \$59,075 on SEG funds if we were to go this route.

- **Point 3:** Create another survey for families regarding the purchase of another facility other than our current facility with different possible locations and continue working with Mark Edwards, realtor, to find another location for the school. This would mean a new location for the school after next school year.

My recommendation would be point number two, since we have been working on this endeavor for many years and feel we are well established in this location and in this community, I believe we can meet Mr. Saylor somewhere in between the appraisal and the sales price, but I respect the decision and guidance of the Governing Council and would follow any direction given by you.

I hope I captured the main points of our facility committee meeting. Facility Committee Members, please feel free to add to any of these points as you feel is needed. I appreciate your time and commitment to CDHA.

Sincerely,

Mr. Jesús A. Moncada  
Principal  
Christine Duncan's Heritage Academy